City of Denton

Meeting Agenda

City Council

City Hall
215 E. McKinney St.
Denton, Texas 76201
www.cityofdenton.com

Tuesday, June 2, 2026 | **2:00 PM** | **Council Work Session Room & Council Chambers**

WORK SESSION BEGINS AT 2:00 P.M. IN THE COUNCIL WORK SESSION ROOM

CLOSED MEETING BEGINS IMMEDIATELY FOLLOWING THE WORK SESSION IN THE COUNCIL WORK SESSION ROOM

REGULAR MEETING BEGINS AT 6:30 P.M. IN THE COUNCIL CHAMBERS

REGISTRATION GUIDELINES FOR ADDRESSING THE CITY COUNCIL

Individuals may speak during a Council meeting under one of the following categories:

Open Microphone:

At regular meetings only, individuals can speak on any topic that is not on the agenda for no longer than four (4) minutes per individual. This portion of the meeting occurs immediately after the start of the regular meeting session. Please note, Council members cannot engage in a discussion on topics presented during this portion and there are limited slots available for this portion of the meeting.

Comments on Agenda Items:

Public comments can be given for any item considered by the Council, EXCEPT work session reports or closed meetings. Individuals are only able to comment one time per agenda item and cannot use more than one method to comment on a single agenda item. Public comments are limited to three (3) minutes per citizen.

Public Hearing Items:

Individuals are limited to four (4) minutes per public hearing item.

Individuals may participate by using one of the following methods:

1. **In Person for Regular or Consent Agenda Items:**

   To provide in-person comments on consent agenda items, individuals must be present at the Work Session portion of the meeting. To provide in-person comments on individual consideration items, individuals must be present at the Regular or Special Session portion of the meeting. In both instances, individuals must also submit a speaker card (available at the meeting location) to the City Secretary prior to the item being called.

2. **In Person for Public Hearing Items:**

For public hearing items, speaker cards are encouraged but not required.

3. eComment:

The agenda is posted online at www.cityofdenton.com/publicmeetings. Once the agenda is posted, a link to make virtual comments using the eComment module will be made available next to the meeting listing on the Upcoming Events Calendar. Using eComment, Individuals may indicate support or opposition and submit a brief comment about a specific agenda item. eComments may be submitted up until the start of the meeting at which time the ability to make an eComment will be closed. eComments will be sent directly to members of the City Council immediately upon submission and recorded by the City Secretary into the Minutes of the Meeting.

After determining that a quorum is present, the City Council of the City of Denton, Texas will convene in a Work Session on Tuesday, June 2, 2026, at 2:00 p.m. in the Council Work Session Room at City Hall, 215 E. McKinney Street, Denton, Texas at which the following items will be considered:

WORK SESSION

1. Citizen Comments on Consent Agenda Items

This section of the agenda allows citizens to speak on any item listed on the Consent Agenda prior to its consideration. Each speaker will be given a total of three (3) minutes to address any item(s). Any person who wishes to address the City Council regarding these items may do so by submitting a completed speaker card (available at the meeting location) to the City Secretary at the commencement of the Work Session meeting. Registration is required prior to the time the City Council considers this item.

2. Requests for clarification of agenda items listed on this agenda for public hearing and individual consideration.

This section allows members of the City Council to ask questions on items listed on this agenda for public hearing and individual consideration. Responses to questions on items listed under the consent agenda that are received prior to the meeting are available by clicking on Exhibit 1 below. The responses will be available prior to the start of the meeting, when applicable. Any handouts distributed at the meeting will also be uploaded to the below link by 12:00 p.m. on the business day following the meeting. Members of the Council may remove items from the consent agenda. When items are removed from the consent agenda and placed on the regular agenda by members of the council, the removed items shall be taken up in the order of removal right after the consent agenda.

A. ID 26-0066 Meeting Questions, Responses & Handouts

Attachments: Exhibit 1 - Agenda Information Sheet

3. Work Session Reports

A. ID 26-0825 Receive a report, hold a discussion, and give staff direction regarding the Regional Transportation Council's role as the policy-making body of the Metropolitan Planning Organization and relationship with the North Central Texas Council of Governments.
[Estimated Presentation/Discussion Time: 1 hour]

Attachments: Exhibit 1 - Agenda Information Sheet

B. ID 26-0777 Receive a report, hold a discussion, and give staff direction regarding homelessness initiatives.

[Estimated Presentation/Discussion Time: 1 hour]

Attachments: Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Presentation
Exhibit 3 – 513.01 Encampment Response Directive
Exhibit 4 – Property Owner Guide
Exhibit 5 – Shelter Stay Policy

C. ID 26-0624 Receive a report, hold a discussion, and give staff direction on pending City Council requests for:

1) AI Data Facility Application Process
2) Denton Firemen's Relief and Retirement Fund

[Estimated Presentation/Discussion Time: 30 minutes]

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance 24-1725
Exhibit 3 - Presentation

Following the completion of the Work Session, the City Council will convene in a Closed Meeting in the Council Work Session Room to consider specific item(s) when these items are listed below under the Closed Meeting section of this agenda. The City Council reserves the right to adjourn into a Closed Meeting on any item on its Open Meeting agenda consistent with Chapter 551 of the Texas Government Code, as amended, or as otherwise allowed by law.

1. Closed Meeting:

A. ID 26-0839 Consultation with Attorneys - Under Texas Government Code Section 551.071.

Consult with the City's attorneys on the legal status, strategy and options for resolution of litigation in Cause No. 22-8751-431 styled Jesus Manuel Rodriguez-Rivera v. City of Denton pending in the 431st Judicial District Court, Denton County, Texas; where public discussion of these legal matters would conflict with the duty of the City's attorneys to the City of Denton and the Denton City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas, or otherwise compromise the City's legal position in pending litigation.

This agenda item is related to Consent Agenda item ID 26-0840 and will be a placeholder if Council members have questions requiring confidential discussion as allowed by law.

B. ID 26-0879 Consultation with Attorneys - Under Texas Government Code Section 551.071.

Consult with the City's attorneys on the legal status, strategy and options for resolution of litigation in Cause No. 25-8435-431 styled "Breanna Leann Nix, Individually and as Next

Friend to E.N., a Minor v. City of Denton" pending in the 431st District Court, Denton County, Texas; where public discussion of these legal matters would conflict with the duty of the City's attorneys to the City of Denton and the Denton City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas, or otherwise compromise the City's legal position in pending litigation.

This agenda item is related to Consent Agenda item ID 26-0880 and will be a placeholder if Council members have questions requiring confidential discussion as allowed by law.

C. ID 26-0881 Consultation with Attorneys - Under Texas Government Code Section 551.071.

Consult with the City's attorneys on the legal status, strategy and options for resolution of litigation in Cause No. 26-4524-367 styled "State Farm Mutual Automobile Insurance Company as Subrogee of Flow Electric, LLC v. City of Denton" pending in the 367th Judicial District Court, Denton County, Texas; where public discussion of these legal matters would conflict with the duty of the City's attorneys to the City of Denton and the Denton City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas, or otherwise compromise the City's legal position in pending litigation.

This agenda item is related to Consent Agenda item ID 26-0882 and will be a placeholder if Council members have questions requiring confidential discussion as allowed by law.

Any final action, decision, or vote on a matter deliberated in a Closed Meeting will only be taken in an Open Meeting that is held in compliance with Texas Government Code, Chapter 551, except to the extent such final decision, or vote is taken in the Closed Meeting in accordance with the provisions of Section 551.086 of the Texas Government Code (the 'Public Power Exception'). The City Council reserves the right to adjourn into a Closed Meeting or Executive Session as authorized by Texas Government Code, Section 551.001, et seq. (The Texas Open Meetings Act) on any item on its open meeting agenda or to reconvene in a continuation of the Closed Meeting on the Closed Meeting items noted above, in accordance with the Texas Open Meetings Act, including, without limitation Sections 551.071-551.086 of the Texas Open Meetings Act.

NOTE: Any item for which a formal action at the Regular Meeting has been taken by Council may be subject to a request for a motion for reconsideration at any time during the meeting, at the Concluding Items Section, or after the meeting. In order to comply with the Texas Open Meetings Act, a request for a motion for reconsideration made during, at the end of, or after a Council meeting will be placed on the agenda and considered at the next official meeting of the City Council.

Following the Closed Meeting, the City Council will reconvene in Open Meeting to take action, if any, on matters discussed in closed session.

AFTER DETERMINING THAT A QUORUM IS PRESENT, THE REGULAR MEETING OF THE CITY OF DENTON CITY COUNCIL WILL CONVENE AT 6:30 P.M. IN THE COUNCIL CHAMBERS AT CITY HALL, 215 E. MCKINNEY STREET, DENTON, TEXAS AT WHICH THE FOLLOWING ITEMS WILL BE CONSIDERED:

1. PLEDGE OF ALLEGIANCE

A. U.S. Flag
B. Texas Flag

"Honor the Texas Flag – I pledge allegiance to thee, Texas, one state under God, one and indivisible."

2. PRESENTATIONS FROM MEMBERS OF THE PUBLIC

A. Review of procedures for addressing the City Council.

B. Reports from members of the public shall be received through the following two (2) methods. A total of up to seven (7) speakers are permitted to provide public comment and may include any combination of prior registration and open microphone speakers.

1) Pre-registration. This section of the agenda permits any person who has registered in advance to make a citizen report regarding a public business item he or she wishes to be considered by the City Council. Each speaker is allowed a maximum of four (4) minutes to present their report. At the conclusion of each report, the City Council may pose questions to the speaker or may engage in discussion. If the City Council believes that a speaker's report requires a more detailed review, the City Council will give the City Manager or City Staff direction to place the item on a future work session or regular meeting agenda and advise staff as to the background materials to be desired at such meeting.

A. ID 26-0872 Prudence Sanchez regarding SED district overlay and mowing lane.

B. ID 26-0873 Alfredo Sanchez regarding SED district overlay and mowing lane.

2) Open Microphone. This section of the agenda permits any person who has not registered in advance for a citizen report to make comments about public business items not listed on the agenda. Such person(s) shall have registered using the "Virtual White Card" or "By Phone" process outlined by the City on its website or meeting notice.

During open microphone reports under this section of the agenda, the Council may listen to citizens speak. However, because notice of the subject of the open microphone report has not been provided to the public in advance, the Texas Open Meetings Act limits any deliberation or decision by the Council to: a proposal to place the item on a future agenda; a statement of factual information; or a recitation of existing policy. Council Members may not ask the open microphone speakers questions or discuss the items presented during open microphone reports.

NOTE: If audio/visual aids during presentations to Council are needed, they must be submitted to the City Secretary 24 hours prior to the meeting.

3. CONSENT AGENDA

Each of these items is recommended by Staff or a board, commission, and committee. Approval thereof will be strictly on the basis of those recommendations. Approval of the Consent Agenda authorizes the City Manager or his designee to implement each item in accordance with the Staff recommendations. The City Council has received background information and has had an opportunity to raise questions regarding these items prior to consideration.

For those items recommended by a specific board, commission, or committee, the agenda item will reference that recommendation. To view the video of the related board, commission, or committee meeting, as applicable, a link can be found within the applicable supporting documentation (Exhibit 1).

Listed below are bids, purchase orders, contracts, and other items to be approved under the Consent Agenda (Agenda Items A – O). This listing is provided on the Consent Agenda to allow Council Members to discuss or withdraw an item prior to approval of the Consent Agenda. If no items are pulled, the Consent Agenda Items will be approved with one motion. If items are pulled for separate discussion, they may be considered as the first items following approval of the Consent Agenda.

A. ID 26-0039 Consider approval of the minutes of the April 21 and May 5, 2026 Regular Meetings, and the May 12, 2026 Special Called Canvassing Meeting.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - April 21, 2026 Regular Meeting Minutes
Exhibit 3 - May 5, 2026 Regular Meeting Minutes
Exhibit 4 - May 12, 2026 Special Called Canvassing Meeting Minutes

B. ID 26-0866 Consider a nomination/appointment to the City of Denton Community Services Advisory Committee.

Attachments: Exhibit 1 - Agenda Information Sheet

C. ID 26-0867 Consider a nomination/appointment to the City of Denton Parks, Recreation & Beautification Board.

Attachments: Exhibit 1 - Agenda Information Sheet

D. ID 26-0877 Consider a nomination/appointment to the City of Denton Committee on Persons with Disabilities.

Attachments: Exhibit 1 - Agenda Information Sheet

E. ID 26-0782 Consider adoption of an ordinance providing for acceptance of eligible 212.172 non-annexation agreement(s) for properties that do not have an agricultural, wildlife management or timberland ad valorem tax exemption within an area of land adjacent to and abutting the existing city limits of the City of Denton, Texas, generally identified as part of DH-12, consisting of approximately 12.57 acres of land, generally located on the north side of Mills Road, approximately 2,018 feet east of North Mayhill Road; providing for severability; and providing an effective date. (ID 26-0782, Buckley)

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance

F. ID 25-1531 Consider adoption of an ordinance of the City of Denton authorizing the City Manager to execute a funding agreement between the City of Denton and Denton Affordable Housing Corporation to provide HOME Investment Partnership Program funds for the new construction of three (3) homebuyer units located at 418 Robertson St., Denton, Texas; authorizing the expenditure of funds in an amount not to exceed $424,878.41; and providing an effective date.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - 2025-26 CSAC Funding Recommendations and Descriptions
Exhibit 3 - Ordinance and Agreement with Denton Affordable Housing Corp.

G. ID 26-0820 Consider adoption of an ordinance of the City of Denton, authorizing the City Manager to

execute a funding agreement between the City of Denton and the Denton Affordable Housing Corporation for operating expenses; authorizing the expenditure of HOME Investment Partnership funds not to exceed $46,711.59 and providing an effective date.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - 2025-26 CSAC Funding Recommendations
Exhibit 3 - Ordinance and Agreement

H. ID 26-0821 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to approve a pre-qualified professional services list for traffic and transportation related services for various transportation services, traffic engineering and planning, traffic signal, intelligent transportation systems, roadway design, illumination, and capital improvement projects within the City of Denton for the Traffic Department; and providing an effective date (RFQ 8962 - for a two (2) year, with the option for one (1) additional one (1) year extension, in the total three (3) year term).

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Evaluation Sheet
Exhibit 3 - Ordinance

I. ID 26-0822 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to approve a pre-qualified professional services list for project management services for various vertical construction projects within the City of Denton for the Capital Projects Department; and providing an effective date (RFQ 9002 - for one (1) year, with the option for two (2) additional one (1) year extensions, in the total three (3) year term).

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Evaluation Sheet
Exhibit 3 - Ordinance

J. ID 26-0871 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Hilltop Securities Asset Management, LLC, for investment advisory services for the City through the Finance Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 9020 - awarded to Hilltop Securities Asset Management, LLC, for two (2) years, with the option for one (1) additional two (2) year extension, in the total four (4) year not-to-exceed amount of $300,000.00).

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Pricing Evaluation
Exhibit 3 - Ordinance and Contract

K. ID 26-0451 Consider adoption of an ordinance of the City of Denton establishing classifications and positions in the Denton Fire Department; creating and eliminating certain positions; repealing Ordinance No. 25-047 relating to establishing the classifications and prescribing the number of positions in each classification for the Denton Fire Department; providing repealer, cumulative, and severability clauses; and declaring an effective date.

Attachments: Agenda Information Sheet
Ordinance

L. ID 26-0840 Consider adoption of an ordinance of the City of Denton approving a Settlement Agreement and Release implementing the terms of the settlement in litigation styled "Jesus Manuel Rodriguez-Rivera v. City of Denton" Cause No. 22-8751-431 pending in the 431st Judicial District Court, Denton County, Texas; and directing the City Manager or designee and the City's attorneys to effectuate as necessary and appropriate the terms of a Settlement Agreement and Release to effectuate this approval; and declaring an effective date.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance and Settlement Agreement and Release

M. ID 26-0880 Consider adoption of an ordinance of the City of Denton approving a Settlement Agreement and Release implementing the terms of the settlement in litigation styled "Breanna Leann Nix, Individually and as Next Friend to E.N., a Minor v. City of Denton" Cause No. 25-8435-431 pending in the 431st Judicial District Court, Denton County, Texas; and directing the City Manager or designee and the City's attorneys to effectuate as necessary and appropriate the terms of a Settlement Agreement and Release to effectuate this approval; and declaring an effective date.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance and Settlement Agreement and Release

N. ID 26-0882 Consider adoption of an ordinance of the City of Denton approving a Settlement Agreement and Release implementing the terms of the settlement in litigation styled "State Farm Mutual Automobile Insurance Company as Subrogee of Flow Electric, LLC v. City of Denton" Cause No. 26-4524-367 pending in the 367th Judicial District Court, Denton County, Texas; and directing the City Manager or designee and the City's attorneys to effectuate as necessary and appropriate the terms of a Settlement Agreement and Release to effectuate this approval; and declaring an effective date.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance

O. ID 26-0806 Consider adoption of an ordinance of the City of Denton granting the Denton Noon Kiwanis Club a noise exception with respect to sound levels and hours of operation for the Independence Day Celebration and Fireworks Show to be held on Saturday, July 4, 2026, from 6:00 p.m. to 10:30 p.m. at the North Texas Fairgrounds; and providing an effective date.

Attachments: Exhibit 1- Agenda Information Sheet
Exhibit 2- Ordinance

4. PUBLIC HEARINGS

A. S25-0008a Hold a public hearing and consider adoption of an ordinance of the City of Denton, Texas regarding a request for a Specific Use Permit (SUP) to allow for a Monopole Tower over

85 feet use on approximately 0.048 acres of land, approximately located on the western corner of North Elm Street and Riney Road and legally described as Lot 3, Block 2 North Elm Street Addition in the City of Denton, Denton County, Texas; providing for a penalty in the maximum amount of $2,000.00 for violations thereof; providing for a severability clause and an effective date. The Planning and Zoning Commission voted (5-0) to recommend approval. Motion for approval by Commissioner Ketchersid and second by Commissioner McDuff. (S25-0008a, APC Towers - Bonnie Brae, Matt Bodine)

Attachments:
Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Staff Analysis
Exhibit 3 - Site Location Map
Exhibit 4 - Future Land Use Map
Exhibit 5 - Zoning Map
Exhibit 6 - Site Plan
Exhibit 7 - Landscape Plan
Exhibit 8 - Notification Map
Exhibit 9 - Ordinance
Exhibit 10 - Staff Presentation

5. ITEMS FOR INDIVIDUAL CONSIDERATION

A. ID 26-0533 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Alderink Enterprises, Inc. dba CI Pavement, Diamond M Construction & Land Services LLC, and Solid Foundations Concrete LLC, for construction services for parking lot repair, reconstruction, and maintenance at City facilities for the Facilities Management Department; providing for the expenditure of funds therefor; and providing an effective date (RFQ 8983 - awarded to Alderink Enterprises, Inc. dba CI Pavement, Diamond M Construction & Land Services LLC, and Solid Foundations Concrete LLC, for one (1) year, with the option for four (4) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of $17,808,000.00). The Public Utilities Board recommends approval (6 - 0).

Attachments:
Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Evaluation Sheet
Exhibit 3 - Presentation
Exhibit 4 - Ordinance and Contracts

B. S26-0002 Consider adoption of an ordinance of the City of Denton extending the approval period for a Specific Use Permit for a multifamily use originally approved via Ordinance S23-0001a for approximately 2.4 acres of land, generally located on the south side of North Elm Street, approximately 560 feet east of Riney Road in the City of Denton, Denton County, Texas; adopting an amendment to the City's official zoning map; providing for a penalty in the maximum amount of $2,000.00 for violations thereof;

providing for severability and an effective date. (S26-0002, 3301 N Elm Multifamily, Ashley Ekstedt)

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance S23-0001a
Exhibit 3 - Extention Request
Exhibit 4 - Draft Ordinance
Exhibit 5 - Staff Presentation

6. CONCLUDING ITEMS

A. Under Section 551.042 of the Texas Open Meetings Act, respond to inquiries from the City Council or the public with specific factual information or recitation of policy, or accept a proposal to place the matter on the agenda for an upcoming meeting AND Under Section 551.0415 of the Texas Open Meetings Act, provide reports about items of community interest regarding which no action will be taken, to include: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen; a reminder about an upcoming event organized or sponsored by the governing body; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; or an announcement involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.

B. Possible Continuation of Closed Meeting topics, above posted.

C E R T I F I C A T E

I certify that the above notice of meeting was posted on the official website (https://tx-denton.civicplus.com/242/Public-Meetings-Agendas) and bulletin board at City Hall, 215 E. McKinney Street, Denton, Texas, on May 27, 2026, in advance of the three (3) business day posting deadline, as applicable, and in accordance with Chapter 551 of the Texas Government Code.

_____
OFFICE OF THE CITY SECRETARY

NOTE: THE CITY OF DENTON'S DESIGNATED PUBLIC MEETING FACILITIES ARE ACCESSIBLE IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT. THE CITY WILL PROVIDE ACCOMMODATION, SUCH AS SIGN LANGUAGE INTERPRETERS FOR THE HEARING IMPAIRED, IF REQUESTED AT LEAST TWO (2) BUSINESS DAYS IN ADVANCE OF THE SCHEDULED MEETING. PLEASE CALL THE CITY SECRETARY'S OFFICE AT 940-349-8309 OR USE TELECOMMUNICATIONS DEVICES FOR THE DEAF (TDD) BY CALLING 1-800-RELAY-TX SO THAT REASONABLE ACCOMMODATION CAN BE ARRANGED.

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: City Secretary's Office

CM: Cassey Ogden, Interim

DATE: June 2, 2026

SUBJECT

Meeting Questions, Responses & Handouts

BACKGROUND

City Councilmembers direct questions related to items on the agenda to City staff. The questions are assigned to applicable departments and corresponding responses are compiled to a Question & Answer Report (Q&A) which is placed in a file directory for the applicable meeting. Selecting the link above will gain access to the final version of the Q&A for this meeting, which will be available prior to the start of the meeting.

Periodically during a meeting, handouts are distributed to members of the City council. Any information distributed at this meeting will also be added to the directory by 12:00 p.m. on the business day following the meeting.

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Respectfully submitted:

Ingrid Rex
City Secretary

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: City Manager's Office

CM/DCM/ACM: Cassey Ogden

DATE: June 2, 2026

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding the Regional Transportation Council's role as the policy-making body of the Metropolitan Planning Organization and relationship with the North Central Texas Council of Governments.

BACKGROUND

The North Central Texas Council of Governments (NCTCOG) serves as the Metropolitan Planning Organization (MPO) and as the fiscal agent of the MPO. The Regional Transportation Council (RTC) and its 45 members comprised of local elected or appointed officials from across the metropolitan area, as well as representatives from each transportation provider, serves as the policy making body of the MPO function. The RTC is responsible for overseeing the metropolitan transportation planning process.

As a participating jurisdiction, the City of Denton holds one voting seat on the RTC, along with one alternate who serves in the primary member's absence. Both representatives must be elected officials of the City of Denton and must be appointed by a majority vote of the Council. Currently, Council Member Jester serves as the primary representative, and Mayor Hudspeth serves as the alternate. Their terms run through June 30, 2026.

The RTC recently joined a lawsuit filed by Denton County filed against the Executive Board of NCTCOG. John Polster, President of Innovative Transportation Solutions (ITS), will provide an update to City Council regarding the role and authority of the MPC, RTC, and NCTCOG in setting policy for regional transportation.

EXHIBITS

1. Exhibit 1 - Agenda Information Sheet

Respectfully submitted:
Kristi Fogle
Chief of Staff

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: **Community Services**

CM/ DCM/ ACM: **Christine Taylor**

DATE: **June 2, 2026**

SUBJECT
Receive a report and hold a discussion regarding homelessness initiatives.

STRATEGIC ALIGNMENT
This action supports Key Focus Area: Foster Economic Opportunity and Affordability.

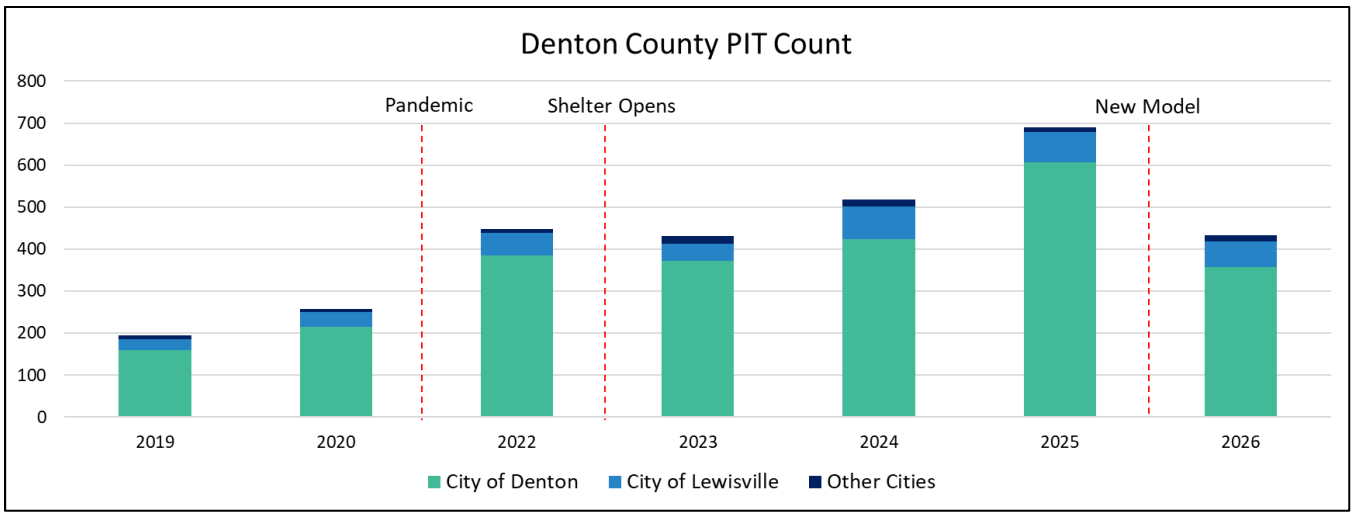
BACKGROUND
The City of Denton addresses homelessness in a strategic, coordinated and collaborative manner, centering public health and safety of all residents, and recognizing the dignity and worth of individuals. The City funds organizations for the provision of homelessness services and works interdepartmentally to address public health and safety impacts. These efforts are informed by direct and indirect indicators of homelessness and are organized into three broad categories: inflows, sustaining services, and outflows.

State of Homelessness

When assessing the state of homelessness in our community, Staff look at several direct and indirect indicators, including: the Point-in-Time (PIT) Count, the Housing Priority List, confirmed encampments, public safety data, and community perception of the issue measured by the 2026 Community Survey.

The PIT Count:

The PIT Count is the annual census of individuals experiencing homelessness conducted each year by communities nation-wide as mandated by the Federal Department of Housing and Urban Development (HUD). The all-volunteer count in Denton County is organized by The Path Home (formerly the Denton County Homelessness Coalition) with the support of partner agency staff. It occurs over the course of one day in late January when volunteers work in teams and shifts to count as many individuals as possible through conducting surveys of individuals in sheltered and unsheltered environments and by recording observations of individuals who appear homeless. It is not a perfect representation of the number of individuals who are experiencing homelessness in our community, and it is very unlikely that all such individuals are counted on the day. It is, however, consistent in its shortcomings, which makes it a useful data point to consider, in context, for comparison year over year.



	2019	2020	2022	2023	2024	2025	2026
City of Denton	159	214	384	371	424	607	357
City of Lewisville	26	35	55	42	78	72	62
Other Cities	9	9	9	18	16	11	14
Total	194	258	448	431	518	690	433
City of Denton change in %	-	35%	79%	-3%	14%	43%	-41%

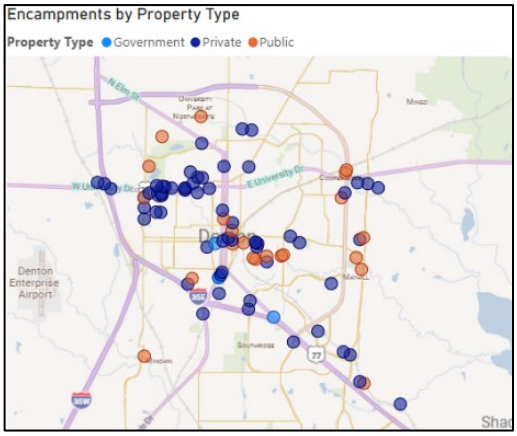
According to the PIT Count, homelessness in the City of Denton had risen 382% from 159 individuals counted in 2019 to 607 counted in 2025. In 2026, the Count had decreased by 41% year over year in the City of Denton to 357 counted individuals.

The Housing Priority List (HPL):

The HPL, managed by United Way of Denton County, shows the total number of people experiencing homelessness in Denton County who have been assessed by front door agencies and have accessed services in the last 90 days. This list includes everyone who has completed a Coordinated Entry (CE) housing assessment. CE is a process that helps connect people experiencing homelessness with housing and support services as quickly as possible. Local service providers use the HPL to identify and prioritize people for limited housing assistance based on need and eligibility. This process helps ensure accuracy by marking households as inactive if they haven't engaged with a participating agency in over 90 days. The number of households actively accessing services and assessed on the Housing Priority List reduced from 580 in January 2025 to 347 in January 2026, a decrease of 40%.

Encampments:

Another direct way our picture of homelessness is informed is by looking at encampment activity. Since September 2025 any reports of encampments have been assessed and identified as confirmed, or not an encampment. An average of 15 encampments per month have been confirmed from September 2025 to April 2026, with a total of 109 confirmed and closed encampments so far in FY 25-26. The definition of camping in Texas Penal Code § 48.05 is used. Tracked encampments are categorized by property ownership: City owned, private property, and Government owned (TXDOT, County, etc.). The number of encampments has stayed relatively steady over time.



The 2026 Community Survey:

14. To what degree, if at all, is homelessness a problem in the City of Denton?			
	2024	2026	Change
Major Problem	50%	44%	-6.0
Moderate Problem	35%	40%	4.6
Minor Problem	14%	13%	-0.9
Not a Problem	2%	3%	1.4

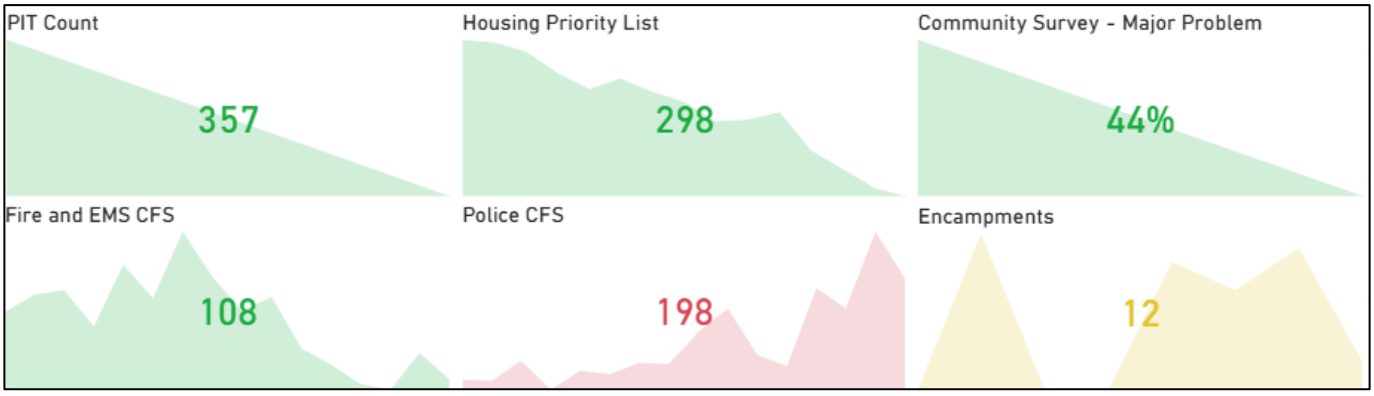
In the 2026 Community Survey, 84% of residents viewed homelessness as a moderate or major problem, with concern about the visibility and impact of homelessness in public spaces focused on enforcement and law-and-order, while supporting service-based approaches to exit homelessness. Both perspectives were meaningfully present in responses, and reflect a strong public desire to address homelessness.

Public Safety:

Our public safety organizations track interactions with individuals experiencing homelessness, and trends in Fire, EMS, and Police incidents can be used to indicate the prevalence of homelessness in the community. Fire and EMS had previously been responding to calls at the Denton Community Shelter 1.56 times per day in April of 2025. As of April 2026, this is down to 0.23 times per day, a reduction in calls of 85%. However, Police calls for service citywide increased by 102% in the same period. Public initiated police calls increased by 50%, while officer-initiated calls increased by 553%, from 13 in April of 2025 to 72 in April of 2026. A change in how calls for service are entered into the database utilized by the Police Department, which now requires an input of whether the call involved an unhoused person, instead of making the input optional, may account for some of the increase in overall calls for service.

State of Homelessness Indicators:

The majority, though not all, of indicators we look at to assess the state of homelessness in the City of Denton show a reduction, pointing towards a downward trend in homelessness.



Audit of Homelessness Initiatives

The Audit of Homelessness Initiatives presented to City Council in April 2025 provided findings and recommendations to improve the City's homelessness response. Those recommendations can be organized under the categories of Encampments and Outreach, Mental Health, Community Shelter, and Community Engagement. An official follow-up audit is scheduled in 2027 and will elucidate the effectiveness of audit recommendation implementation, which is progressing apace.

Recommendations 6 and 7 focus on Mental Health and will be addressed in a separate work session.

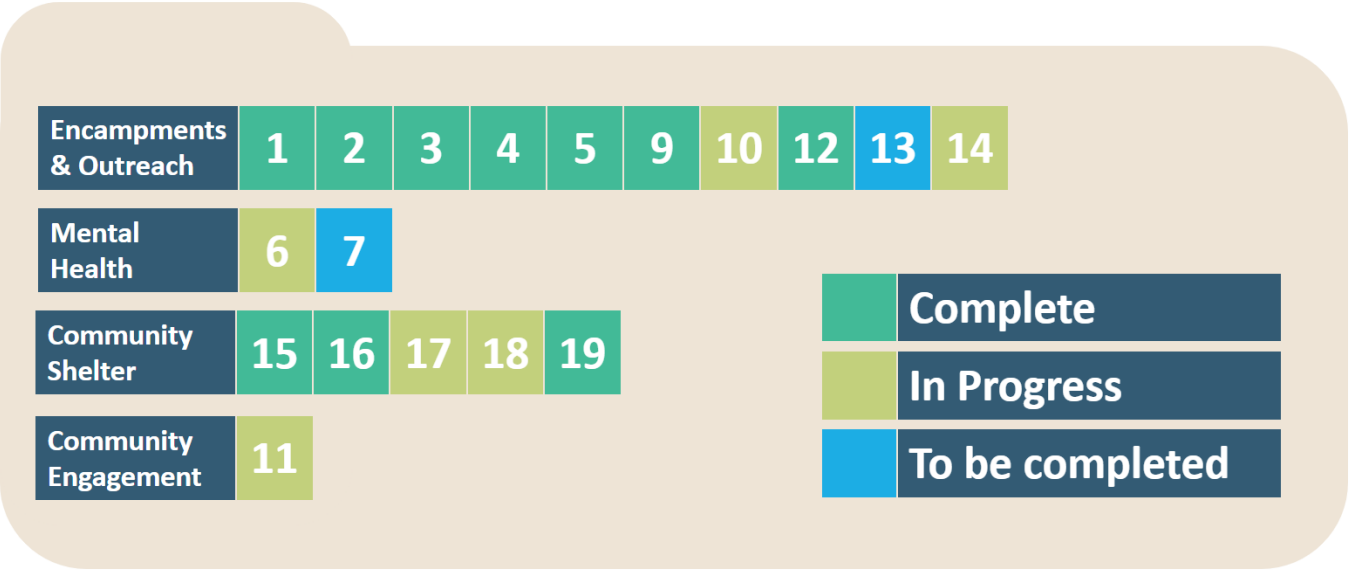
Recommendation 11 to engage community members is in progress.

Recommendations 1, 2, 3, 4, 5, 9, 10, 12, 13 and 14 are focused on improvements to the City's approach to Encampments and Outreach.

- Rec. 1 is to centralize tracking of encampments. The software Airtable is being utilized for tracking from initial report through closing an encampment. All City departments are directed to send any reports to the Homeless Programs Manager.
- Rec. 2 is to update response guidelines to align with state law. The new Administrative Directive 513.01 aligns with the illegal camping ban (Texas Penal Code § 48.05) and definition of camping.
- Rec. 3 is to post notice of encampment closure in English and Spanish. Notice signs for public property cleanup in English and Spanish have been created and are being posted by Street Outreach upon assessment.
- Rec. 4 is to provide storage, which was found to be not feasible with current resources.
- Rec. 5 is to assess and monitor encampments on private property, and balance the rights of property owners with individuals experiencing homelessness. A property owner guide has been created, with information on street outreach and Enforcement Authorizations. Permission is requested from property owners for street outreach to come onto the property and assess any encampments present.
- Rec. 9 regarding street outreach tracking has been completed, Airtable is being utilized to track key performance indicators.
- Rec. 10 informing and assisting people experiencing unsheltered homelessness during inclement weather events is in progress.
- Rec. 12 Homeless Outreach Team reallocation has been completed.
- Rec. 13 reporting on length of time from unsheltered homelessness to housing is to be completed.
- Rec. 14 identifying new funding sources for emergency and supportive housing programs is in progress, with an application submitted for the now cancelled Continuum of Care Notice of Funding Opportunity by HUD.

Recommendations 15, 16, 17, 18 and 19 focus on improvements to the Denton Community Shelter.

- Rec. 15 eliminating arbitrary exits caused by the lottery system and greater focus on housing placement and rec. 16 ensuring dedicated case management and a housing plan after entry have been addressed by a shift in the shelter model from a lottery system to a waitlist and tying capacity to case management, implementing a Shelter Stay Policy to create the Housing Focused Program which went into effect on Sept. 1, 2025. In Q2 of FY 25-26, 31% (34/109) of clients exited were exited to a permanent housing solution. This is up from 18% in Q1. Over the life of the program the rate is 23%, compared to 8% before the program change, according to the April 2025 audit. 30% of exits to permanent housing is a programmatic benchmark based on national data. A randomized audit of client files from February 2026 and March 2026 showed 59% had a Housing Plan within seven days of enrollment.
- Rec. 17 to verify performance metrics is in progress, with utilization of the Homeless Management Information System and the shelter contractor's internal waitlist tracking spreadsheet.
- Rec. 18 written procedures for reviewing guest suspension and expulsion is to be completed.
- Rec. 19 to review guest feedback is completed, flyers with a QR code to an online survey are posted throughout the shelter, and a lock box with paper versions of the survey is installed in the common area, and 12 client feedback surveys have been received since November.



Staff Focus

Implementation of audit recommendations and improvement of homeless response is staff's primary focus. Staff is seeking to codify the shelter model changes in a contract amendment with Our Daily Bread, the Community Shelter operator. There are upcoming decisions regarding the FY 26-27 budget which allow a fresh evaluation of the effective use of resources to address homelessness. The Community Services Department has established a partnership with the Child Poverty Action Lab and is investigating homelessness prevention options for City of Denton residents. To further foster community involvement, grassroots organizations are encouraged to engage, as well as interested citizens. Ongoing refinement of evaluation methods, including data quality and reporting, provide a feedback loop to assess effectiveness of efforts.

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Presentation
Exhibit 3 – 513.01 Encampment Response Directive
Exhibit 4 – Property Owner Guide
Exhibit 5 – Shelter Stay Policy

Respectfully submitted:
Jesse Kent
Director of Community Services

Homelessness Initiatives Update

June 2, 2026

Jesse Kent, Director of Community Services

CITY OF DENTON

Agenda

- Current state of homelessness
  - Services in Denton
  - Direct indicators: Point-in-Time Count, Housing Priority List, encampments
  - Indirect indicators: Community Survey, Public Safety (Fire & EMS, PD)
- City initiatives update
  - Last year recap
  - Audit update
  - Encampments and Street Outreach
  - Shelter updates

Denton County's Collective Approach to Homeless Services & Initiatives

SERVICE COMPONENT		PROVIDERS	PURPOSE	SERVICES
Prevention		• Salvation Army • Our Daily Bread • Giving Grace • Interfaith Ministries	Keep families housed; prevent evictions	Assistance with rent, and/or utilities; case management
Outreach		• Giving Grace • Denton PD Outreach Team • CIRT	Connect people to shelter, housing, and other services	Obtain IDs; referrals to; shelter/housing; mental health/substance use services
Emergency Shelter		• Our Daily Bread • Salvation Army • Giving Grace • Denton County Friends of the Family	Provide shelter; address basic needs, connect to housing	Shelter; meals, basic hygiene; case management
Housing Stability	1	• Denton County Friends of the Family • Our Daily Bread	Transitional stay while locating permanent housing	Short term stays; case management
1: Short-Term 2: Medium-Term 3: Long-Term	2	• Christian Community Action • Giving Grace	Rapidly rehouse and reconnect to permanent housing	3 to 24 months of rental assistance
	3	• Denton County MHMR • Denton Housing Authority • Giving Grace	Ongoing assistance for vulnerable populations	Rental subsidy for low-income and people with disabilities

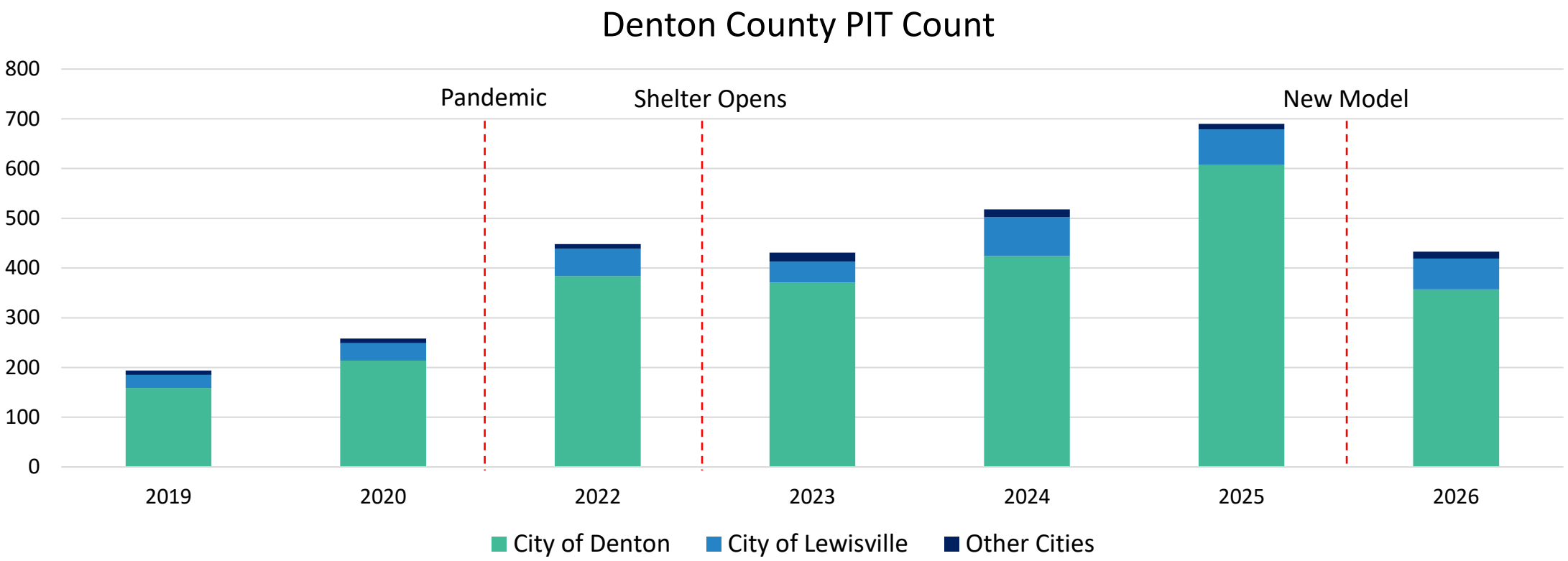
Current State of Homelessness

Direct Indicators:

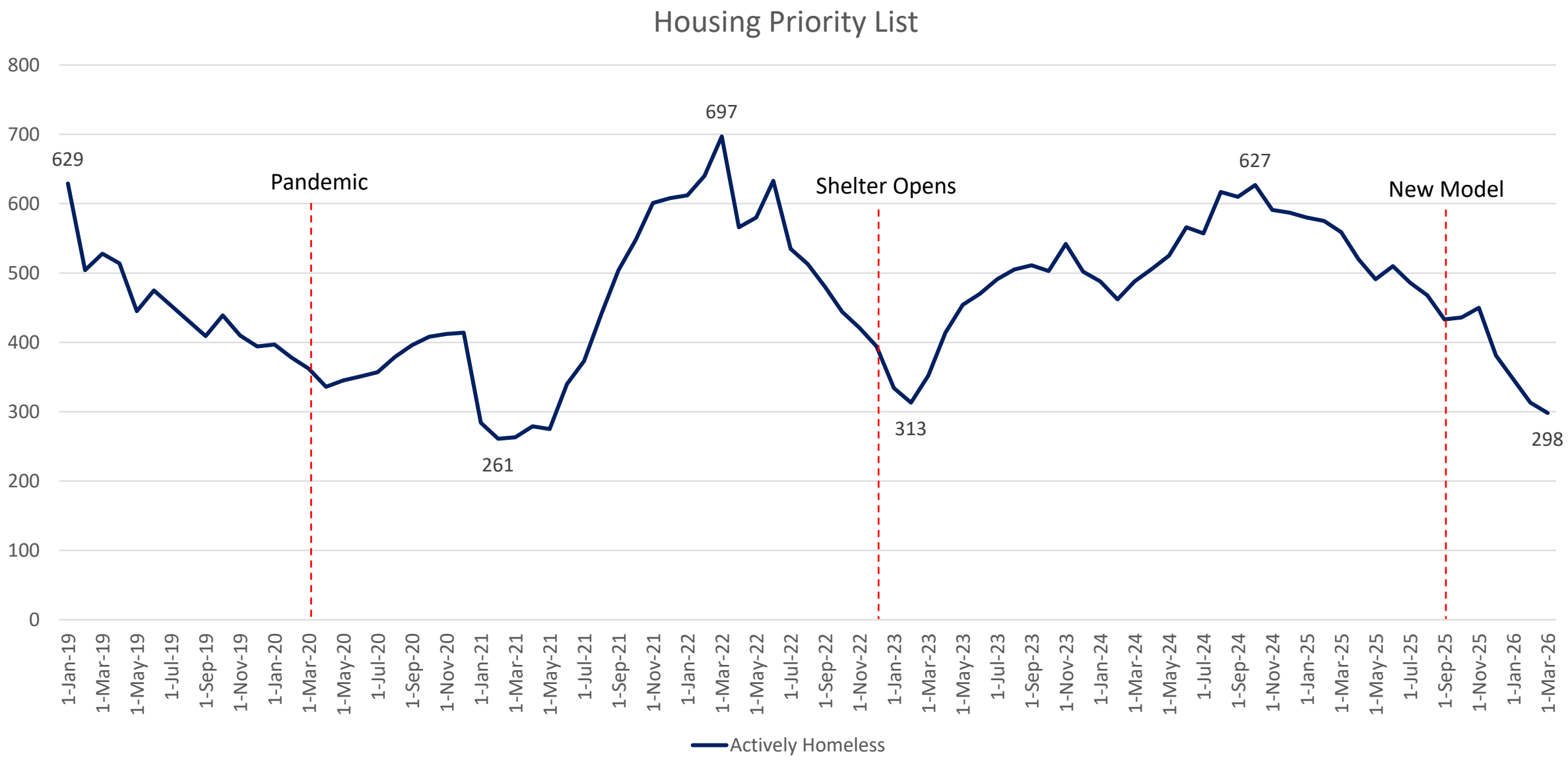
- PIT Count: Annual Point-in-Time Count, an annual census of households experiencing homelessness, mandated by HUD
- HPL: Housing Priority List, households assessed by the Housing Crisis Response System for housing solutions, and used by programs to prioritize households for services
- Encampment trends

Indirect Indicators:

- Fire calls for service of the homeless type and to the Denton Community Shelter
- Police calls for service of the homeless type
- 2026 Community Survey results, homeless priority place



	2019	2020	2022	2023	2024	2025	2026
City of Denton	159	214	384	371	424	607	357
City of Lewisville	26	35	55	42	78	72	62
Other Cities	9	9	9	18	16	11	14
Total	**194**	**258**	**448**	**431**	**518**	**690**	**433**
City of Denton change in %	-	35%	79%	-3%	14%	43%	-41%


Housing Priority List
800
700
600
500
400
300
200
100
0
629
Pandemic
697
261
Shelter Opens
313
627
New Model
298
1-Jan-19
1-Mar-19
1-May-19
1-Jul-19
1-Sep-19
1-Nov-19
1-Jan-20
1-Mar-20
1-May-20
1-Jul-20
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1-Nov-20
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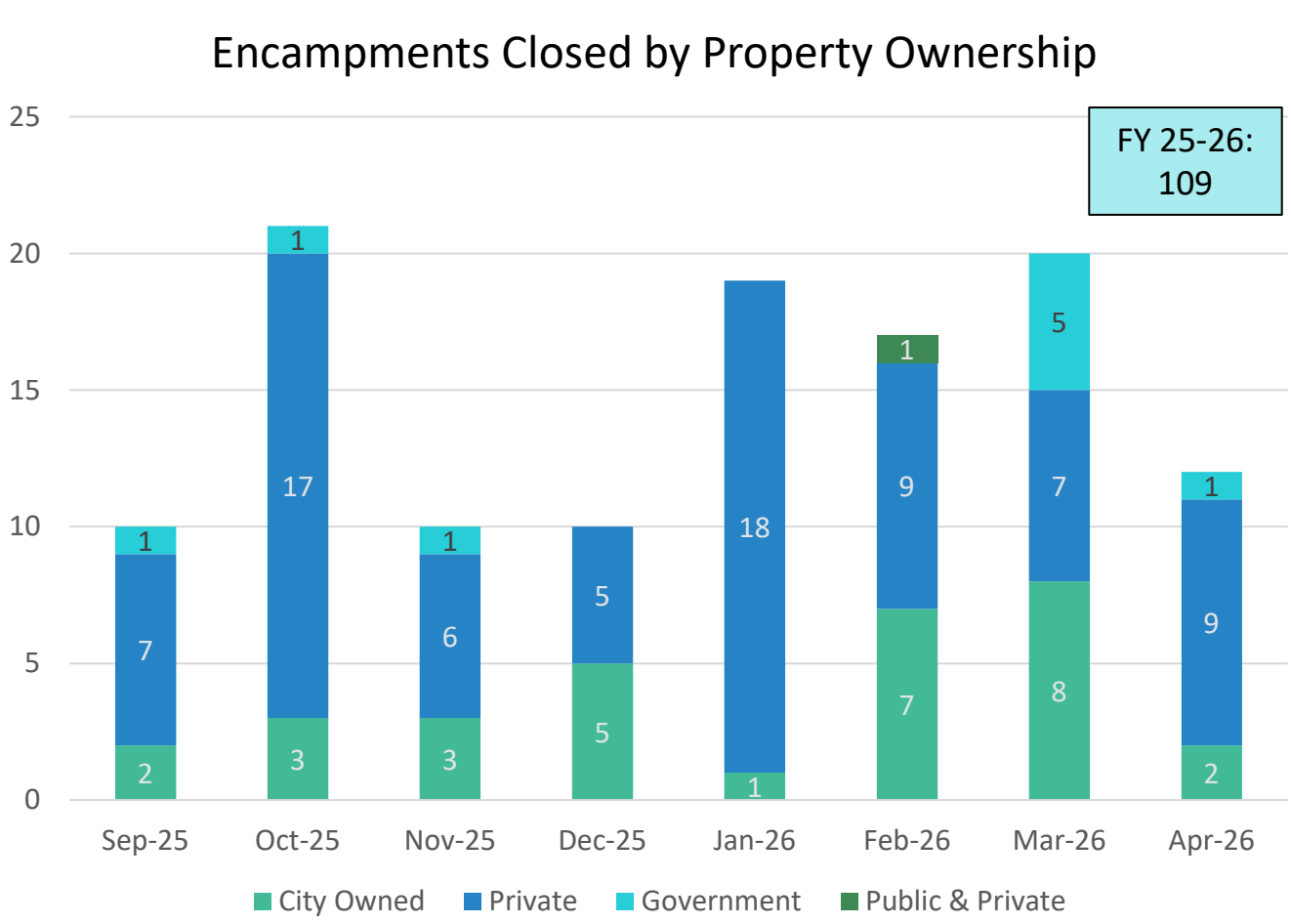
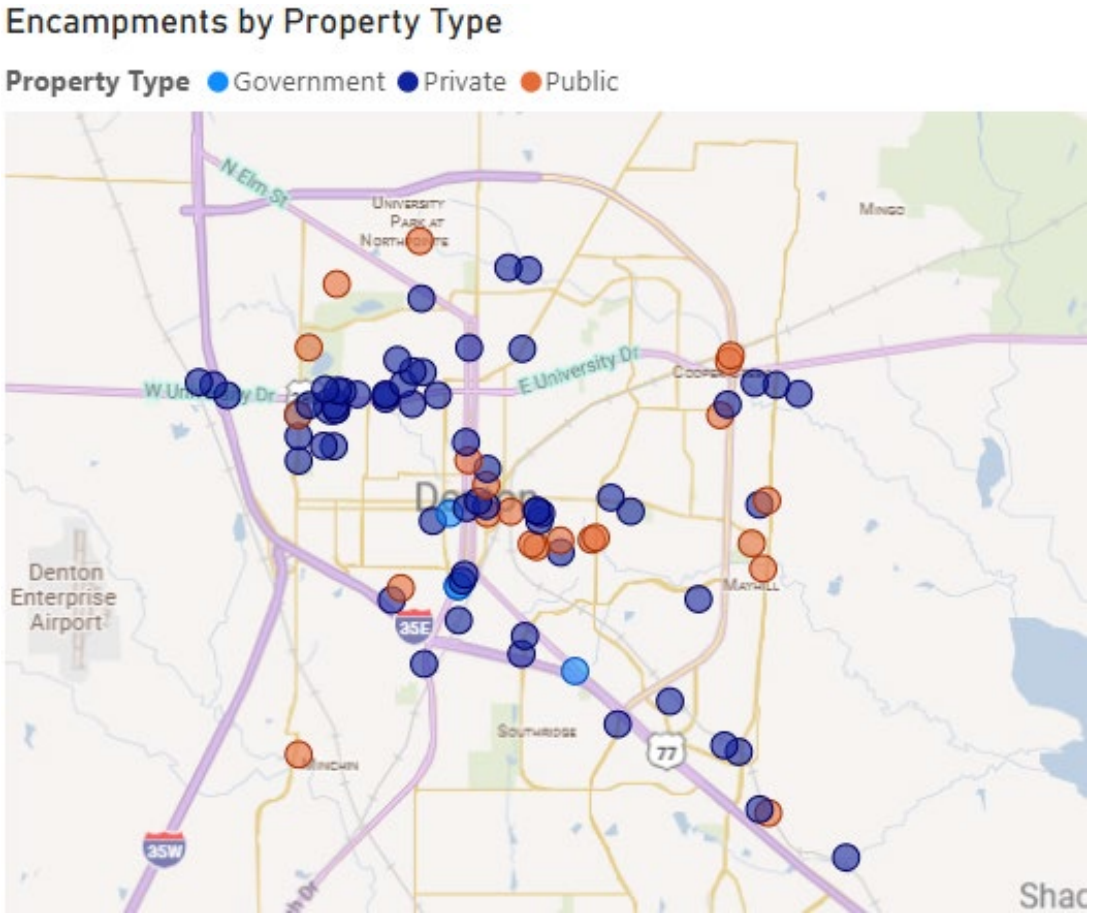
1-Nov-24
1-Jan-25
1-Mar-25
1-May-25
1-Jul-25
1-Sep-25
1-Nov-25
1-Jan-26
1-Mar-26
Actively Homeless

Encampments





2026 Community Survey

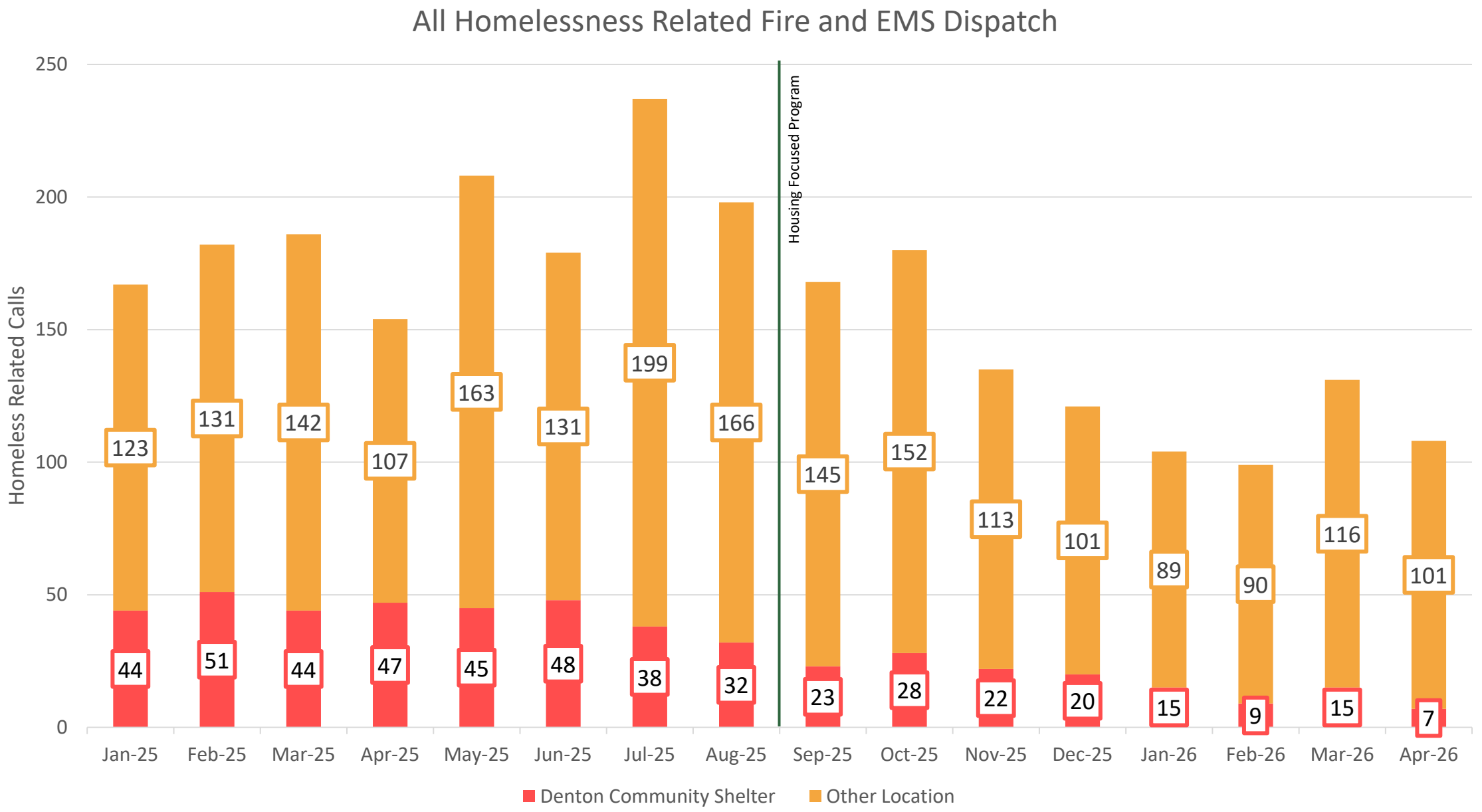
- **84%** of respondents view homelessness as a moderate or major problem.
- Only **28%** rate the City's efforts positively, indicating a gap between expectations and performance.

14. To what degree, if at all, is homelessness a problem in the City of Denton?			
	2024	2026	Change
Major Problem	50%	44%	-6.0
Moderate Problem	35%	40%	4.6
Minor Problem	14%	13%	-0.9
Not a Problem	2%	3%	1.4

Comments reflect **two major resident viewpoints**:

- **Providing needed services to exit homelessness** (shelter, mental health, housing stability)
- **Enforcement/law-and-order approach** (reduce panhandling, relocate encampments)

Both perspectives are present at meaningful scale, both reflecting a strong public desire to address homelessness.


All Homelessness Related Fire and EMS Dispatch
Homeless Related Calls
250
200
150
100
50
0
Housing Focused Program
123
131
142
107
163
131
199
166
145
152
113
101
89
90
116
101
44
51
44
47
45
48
38
32
23
28
22
20
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9
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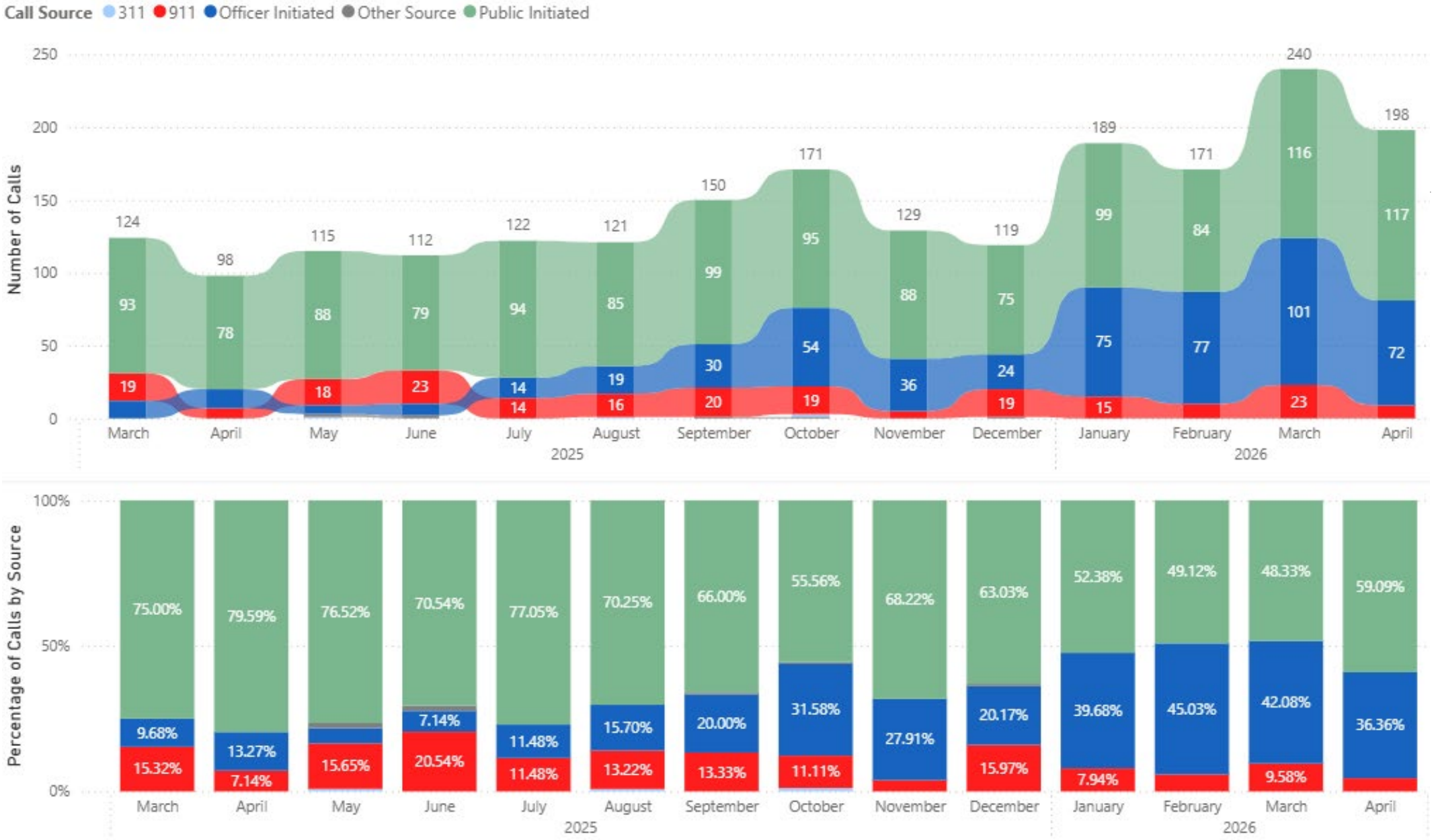
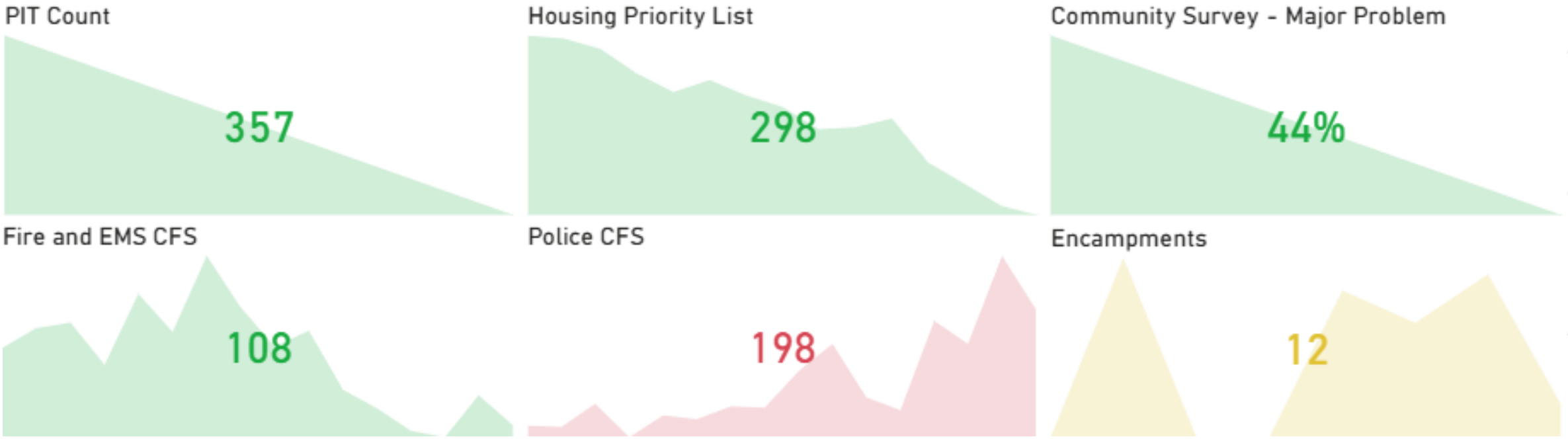
7
Jan-25
Feb-25
Mar-25
Apr-25
May-25
Jun-25
Jul-25
Aug-25
Sep-25
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26
Denton Community Shelter
Other Location

Police Homelessness Calls



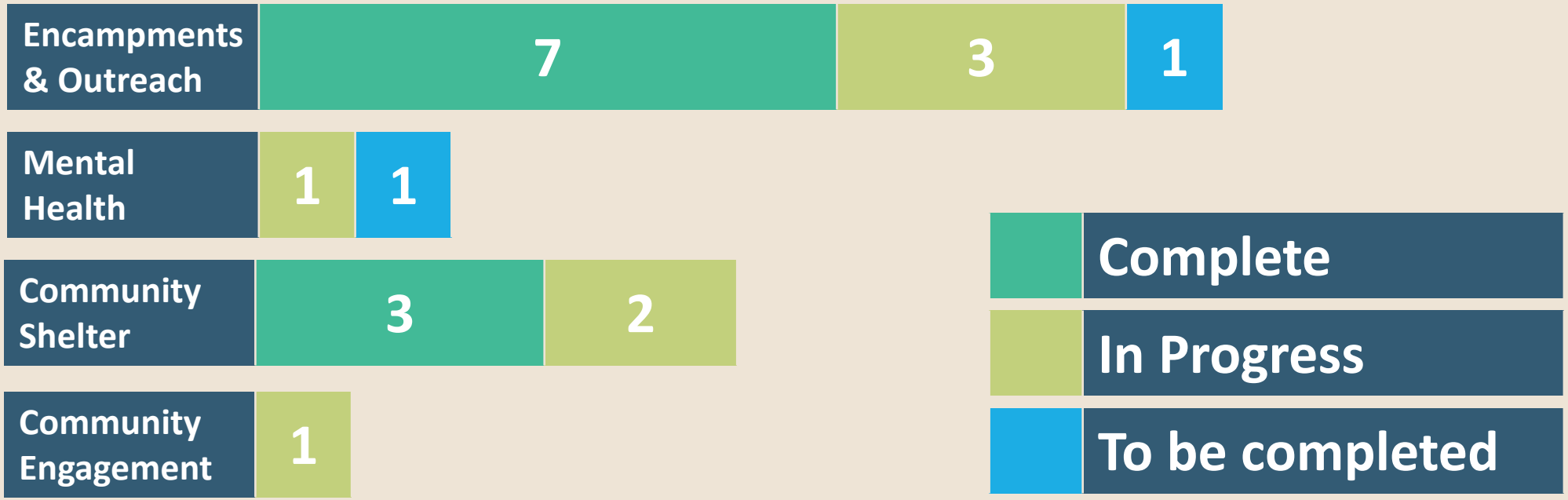
Overview of Current Indicators



Review of Previous Discussion and Direction

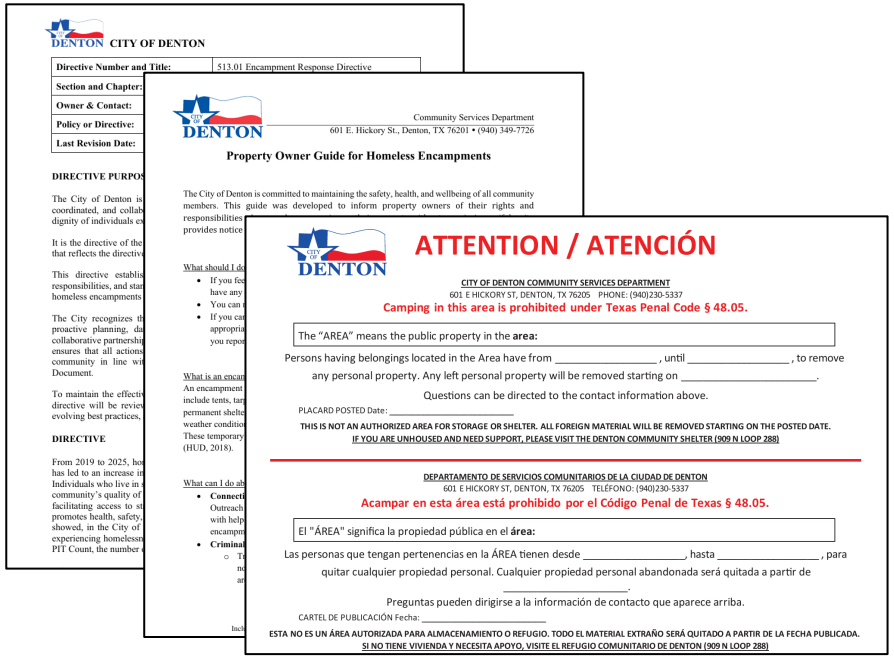
- April 2025: Audit of homelessness response
- Council direction
  - Enhance coordination in encampment response
    - Community Services as lead department
    - Defined encampment process, attempt to address encampments within seven days
  - Denton Community Shelter changes:
    - Case management
    - Waitlist development
    - Length of stay policy
    - Progress on housing plan required

April 2025 Audit



Encampments and Street Outreach

Staff have created a more comprehensive and proactive approach to addressing encampments through processes, tools, and resources for individuals and property owners.



CITY OF DENTON

Directive Number and Title:	513.01 Encampment Response Directive
Section and Chapter:	
Owner & Contact:	
Policy or Directive:	
Last Revision Date:	

DIRECTIVE PURPOS

The City of Denton is coordinated, and collab dignity of individuals ex

It is the directive of the that reflects the directive

This directive establis responsibilities, and stat homeless encampments

The City recognizes th proactive planning, da collaborative partnership ensures that all actions community in line wit Document.

To maintain the effecti directive will be reviev evolving best practices,

DIRECTIVE

From 2019 to 2025, ho has led to an increase in Individuals who live in community's quality of facilitating access to st promotes health, safety, showed, in the City of experiencing homelessn PIT Count, the number

CITY OF DENTON

Community Services Department
601 E. Hickory St., Denton, TX 76201 • (940) 349-7726

Property Owner Guide for Homeless Encampments

The City of Denton is committed to maintaining the safety, health, and wellbeing of all community members. This guide was developed to inform property owners of their rights and responsibilities provides notice

What should I do

- If you fee have any
- You can
- If you can appropria you repos

What is an encam

An encampment include tents, tar permanent shelte weather conditio

These temporary (HUD, 2018).

What can I do ab

- Connecti Outreach with help encampm
- Criminal
  - To

ATTENTION / ATENCIÓN

CITY OF DENTON COMMUNITY SERVICES DEPARTMENT
601 E HICKORY ST, DENTON, TX 76205 PHONE: (940)230-5337

Camping in this area is prohibited under Texas Penal Code § 48.05.

The "AREA" means the public property in the **area:**

Persons having belongings located in the Area have from _____, until _____, to remove any personal property. Any left personal property will be removed starting on _____.

Questions can be directed to the contact information above.

PLACARD POSTED Date: _____

THIS IS NOT AN AUTHORIZED AREA FOR STORAGE OR SHELTER. ALL FOREIGN MATERIAL WILL BE REMOVED STARTING ON THE POSTED DATE.
IF YOU ARE UNHOUSED AND NEED SUPPORT, PLEASE VISIT THE DENTON COMMUNITY SHELTER (909 N LOOP 288)

DEPARTAMENTO DE SERVICIOS COMUNITARIOS DE LA CIUDAD DE DENTON
601 E HICKORY ST, DENTON, TX 76205 TELÉFONO: (940)230-5337

Acampar en esta área está prohibido por el Código Penal de Texas § 48.05.

El "ÁREA" significa la propiedad pública en el **área:**

Las personas que tengan pertenencias en la ÁREA tienen desde _____, hasta _____, para quitar cualquier propiedad personal. Cualquier propiedad personal abandonada será quitada a partir de _____.

Preguntas pueden dirigirse a la información de contacto que aparece arriba.

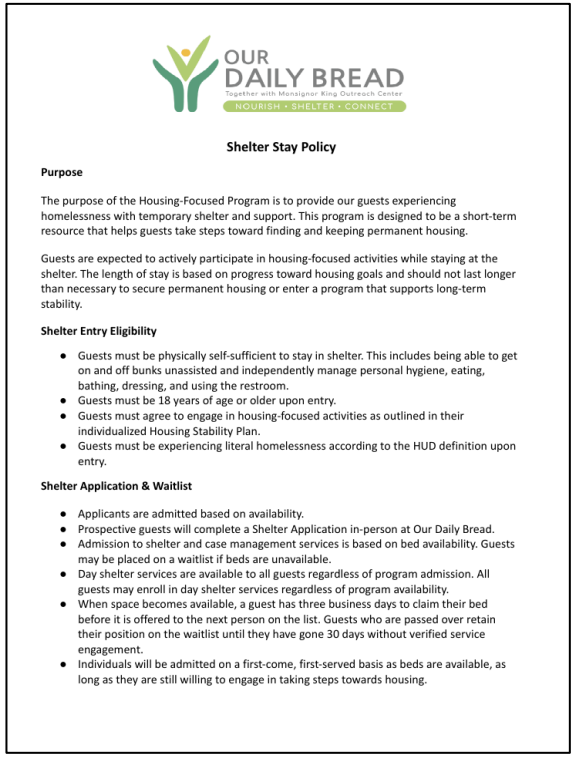
CARTEL DE PUBLICACIÓN Fecha: _____

ESTA NO ES UN ÁREA AUTORIZADA PARA ALMACENAMIENTO O REFUGIO. TODO EL MATERIAL EXTRAÑO SERÁ QUITADO A PARTIR DE LA FECHA PUBLICADA.
SI NO TIENE VIVIENDA Y NECESITA APOYO, VISITE EL REFUGIO COMUNITARIO DE DENTON (909 N LOOP 288)

Area	Before April 2025 Work Session	September 2025 – May 2026
Days to Close (Median)	Unknown	14
Number of Encampments	Unknown	111
Cleanup Costs	Unknown	$19,707

Community Shelter

Changes to the shelter program have been implemented to set the shelter to a Housing-Focused Model through a Shelter Stay Policy.



OUR DAILY BREAD
Together with Monsignor King Outreach Center
NOURISH • SHELTER • CONNECT

Shelter Stay Policy

Purpose

The purpose of the Housing-Focused Program is to provide our guests experiencing homelessness with temporary shelter and support. This program is designed to be a short-term resource that helps guests take steps toward finding and keeping permanent housing.

Guests are expected to actively participate in housing-focused activities while staying at the shelter. The length of stay is based on progress toward housing goals and should not last longer than necessary to secure permanent housing or enter a program that supports long-term stability.

Shelter Entry Eligibility

- Guests must be physically self-sufficient to stay in shelter. This includes being able to get on and off bunks unassisted and independently manage personal hygiene, eating, bathing, dressing, and using the restroom.
- Guests must be 18 years of age or older upon entry.
- Guests must agree to engage in housing-focused activities as outlined in their individualized Housing Stability Plan.
- Guests must be experiencing literal homelessness according to the HUD definition upon entry.

Shelter Application & Waitlist

- Applicants are admitted based on availability.
- Prospective guests will complete a Shelter Application in-person at Our Daily Bread.
- Admission to shelter and case management services is based on bed availability. Guests may be placed on a waitlist if beds are unavailable.
- Day shelter services are available to all guests regardless of program admission. All guests may enroll in day shelter services regardless of program availability.
- When space becomes available, a guest has three business days to claim their bed before it is offered to the next person on the list. Guests who are passed over retain their position on the waitlist until they have gone 30 days without verified service engagement.
- Individuals will be admitted on a first-come, first-served basis as beds are available, as long as they are still willing to engage in taking steps towards housing.

Area	September 2024 - August 2025	September 2025 – May 2026
Clients Housed (Permanent)	108	82
Average Length of Stay (In Program)	133 days	107 days
Overnight Capacity	192	120

Staff Focus

- Community Shelter Contract
- Preparing for Council budget discussions
- Evictions and Homelessness Prevention in Denton
- Community involvement
- Continued data quality improvement

COUNCIL DISCUSSION

Docusign Envelope ID: 6AE257D0-32D3-43D5-B605-1870A8CAE2AD

CITY OF DENTON

Directive Number and Title:	513.01 Encampment Response Directive
Section and Chapter:	Community Services
Owner & Contact:	Community Services - (940) 349-7726
Policy or Directive:	Directive
Last Revision Date:	1/20/2026

DIRECTIVE PURPOSE STATEMENT

The City of Denton is committed to addressing homeless encampments through a strategic, coordinated, and collaborative approach that prioritizes both public health and safety, and the dignity of individuals experiencing homelessness.

It is the directive of the City that all departments will align their efforts under a unified strategy that reflects the directive intent of City Council and City Management ("Leadership").

This directive establishes a clear framework of response including strategy, roles and responsibilities, and standards that will operationalize the directive intent of Leadership to address homeless encampments ("Encampments") within the City limits.

The City recognizes that effective Encampment response requires strategic focus, including proactive planning, data informed decision making, and consistent processes, as well as collaborative partnerships that leverage the strengths and resources of all involved. This directive ensures that all actions taken are coordinated, compassionate, and in the best interest of the community in line with the Encampment Response Standard Operating Procedures (SOP) Document.

To maintain the effectiveness and responsiveness of the City's approach to Encampments, this directive will be reviewed annually and updated as needed to reflect process improvements, evolving best practices, and strategic priorities identified by Leadership.

DIRECTIVE

From 2019 to 2025, homelessness in Denton increased by 382%. The increase in homelessness has led to an increase in individuals living in places not fit for human habitation across the City. Individuals who live in such locations experience increased health and safety risks that impact the community's quality of life. The City works to support individuals experiencing homelessness by facilitating access to stable housing solutions and addressing Encampments in a manner that promotes health, safety, and quality of life for all residents. The 2025 Point in Time (PIT) Count showed, in the City of Denton, 392 sheltered individuals, observed 107 individuals potentially experiencing homelessness, and 108 individuals living unsheltered. Due to the limitations of the PIT Count, the number of people living unsheltered in Denton is likely higher.

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In 2025, the City Auditor conducted an audit of the City's homelessness response and issued findings and recommendations meant to increase coordination and documentation of Encampment closure processes and street outreach activities. In addition to the audit, on April 15, 2025, staff presented recommendations to improve the City's effectiveness in homelessness response. The recommendations were accepted by Council, and City Management was directed to implement processes and procedures that increase coordination between departments and establish Community Services (CS) as the lead department in monitoring and addressing Encampments with the support of the Denton Police Department (DPD) as appropriate. This administrative directive provides specific details regarding the execution of Council's direction.

I. Street Outreach

A. Street Outreach is conducted in accordance with the intent of treating all people with dignity and respect.
B. The goal of Street Outreach is transitioning individuals from unsheltered homelessness to sheltered homelessness or a housing solution and connecting individuals with available resources to address their needs.
C. Data is collected as part of Street Outreach to determine the trends related to homelessness in the City.
D. Street Outreach is conducted, as Partner and City resources allow, in all cases possible, with property owner's permission.
E. Street Outreach will be conducted in accordance with the Encampment Response SOP.

II. Enforcement:

The City of Denton enforces local ordinances and state regulations related to public safety, health, and property maintenance in a manner that is consistent, fair, and legal. There are two types of enforcement related to encampments: Denton Police Department enforcement of trespassing and illegal camping, and Community Improvement Services (CIS) enforcement of the Denton Property Maintenance Code.

A. Denton Police Department (DPD) Enforcement:

1. DPD enforcement will be approached in accordance with other City policies and all applicable laws and ordinances.
2. When there is a situation at an Encampment that presents a threat to the health or safety of individuals or damaging property, a call for service is placed with DPD.
3. DPD is notified of any reports of individuals camping on active City-owned property.
4. Depending on the property characteristics, DPD takes appropriate enforcement action on individuals residing in an encampment as outlined in the Encampment Response SOP.

B. CIS Enforcement:

1. Upon the report of an Encampment on private property, CIS begins the enforcement of the Property Maintenance Code.

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2. CIS follows the enforcement process for any violations in accordance with City Ordinances Article V. TRASH AND DEBRIS § 17-50 and the Encampment Response SOP.

III. **Cleanup:** CS is responsible for ensuring Encampments are completely addressed through cleanup of all remaining trash and debris once the encampment is closed through compliance or enforcement. Encampment cleanups are the responsibility of the property owner. In all cases, the data related to the Encampment is communicated to the HPM and logged in a data tracking system.

IV. **High Frequency Monitoring Areas:** To prevent the recurrence of Encampments on City-owned Property, Community Services will designate locations where encampments are established with a high cadence as High Frequency Monitoring Areas (HFMA). HFMAs will be frequently monitored in accordance with the Encampment Response SOP, receive permanent signage, and receive accelerated timelines for cleanup.

ROLES AND RESPONSIBILITIES

I. Community Services (CS):

a. Oversees overall policy development and implementation.
b. Is responsible for advancing the City of Denton's overall policy goals and directives related to responding to Encampments in the City.
c. The Homeless Programs Manager (HPM), an employee of CS, is responsible for coordination between parties, property owner communication, data tracking, maintaining timelines, reporting, and other management duties of the Encampment response process.

II. Community Improvement Services (CIS):

a. Conducts inspections on private property, issues notices of violation to private property owners, monitors private property cleanup, and initiates abatements as needed in accordance with the property maintenance code.

III. Partner (Street Outreach Contract Partner for CS):

a. Provides direct outreach and connects individuals experiencing homelessness with available resources.
b. Assesses and gives notice for encampments on vacant City-owned property.

IV. Parks and Recreation Department (PARD):

a. Assists with regular removal of trash and debris in public property.
b. PARD is responsible for regular cleanup of all public rights of way, active City-owned property within the City's illegal dumping crew's capacity and HFMA within their capacity.
c. Works with DPD to monitor High Frequency Monitoring Areas (HFMA).

V. Denton Police Department (DPD):

a. Conducts enforcement of unlawful activities as appropriate and addresses safety concerns during inspections, outreach, and cleanup. Responds to and assesses Encampment reports on active City-owned property. Coordinates with CS to

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address individuals still present for cleanup days on other property types. Enforces on private property in alignment with laws and regulations.

VI. All City Departments:

a. All City departments must report known or suspected encampments to Community Services, specifically the HPM or other relevant staff, for the management and record keeping of encampments and the City's response.

b. Are committed to continuously improving upon this process and they shall work in a collaborative manner to address Encampments.

STANDARDS

Encampment response will be conducted in accordance with public welfare, health and safety, and with the dignity and worth of the individuals held in consideration.

DEFINITIONS

- Encampment – Any place where an individual is temporarily residing with shelter, which can include tents, tarpaulins, lean-tos, sleeping bags, bedrolls, blankets, or any other temporary or permanent shelter, other than clothing or any handheld device, designed to protect a person from weather conditions that threaten personal health and safety (Texas Penal Code, Title 10, 48.05). These temporary structures and enclosed places are not intended for long-term occupancy (HUD, 2018).
- Street Outreach – The organized action of the City or its agents to connect persons experiencing homelessness to available resources with the goal of a permanent housing solution.

REFERENCES

- Encampment Response Standard Operating Procedure
- Texas Penal Code - PENAL § 48.05. Prohibited Camping
- Property Maintenance Code: City Ordinances Article V. TRASH AND DEBRIS § 17-50. Ord. No. 2010-132, § 1, 5-11-10
- Current partner: https://www.givinggrace.org/

REVISION HISTORY

Revision Date	Policy Owner	Summary
1/20/2026	Jesse Kent (CS)	• Initial Policy Adoption

Community Services Department
601 E. Hickory St., Denton, TX 76201 • (940) 349-7726

Property Owner Guide for Homeless Encampments

The City of Denton is committed to maintaining the safety, health, and wellbeing of all community members. This guide was developed to inform property owners of their rights and responsibilities when people are camping on their property without permission or if the city provides notice about an encampment.

What should I do immediately?

- If you feel unsafe, DO NOT engage directly with the people on your property. If you have any concerns for your immediate safety, please call 911.
- You can report the encampment through 311 by calling, through the app, or going online.
- If you can, take pictures from a safe distance. This helps the City coordinate an appropriate response and locate the reported encampment. Include these pictures when you report it to 311 through the app or online.

What is an encampment?

An encampment is any place where an individual is **temporarily residing in shelter**, which can include tents, tarpaulins, lean-tos, sleeping bags, bedrolls, blankets, or any other temporary or permanent shelter, other than clothing or any handheld device, designed to protect a person from weather conditions that threaten personal health and safety (Texas Penal Code, Title 10, 48.05). These temporary structures and enclosed places are **not intended for long-term occupancy** (HUD, 2018).

What can I do about an encampment on my property?

- **Connection to Homeless Services**: The City works with a nonprofit that provides Street Outreach assistance. They can talk to the people on your property and try to connect them with help and services if you allow. This will follow the same process the City uses for encampments on public property.
- **Criminal Trespassing:**
  - Trespassing is if someone enters your property without permission and were told not to enter or were told to leave but didn't. People must be given notice that they are trespassing, which can be by:
    - Telling them directly (in person or in writing)
    - Putting up fences or signs
    - Using purple paint marks on trees or posts (specific rules apply)
  - Consult Texas Penal Code § 30.05. Criminal Trespass for more information.

- E**nforcement Authorization**: You are able to sign an Enforcement Authorization (EA) with the police department which authorizes police to act without you present, and provide the warning that individuals have to leave in your stead. The City will provide you with this form upon request.
    - The police department cannot take proactive action without your written permission in the form of an EA. You may revoke this permission at any time.
    - If there is a public health or safety concern the City may need to take enforcement action of its own accord per City ordinance.
- **Please be aware that**:
    - The City cannot clean your property for you.
    - The City does not patrol private property.
    - Camping is not a permitted land use within the City of Denton.

What are my responsibilities as a property owner?

You are responsible for maintaining your property according to the Denton Property Maintenance Code Chapter 17.

- Specific sections of the code which may apply include but are not limited to:
    - Sec. 17-40. - Grass or weeds
    - Sec. 17-50. - Trash and debris declared a nuisance and prohibited.
    - Sec. 17-60. - Outside storage.
    - Sec. 17-80. - Maintenance of perimeter fences.
    - Sec. 17-153. - Exterior structure.
    - Sec. 17-180. - Securing vacant structures.

Maintenance and Cleanup is your responsibility as a Property Owner.

How can I prevent encampments in the future?

In order to prevent repeat encampments, there are some precautions you can take:

- Routinely have yourself or someone who has your permission check on the property to identify unpermitted access at an early stage.
- Mow tall grass and keep the area clean and free of trash or brush that could serve as cover.
- Secure uninhabited structures and vacant buildings as required.
- Place security fences around the property, check for permit requirements.
- Post clear no trespassing signage.

For questions, please contact the Homeless Programs Manager at (940) 230-5337.

Shelter Stay Policy

Purpose

The purpose of the Housing-Focused Program is to provide our guests experiencing homelessness with temporary shelter and support. This program is designed to be a short-term resource that helps guests take steps toward finding and keeping permanent housing.

Guests are expected to actively participate in housing-focused activities while staying at the shelter. The length of stay is based on progress toward housing goals and should not last longer than necessary to secure permanent housing or enter a program that supports long-term stability.

Shelter Entry Eligibility

- Guests must be physically self-sufficient to stay in shelter. This includes being able to get on and off bunks unassisted and independently manage personal hygiene, eating, bathing, dressing, and using the restroom.
- Guests must be 18 years of age or older upon entry.
- Guests must agree to engage in housing-focused activities as outlined in their individualized Housing Stability Plan.
- Guests must be experiencing literal homelessness according to the HUD definition upon entry.

Shelter Application & Waitlist

- Applicants are admitted based on availability.
- Prospective guests will complete a Shelter Application in-person at Our Daily Bread.
- Admission to shelter and case management services is based on bed availability. Guests may be placed on a waitlist if beds are unavailable.
- Day shelter services are available to all guests regardless of program admission. All guests may enroll in day shelter services regardless of program availability.
- When space becomes available, a guest has three business days to claim their bed before it is offered to the next person on the list. Guests who are passed over retain their position on the waitlist until they have gone 30 days without verified service engagement.
- Individuals will be admitted on a first-come, first-served basis as beds are available, as long as they are still willing to engage in taking steps towards housing.

To remain on the shelter waitlist, individuals must:

1. Remain engaged in services with an authorized service provider at least once every 30 days. Authorized service providers include nonprofit organizations within Denton County that participate in the Texas Homeless Network's Balance of State Homeless Management Information System (HMIS). Examples include but are not limited to Salvation Army Denton, Interfaith Ministries and Giving Grace Street Outreach. Engagement must be verifiable through HMIS.

2. Be reachable by phone, email or in person to receive notifications of bed availability.

Stay Period

- Guests are eligible for an initial stay of up to 14 days upon entry. Within seven days, they must complete a Diversion assessment and collaborate with case management to develop an individualized Housing Stability Plan.
- Throughout the stay, guests must demonstrate progress on their Housing Stability Plan and actively pursue permanent housing solutions.
- Case management supports may include referrals to partner agencies, employment resources, and housing opportunities.
- Case managers will track progress weekly and provide tailored support to help guests overcome barriers.
- Continued stays are permitted if guests demonstrate measurable progress on their Housing Stability Plan.
- Guests are expected to complete 20 hours per week of volunteer service at the shelter. Adjustments may be made based on employment or participation in work programs.
- Guests who do not complete Housing Stability Plan action items due to inaction for two weeks in a row, or three or more weeks total during their stay, may be subject to involuntary exit.

Guest Orientation – Leave Policy:

- A guest who is away from shelter for one day may be considered as no longer needing shelter services.
- Any leave from the shelter must be requested in advance and approved by your Case Manager.
- Absences of more than two nights without prior approval will result in forfeiture of your assigned room.
- Leave requests must be submitted at least two days in advance, and approval is not guaranteed.

Involuntary Shelter Exit

- Guests meet weekly with Case Managers to review progress. Documentation is recorded in writing and in HMIS. A copy of Housing Stability Plan progress will be shared with guests.
- Guests failing to meet Housing Stability Plan progress requirements two consecutive weeks, or three weeks total, may be referred for involuntary exit.
- The Guest Exit Committee will review each case. This Committee includes Our Daily Bread's Chief Operating Officer, the City of Denton Stability Caseworker, a City of Denton Crisis Intervention Clinician, and the guest's Case Manager. Other individuals may be designated by the Our Daily Bread Executive Director or the City of Denton's Homeless Programs Manager, respectively.
- The Committee reviews documentation and determines whether continued stay is appropriate using the Shelter Exit Assessment Tool (S.E.A.T.).
- If exit is required, the guest will receive written notice and the opportunity to appeal to Our Daily Bread's Administrative Review Committee, which includes the Executive Director and designated Our Daily Bread Board of Directors. members. Guests will have three days to make alternative arrangements before exiting.
- If continued stay is approved, the guest will receive written notice with updated expectations and a remediation plan.
- All decisions will be documented in HMIS, and the Case Manager will provide a written summary to the guest.
- The Shelter Advisory Board will meet quarterly to review aggregate data, including waitlist management, progression of stays, housing outcomes, involuntary exits, appeals, disparities, and feedback from guests and staff.

Inclement Weather Exceptions

- Length of Stay Policy requirements may be suspended during activation of Inclement Weather operations. During these periods, the shelter's focus is immediate safety and protection from extreme conditions.
- Guests seeking shelter during inclement weather will be accommodated based on Inclement Weather policy, subject to available space and safety protocols.
- Once Inclement Weather operations end, shelter admission will return to standard eligibility and capacity guidelines.

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: City Manager's Office

CM: Cassey Ogden

DATE: June 2, 2026

SUBJECT

Receive a report, hold a discussion, and give staff direction on pending City Council requests for:

1) AI Data Facility Application Process
2) Denton Firemen's Relief and Retirement Fund

[Estimated Presentation/Discussion Time: 30 minutes]

BACKGROUND

The following items will be discussed during this work session:

1) AI Data Facility Application Process

a. **Requestor:** Council Member Stevens

b. **Council Member Request:** I am proposing a work session for the purpose of having a discussion and providing council direction on the possibility of creating a policy on how the City of Denton approaches AI data facility applications moving forward.

This would include, but is not limited to, a discussion on a temporary moratorium on future applications for the purpose of evaluating whether the projected infrastructure demand, environmental impact, and financial return associated with the two currently approved AI data facilities align with their projections once operational. Medium Priority.

c. **Date Requested:** May 14, 2026

d. **Format for Response:** Informal Staff Report

2) Denton Firemen's Relief and Retirement Fund

a. **Requestor:** Council Member Villarreal

b. **Council Member Request:** I'd like to request a work session to discuss two related items concerning the Denton Firemen's Relief and Retirement Fund — a Cost of Living Adjustment for retired firefighters, and the transfer of our 911 dispatchers from the Fire Pension Plan into TMRS.

On the first item: our retired firefighters gave decades of service protecting this community. The City of Denton's general fund balance currently sits at nearly $42.8 million — 23.6% of expenditures — well above the GFOA-recommended 16.67% floor, and our total governmental fund balance has increased over 47% since FY23. The city is in a strong fiscal position. Meanwhile, our retired firefighters have seen inflation steadily erode their fixed pension benefits. A Cost of Living Adjustment is not just a financial question — it is a moral one. These retirees made career-long commitments to this city. We should honor that commitment with a work session to explore what a COLA would look like and what the city can responsibly support.

On the second item: right now, dispatchers under the age of 36 are required to enroll in the Firemen's Relief and Retirement Fund and contribute 12% of their gross pay. Every other city employee pays 7% through TMRS. That's a 5-point penalty on every paycheck for dispatchers at the start of their careers — at a time when we are struggling to recruit and retain qualified 911 staff. Moving dispatchers to TMRS aligns them with the rest of our workforce, reduces the financial burden on new hires, and strengthens our ability to staff the Communications Center.

Both of these issues directly affect our ability to keep promises to those who've served and to recruit the next generation of public safety professionals. I'd like to ask my colleagues to support scheduling a work session so staff can bring us full actuarial and fiscal analysis on both items.

c. **Date Requested:** May 25, 2026

d. **Format for Response:** Informal Staff Report

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Ordinance No. 24-1725
Exhibit 3 – Presentation

Respectfully Submitted:
Bill Prieto
Assistant to the City Manager

ORDINANCE NO. 24-1725

AN ORDINANCE OF THE CITY OF DENTON AMENDING CHAPTER 2, ARTICLE II, SECTION 2-30 OF THE CODE OF THE CITY OF DENTON (CITY COUNCIL REQUESTS FOR INFORMATION OR AGENDA ITEMS), TO PROVIDE FOR A REVISED POLICY MAKING PROCESS THAT PROVIDES BETTER INFORMATION, INCREASED COMMUNITY ENGAGEMENT, ELEVATED INVOLVEMENT OF BOARDS AND COMMISSIONS, AND BUDGET ALIGNMENT; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE, PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on August 27, 2019 by Ordinance No. 19-2026, the City Council adopted Section 2-30 of the City of Denton Code of Ordinances to provide procedures to ensure there is a consensus of the City Council regarding the use of staff time when responding to requests from elected officials; and

WHEREAS, on September 28, 2021 by Ordinance No. 21-1837 the City Council amended the City Council request procedures to increase the time for the requesting councilmember to speak from one minute to two minutes and change the section title to more accurately reflect the response types may include agenda items; and

WHEREAS, on July 25, 2023, by Ordinance No. 23-1431, the City Council amended the City Council request procedures to require a 3/4 supermajority consensus to have a request go directly to a resolution or ordinance on a future City Council agenda; and

WHEREAS, on September 17, 2024, by Ordinance No. 24-1725 the City Council now desires to amend the City Council request procedures to provide for a revised policy making process that provides better information, increased community engagement, elevated involvement of boards and commissions, and budget alignment; NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained in the preamble of this Ordinance are incorporated herein by reference to the body of this Ordinance as if fully set forth herein.

SECTION 2. Chapter 2, Article II, Section 2-30 of the City of Denton Code of Ordinances, entitled "City Council Requests for Information or Agenda Items," is hereby amended in its entirety to now read as follows:

Chapter 2 - ADMINISTRATION

ARTICLE II. – ADMINISTRATIVE ORGANIZATION

Sec. 2-30. - City Council Requests for Information or Agenda Items.

(a) Definitions.

(1) For purposes of Section 2-30 the following definitions apply:

a. "Request for Information" – Requests made by a member of the City Council to seek clarification on Board, Commission, Committee or City Council agenda items; address perceived service issues, infrastructure maintenance, or construction concerns caused by or impacting City operations and/or the quality of life for Denton residents; and requests for policy-related research to evaluate policies implemented by other agencies and/or assess the impact a new policy or potential program may have if implemented by the City of Denton.

b. "City Staff" – Includes employees of the City of Denton consisting of, or reporting to, the City Manager or the City Attorney.

(b) City Council Requests for Information from City Staff.

(1) All City Council requests for information from City Staff, must be submitted to the City Manager's Office via email and include at a minimum, the following details:

a. Request Type;
b. Purpose;
c. Time Sensitivity; and
d. Preferred Response Format.

(2) The City Manager's Office and/or the City Attorney's Office will estimate the amount of time required to respond to each request.

(3) Requests estimated to take more than a total of two hours to complete will be brought forward within the next 30 calendar days, to a City Council work session to seek consensus from the full City Council regarding the use of City Staff time to fulfill the request. Requests for information referred to a work session will follow the procedures provided in sub-section (b) of Section 2-30.

(c) City Council Requests for Information Referred to a Work Session.

(1) A standing work session item will be added to each City Council agenda for City Council requests to be considered.

a. The requesting Council Member will be required to provide a clear, written explanation describing the reason for the information requested. This description will be included as an attachment to the work session agenda materials and must be provided to the City Secretary in time to fully comply with Texas Open Meeting Act requirements.

(2) During the work session, the requesting Council Member will have a maximum of two minutes to describe and justify their request.

a. Remaining Council Members will then have a maximum of one minute each to provide feedback and indicate their support for the use of City Staff time to respond to the request.

(3) Staff will respond to all requests where a consensus of at least four elected officials is established with an Informal Staff Report (ISR) and/or Legal Status Report (LSR), determined by the City Manager and the City Attorney, that outlines, as it was presented, the estimated cost to implement, the estimated timeline for implementation of, and a determination of the strategic alignment of, the request.

(4) Upon receipt of the ISR and/or LSR, the Council Member who initiated the request will inform the City Manager if their request has been satisfied. If the requesting Council Member's request is satisfied by the ISR or LSR, the request is concluded with no further action. If the Council Member who initiated the request is not satisfied by the information provided in the ISR or LSR, or otherwise requests a City Council work session, ordinance, resolution or other action on the request, they may submit it to the Agenda Committee to enter the Council Committee Process as defined in Sec 2-30(c)(5). If there is a consensus of six (6) Council Members, a resolution or ordinance may be placed on a future City Council agenda without going through the Council Committee Process defined in Sec 2-30(c)(5).

(5) The Council Committee Process is the procedural movement of a request through the steps outlined in this subsection.
   a. The Agenda Committee will use the ISR or LSR to determine if, to the extent possible, there are any existing committees, boards, or commissions whose defined scope includes the request. If any such committee, board, or commission exists, the Agenda Committee will direct the staff liaison(s) for any appropriate committees, boards, or commissions to find the soonest feasible date and add the request to agenda for the for committees, boards, or commissions for consideration and feedback.
   b. After review by committees, boards, or commissions, if funding is available to implement the request, as determined by the City Manager, the request will proceed to a City Council work session.
   c. After review by committees, boards, or commissions, a request without available funding will be scheduled for discussion by the City Manager at the next City Council Budget Workshop or Strategic Retreat. The request will either be included in the City Manager's proposed budget for the next fiscal year or concluded with no further action, at the direction of City Council. A request that is funded in the budget will proceed to a City Council work session.

(d) City staff time will not be allowed to work on any request that is concluded with no further action in accordance with the procedures of Sec 2-30(c) unless the request is resubmitted in accordance with Sec 2-30(c).

SECTION 3. Ordinance No. 23-1431 is hereby repealed and replaced by this Ordinance. To the extent not otherwise provided, this Ordinance shall repeal every prior ordinance in conflict herewith, but only insofar as the portion of such ordinance shall be in conflict; and as to all other sections of the ordinance not in direct conflict herewith, this Ordinance shall be and is hereby made cumulative except as to such prior ordinances or portions thereof as are expressly repealed hereby.

SECTION 4. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph, or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

SECTION 5. The City Secretary is hereby directed to record and publish the above regulations in the City's Code of Ordinances.

SECTION 6. This Ordinance shall become effective immediately upon its passage and approval.

The motion to approve this Ordinance was made by Gerard Hudspeth and seconded by Vicki Byrd; this Ordinance was passed and approved by the following vote [5 - 2]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	✓			
Vicki Byrd, District 1:	✓			
Brian Beck, District 2:		✓		
Paul Meltzer, District 3:	✓			
Joe Holland, District 4:	✓			
Brandon Chase McGee, At Large Place 5:		✓		
Jill Jester, At Large Place 6:	✓			

PASSED AND APPROVED this the 17th day of September, 2024.

GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

City Council Pending Requests for Information

City Council Meeting

June 2, 2026

File ID: 26-0624

Work Session Process

- Up to seven requests will be reviewed per meeting (one per Council Member)
- Staff will introduce each request
- The requesting Council Member will have up to two minutes to describe and justify their request
- Remaining Council Members will then have a maximum of one minute each to provide feedback and indicate their support for the use of City staff time to respond to the request
- Staff will respond to all requests where a consensus of at least four elected officials is established
- A consensus of six (6) Council Members is required for a resolution or ordinance to be placed on a future City Council agenda prior to a work session on the request.

Work Session Process

- The Agenda Committee will assist in scheduling items receiving consensus based upon priority offered by Council Members, work session availability, and readiness of the item.
- As guidelines for Council Members to note and offer their priority while supporting an item, the following general categorization could be used to indicate any Council Member's support to assist staff and the Agenda Committee:
  - **High** – Time-sensitivity of the item is significant; the item is critical to the community or organization; and/or the item is of such importance that it should take precedence over other scheduled priorities, projects, or items.
  - **Moderate** – The item is somewhat time-sensitive; the item has a valuable impact to the community or organization; and/or the item is important but should be integrated into work plans accordingly.
  - **Low** – The item is not time-sensitive; the item has an impact, but it is limited; and/or the item should be scheduled into work plans where possible but should not affect or delay other scheduled work.

Two-Minute Pitch

AI Data Facility Application Process

Requestor: Council Member Stevens

Council Member Request: I am proposing a work session for the purpose of having a discussion and providing council direction on the possibility of creating a policy on how the City of Denton approaches AI data facility applications moving forward.

This would include, but is not limited to, a discussion on a temporary moratorium on future applications for the purpose of evaluating whether the projected infrastructure demand, environmental impact, and financial return associated with the two currently approved AI data facilities align with their projections once operational. Medium Priority.

Date Requested: May 14, 2026

Format for Response: Informal Staff Report

Two-Minute Pitch

Denton Firemen’s Relief and Retirement Fund

Requestor: Council Member Villarreal

Council Member Request: I'd like to request a work session to discuss two related items concerning the Denton Firemen's Relief and Retirement Fund — a Cost of Living Adjustment for retired firefighters, and the transfer of our 911 dispatchers from the Fire Pension Plan into TMRS.

On the first item: our retired firefighters gave decades of service protecting this community. The City of Denton's general fund balance currently sits at nearly $42.8 million — 23.6% of expenditures — well above the GFOA-recommended 16.67% floor, and our total governmental fund balance has increased over 47% since FY23. The city is in a strong fiscal position. Meanwhile, our retired firefighters have seen inflation steadily erode their fixed pension benefits. A Cost of Living Adjustment is not just a financial question — it is a moral one. These retirees made career-long commitments to this city. We should honor that commitment with a work session to explore what a COLA would look like and what the city can responsibly support.

Two-Minute Pitch

On the second item: right now, dispatchers under the age of 36 are required to enroll in the Firemen's Relief and Retirement Fund and contribute 12% of their gross pay. Every other city employee pays 7% through TMRS. That's a 5-point penalty on every paycheck for dispatchers at the start of their careers — at a time when we are struggling to recruit and retain qualified 911 staff. Moving dispatchers to TMRS aligns them with the rest of our workforce, reduces the financial burden on new hires, and strengthens our ability to staff the Communications Center.

Both of these issues directly affect our ability to keep promises to those who've served and to recruit the next generation of public safety professionals. I'd like to ask my colleagues to support scheduling a work session so staff can bring us full actuarial and fiscal analysis on both items.

Date Requested: May 25, 2026

Format for Response: Informal Staff Report

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: City Secretary's Office

CM: Cassey Ogden

DATE: June 2, 2026

SUBJECT
Consider approval of the minutes of the April 21 and May 5, 2026 Regular Meetings, and the May 12, 2026 Special Called Canvassing Meeting.

BACKGROUND
The minutes drafts are provided for review and formal approval by the City Council.

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – April 21, 2026 Regular Meeting Minutes
Exhibit 3 – May 5, 2026 Regular Meeting Minutes
Exhibit 4 – May 12, 2026 Special Called Canvassing Meeting Minutes

Respectfully submitted:
Kristi Fogle
Interim City Secretary

CITY OF DENTON CITY COUNCIL MINUTES
April 21, 2026

After determining that a quorum was present, the City Council convened in a Work Session on Tuesday, April 21, 2026, at 02:00 p.m. in the Council Work Session Room at City Hall.

PRESENT: Mayor Gerard Hudspeth, Mayor Pro Tem Suzi Rumohr, Council Member Brian Beck, Council Member Joe Holland, Council Member Jill Jester, and Council Member Vicki Byrd.

ABSENT: Council Member Brandon Chase McGee.

Also present were Interim City Manager Cassey Ogden and City Attorney Mack Reinwand.

The posted agenda noted the registration process for public participation (virtual and in-person) at this meeting. There were no online eComments received for any items on the agenda.

WORK SESSION

1. Citizen Comments on Consent Agenda Items

None

2. Requests for clarification of agenda items listed on this agenda for public hearing and individual consideration.

• Request for Clarification:

  º None

• Pulled from Individual Consideration:

  º None

Before the start of the Work Session Reports, Interim City Manager Cassey Ogden recognized Aimee Kaslik & her team for receiving the Distinguished Budget Presentation Award. The City has received this award 30 years in a row.

3. Work Session Reports

A. ID 26-0154 Receive a report, hold a discussion, and give staff direction on the City's financial policies. [Estimated Presentation/Discussion Time: 60 minutes]

The item was presented, and discussion followed. Following discussion, there was no direction provided as the item was for presentation/discussion purposes.

B. ID 26-0033 Receive a report and hold a discussion on the Denton Police Department Annual Update and 2025 Annual Report. [Estimated Presentation/Discussion Time: 30 minutes]

The item was presented, and discussion followed. Following discussion, there was no direction provided as the item was for presentation/discussion purposes.

C. ID 26-0030 Receive a report and hold a discussion on the Denton Fire Department Annual Update and 2025 Annual Report. [Estimated Presentation/Discussion Time: 30 minutes]

The item was presented, and discussion followed. Following discussion, there was no direction provided as the item was for presentation/ discussion purposes.

D. ID 26-0619 Receive a report, hold a discussion, and give staff direction on pending City Council requests for: 1) Environmental Neighborhood Toolkit for Infrastructure Response and Enhancement (ENTIRE). [Estimated Presentation/Discussion Time: 30 minutes]

The item was presented, and discussion followed. Following discussion, there was no City Council consensus for an Informal Staff Report on the two-minute pitch by Council Member Beck to develop an Environmental Neighborhood Toolkit for Infrastructure Response and Enhancement (ENTIRE).

The work session ended at 3:40 p.m.

Closed Meeting

1. The City Council convened into a Closed Meeting at 3:40 p.m. consistent with Chapter 551 of the Texas Government Code, as amended, or as otherwise allowed by law, as follows:

A. ID 26-0542 Deliberations Regarding Certain Public Power Utilities Competitive Matters - Under Texas Government Code Section 551.086; Consultation with Attorneys - Under Texas Government Code Section 551.071. Receive information from staff containing public power information related to a Power Purchase Agreement between the City of Denton, as the seller of power and electric energy services, and Peterbilt Motors Company, a division of PACCAR Inc.; discuss, deliberate, and provide direction to staff regarding same. Consultation with City's attorney regarding issues associated with the above matter where public discussion of these legal matters would conflict with the duty of the City's attorneys to the City of Denton under Texas Disciplinary Rule of Professional Conduct of the State Bar of Texas, or would jeopardize the City's legal position in any administrative or potential litigation.
DELIBERATED

B. ID26-0642 Deliberations regarding Real Property - Under Texas Government Code Section 551.072; Consulting with Attorneys - Under Texas government Code Section 551.071 - Receive information from staff, discuss, deliberate, and provide staff with direction pertaining to certain real property interests located at 610 Oakland Street in the City of

Denton, Denton County, Texas where a public deliberation would have a detrimental effect on the City's position in negotiations with third parties. Consultation with City's Attorney regarding issues associated with the above matter where public discussion of these legal matters would conflict with the duty of the City's attorneys to the City of Denton and the Denton City Council under Texas Disciplinary Rule of Professional Conduct of the State Bar of Texas or would jeopardize the City's legal position in any administrative or potential litigation.
DELIBERATED

C. ID 26-0660 Deliberations regarding Personnel Matters - Under Texas Government Code Section 551.074. Deliberate and discuss the appointment, employment, duties, compensation, and/or contract of the Municipal Judge.
DELIBERATED

The closed meeting started at 3:41 p.m. and ended at 6:15 p.m. No votes or actions were taken during the closed meeting.

Regular Meeting

After determining that a quorum was present, the City Council of the City of Denton, Texas convened in a Regular Meeting on Tuesday, April 21, 2026, at 6:30 p.m. in the Council Chambers at City Hall, 215 E. McKinney Street, Denton, Texas.

PRESENT: Mayor Gerard Hudspeth, Mayor Pro Tem Suzi Rumohr and Council Members Brian Beck, Vicki Byrd, Joe Holland, Jill Jester, and Brandon Chase McGee.

ABSENT: None

Also present were Interim City Manager Cassey Ogden and City Attorney Mack Reinwand.

The posted agenda noted the registration process for public participation (virtual and in-person) at this meeting. While citizen commentary received via the online eComment process was not read, each member of the City Council received each online commentary as it was submitted.

In-person, and online eComments received are reflected on Exhibit A.

1. PLEDGE OF ALLEGIANCE

A. U.S. Flag
B. Texas Flag

2. PROCLAMATIONS/PRESENTATIONS

A. ID 26-0277 Proclamation: National Police Volunteer Week
PRESENTED

B. ID 26-0468 Proclamation: Ryan High School Lady Raiders Day
PRESENTED

C. ID 26-0503 Proclamation: Child Abuse Prevention Month
PRESENTED

3. PRESENTATIONS FROM MEMBERS OF THE PUBLIC

A. ID 26-0587 Ms. Barbara Kuzma regarding City planning with existing residents in mind.
PRESENTED

2) Open Microphone.

Citizen comments received are noted on Exhibit A.

4. CONSENT AGENDA

The Consent Agenda consisted of Items 4.A through 4.AM.

Council Member Jester moved to adopt the Consent Agenda as presented.

Motion seconded by Council Member Holland.

Motion carried unanimously.

AYES (7): Mayor Hudspeth, Mayor Pro Tem Rumohr and Council Members Beck, Byrd, Holland, Jester, and McGee.
NAYS (0): None

A. ID 26-0036 Consider approval of the minutes of March 24, 2026, Special Called Meeting.
APPROVED

B. ID 26-0037 Consider approval of the minutes of April 7, 2026, Joint Meeting with Denton ISD, and April 7, 2026, Regular Meeting.
APPROVED

C. ID 26-0620 Consider a nomination/appointment to the City of Denton Animal Shelter Advisory Committee.
APPROVED
APPOINTMENT LISTED ON EXHIBIT B

D. ID 26-0609 Consider a nomination/reappointment to the City of Denton Animal Shelter Advisory Committee.
APPROVED
REAPPOINTMENT LISTED ON EXHIBIT B

E. ID 26-0611 Consider a nomination/reappointment to the City of Denton Airport Advisory Board.
APPROVED
REAPPOINTMENT LISTED ON EXHIBIT B

F. ID 26-0608 Consider a nomination/reappointment to the City of Denton Board of Ethics.
APPROVED
REAPPOINTMENT LISTED ON EXHIBIT B

G. ID 26-0602 Consider a nomination/reappointment to the City of Denton Zoning Board of Adjustment.
APPROVED
REAPPOINTMENT LISTED ON EXHIBIT B

H. ID 26-0603 Consider a nomination/reappointment to the City of Denton Zoning Board of Adjustment.
APPROVED
REAPPOINTMENT LISTED ON EXHIBIT B

I. ID 26-0604 Consider a nomination/reappointment to the City of Denton Committee on Persons With Disabilities.
APPROVED
REAPPOINTMENT LISTED ON EXHIBIT B

J. ID 26-0605 Consider a nomination/reappointment to the City of Denton Committee on Persons With Disabilities.
APPROVED
REAPPOINTMENT LISTED ON EXHIBIT B

K. ID 26-0606 Consider a nomination/reappointment to the City of Denton Committee on Persons With Disabilities.
APPROVED
REAPPOINTMENT LISTED ON EXHIBIT B

L. ID 26-0607 Consider a nomination/reappointment to the City of Denton Community Services Advisory Committee.
APPROVED
REAPPOINTMENT LISTED ON EXHIBIT B

M. ID 26-0612 Consider a nomination/reappointment to the City of Denton Health and Building Standards Commission.
APPROVED
REAPPOINTMENT LISTED ON EXHIBIT B

N. ID 26-0192 Consider adoption of an ordinance of the City of Denton, a Texas Home-Rule Municipal Corporation, authorizing the City Manager or their designee, to execute 3-Way Development Contracts for the construction of public improvements intended to serve private development; approving, adopting as to form, and authorizing use of the performance, payment, and maintenance bonds required under 3-Way Development Contracts; providing a repealer; ratifying all past 3-Way Development Contracts; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-0192

O. ID 26-0318 Consider adoption of an ordinance of the City of Denton providing for the abandonment, relinquishment, and quitclaim of 0.234 acres of a public waterline easement, situated in the E. Morris Survey, Abstract Number 868, recorded by County Clerk document number 1948-4791, Real Property Records, Denton County, Texas granted to the City of Denton by Alex and Ollie Dickie, 0.234 acres of a public sanitary sewer easement, situated in the E. Morris Survey, Abstract Number 868, recorded by County Clerk document number 1944-3132, Real Property Records, Denton County, Texas granted to the City of Denton by Alex and Ollie Dickie, and 0.385 acres of a public electric easement, situated in the E. Morris Survey, Abstract Number 868, recorded by County Clerk document number 1948-4792, Real Property Records, Denton County, Texas granted to the City of Denton by Alex and Ollie Dickie; providing for the quitclaim thereof to Texas Housing Foundation, a Texas regional housing authority; providing for the terms and conditions of the abandonment, relinquishment, and quitclaim made herein; providing for the conveyance of an easement and/or facilities to the City of Denton; providing for the indemnification of the City of Denton against damages arising out of the abandonment herein; providing for consideration to be paid to the City of Denton and providing for a severability and an effective date. (Woodrow Multifamily Addition-Water, Sewer & Electric Easement Abandonments)
ASSIGNED ORDINANCE NO. 26-0318

P. ID 26-0460 Consider adoption of an ordinance of the City of Denton, approving and authorizing the City Manager to execute a Lease Agreement with Denton Destination Management and Marketing Organization to use and occupy approximately 768 square feet of office space in the City building located at 401 North Elm Street, for a six (6) month initial term, and providing for severability and an effective date.
ASSIGNED ORDINANCE NO. 26-0460

Q. ID 26-0338 Consider approval of a resolution of the City of Denton, Texas, adopting an update to the City of Denton's Mosquito Surveillance and Response Plan, which guides the City's surveillance of its mosquito population and response to the detection of mosquitoes carrying West Nile Virus; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-0338

R. ID 26-0388 Consider adoption of an ordinance of the City of Denton approving a grant to Fine Arts Theater of Denton, LLC for Fire Suppression located at 115-116 N. Elm Street from the Downtown Reinvestment Grant Program in an amount not to exceed $50,000.00 from Tax Increment Reinvestment Zone Number One funds; and providing for an effective date. The Tax Increment Reinvestment Zone Number One Board recommends approval (5 - 0).
ASSIGNED ORDINANCE NO. 26-0388

S. ID 26-0389 Consider adoption of an ordinance of the City of Denton approving a grant to West Oak Coffee Bar GP, LLC for improvements located at 114 W. Oak Street from the Downtown Reinvestment Grant Program in an amount not to exceed $50,000.00 from Tax Increment Reinvestment Zone Number One funds; and providing for an effective date. The Tax Increment Reinvestment Zone Number One Board Recommends Approval (5 - 0).
ASSIGNED ORDINANCE NO. 26-0389

T. ID 26-0390 Consider adoption of an ordinance of the City of Denton approving a grant to West Oak Coffee Bar GP, LLC for Fire Suppression located at 114 W. Oak Street from the Downtown Reinvestment Grant Program in an amount not to exceed $50,000.00 from Tax Increment Reinvestment Zone Number One funds; and providing for an effective date. The Tax Increment Reinvestment Zone Number One Board recommends approval (5 - 0).
ASSIGNED ORDINANCE NO. 26-0390

U. ID 26-0640 Consider adoption of an ordinance of the City of Denton authorizing the City Manager to execute a cash sponsorship agreement between the City of Denton and the Denton Destination Management and Marketing Organization, which is a nonprofit organization located within the City of Denton; providing a severability clause; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-0640

V. ID 26-0513 Consider adoption of an ordinance of the City of Denton authorizing the submission of an application to the Denton County Transportation Authority (DCTA) Transportation Reinvestment Program (TRiP) Fiscal Year 2026 funding period in the amount of $1,844,274 for Woodrow Lane sidewalk and trail improvements; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-0513

W. ID 26-0514 Consider adoption of an ordinance of the City of Denton authorizing the City Manager to execute an agreement for the payment and use of program year 2026 Hotel Tax Revenue in support of programming and events in the City between the City of Denton and Denton Destination Marketing and Management organization in an estimated amount of one million dollars ($1,000,000), providing a severability clause; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-0514

X. ID 26-0395 Consider approval of a resolution of the City of Denton amending policy no. 408.01 “Travel Expenses” to safeguard City funds by paying only reasonable and necessary expenses and to ensure the City provides sufficient funds for employees to execute business on behalf of the City; and declaring an effective date.
ASSIGNED ORDINANCE NO. 26-0395

Y. ID 26-0396 Consider approval of a resolution of the City of Denton adopting policy no. 110.04 "Local Emergency Lodging" to maintain critical infrastructure and public services during periods of inclement weather or other emergencies as part of its commitment to quality service; and declaring an effective date.
ASSIGNED ORDINANCE NO. 26-0396

Z. ID 26-0520 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a first amendment to a contract between the City of Denton and J & B Five Point Construction, LLC, amending the contract approved by City Council on August 15, 2023, in the not-to-exceed amount of $1,184,000.00; said first amendment to continue the construction of the DEC Bulk Storage Tank Addition for Denton Municipal Electric; providing for the expenditure of funds therefor; and providing an effective date (RFP 8267 - providing for an additional first amendment expenditure amount not-to-exceed $296,000.00, with the total contract amount not-to-exceed $1,480,000.00). The Public Utilities Board recommends approval (4 - 0).
ASSIGNED ORDINANCE NO. 26-0520

AA. ID 26-0522 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Trihedral Inc., for an HMI Software System for the Water Utilities Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8741 - awarded to Trihedral Inc., for five (5) years, with the option for five (5) additional one (1) year extensions, in the total ten (10) year not-to-exceed amount of $886,000.00). The Public Utilities Board recommends approval (4 - 0).
ASSIGNED ORDINANCE NO. 26-0522

AB. ID 26-0523 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive bids under IFB 8884 for the supply of reinforced concrete pipe, polypropylene pipe, precast box culverts, and related components for the Drainage Department; and providing an effective date (IFB 8884). The Public Utilities Board recommends approval (4 - 0).
ASSIGNED ORDINANCE NO. 26-0523

AC. ID 26-0524 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Black & Veatch Corporation and C3 AcquisitionCO, LLC dba POWERx Inc., for relay commissioning services for Denton Municipal Electric; providing for the expenditure of funds therefor; and providing an effective date (RFQ 8901 – awarded to Black & Veatch Corporation and C3 AcquisitionCO, LLC dba POWERx Inc., for three (3) years, with the option for two (2) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of $4,875,000.00). The Public Utilities Board recommends approval (4 - 0).
ASSIGNED ORDINANCE NO. 26-0524

AD. ID 26-0526 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a Professional Services Agreement with Storm Services Texas, LLC, to provide disaster recovery logistical services for

Denton Municipal Electric as set forth in the contract; providing for the expenditure of funds therefor; and providing an effective date (RFQ 8976 - Professional Services Agreement for logistical services awarded to Storm Services Texas, LLC, for one (1) year, with the option for four (4) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of $4,000,000.00). The Public Utilities Board recommends approval (4 - 0).
ASSIGNED ORDINANCE NO. 26-0526

AE. ID 26-0527 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with T&W Tire, L.L.C., for the purchase and repairs of wheels and tires for heavy-duty vehicles and equipment for the Fleet Services Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8988 – awarded to T&W Tire, L.L.C., for three (3) years, with the option for two (2) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of $2,211,300.00). The Public Utilities Board recommends approval (4 - 0).
ASSIGNED ORDINANCE NO. 26-0527

AF. ID 26-0528 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a Professional Services Agreement with Martinez Architects, LP, for the architectural design services of Fire Station #10 for the Capital Projects Department as set forth in the contract; providing for the expenditure of funds therefor; and providing an effective date (RFQ 8376-004 - Professional Services Agreement for architectural design services awarded to Martinez Architects, LP, in the not-to-exceed amount of $785,000.00).
ASSIGNED ORDINANCE NO. 26-0528

AG. ID 26-0529 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Texas Portable Restrooms, LLC., dba Texas Johns, for the supply of chemical toilet rental services and special event rentals for the City of Denton; providing for the expenditure of funds therefor; and providing an effective date (RFP 8881 – awarded to Texas Portable Restrooms, LLC., dba Texas Johns, for three (3) years, with the option for two (2) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of $355,000.00).
ASSIGNED ORDINANCE NO. 26-0529

AH. ID 26-0530 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Jagoe-Public Company, for the Mill and Overlay Package Project (Teasley Lane between I-35 and Willow Springs Drive; Shady Oaks Drive between Willow Springs Drive and Woodrow Lane; Russell Newman Boulevard between Loop 288 and Mayhill Road; and Bonnie Brae St. between Scripture Street and University Drive) for the Capital Projects Department; providing for the expenditure of funds therefor; and providing an effective date (IFB 8935 - awarded to Jagoe-Public Company, in the not-to-exceed amount of $1,731,525.66).
ASSIGNED ORDINANCE NO. 26-0530

AI. ID 26-0531 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Albatross

Construction LLC, for the US 380 Street Lighting Improvements Project for the Capital Projects Department; providing for the expenditure of funds therefor; and providing an effective date (IFB 8936 - awarded to Albatross Construction LLC, in the not-to-exceed amount of $3,502,799.99).
ASSIGNED ORDINANCE NO. 26-0531

AJ. ID 26-0532 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to approve a pre-qualified professional list of engineers for special inspection, geotechnical engineering services, and materials testing including soil & aggregate, concrete, masonry, steel, and asphalt materials related to construction projects within the City of Denton for the Capital Projects Department; and providing an effective date (RFQ 8991 – for one (1) year, with the option for two (2) additional one (1) year extensions, in the total three (3) year term).
ASSIGNED ORDINANCE NO. 26-0532

AK. ID 26-0445 Consider adoption of an ordinance of the City of Denton granting the Denton Main Street Association a noise exception for the Twilight Tunes Series, which will be held on Thursday, May 7, May 14, May 21, May 28, June 4, June 11, and June 18, from 6:00 p.m. to 8:30 p.m. on the Courthouse Lawn - 110 W Hickory Street and October 1, October 8, October 15, October 22, and October 29, 2026, from 6:00 p.m. to 8:30 p.m. at Wolff's Park; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-0445

AL. ID 26-0291 Consider adoption of an ordinance of the City of Denton amending chapter 18 Motor Vehicles and Traffic, Article III Speed of Vehicles, Section 18-73 Speed Limits On Certain Roads and Highways, School Zones, of the Code of Ordinances of the City of Denton, to change the speed limits of certain parts of Teasley Lane in the vicinity of Nelson Elementary School; providing a savings clause; providing a severability clause; providing a penalty clause; providing for publication; providing codification; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-0291

AM. ID 26-0541 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, approving a power purchase agreement between the City and Peterbilt Motors Company, a division of PACCAR Inc.; and providing for an Effective Date. The Public Utilities Board recommends approval (4 – 0)
ASSIGNED ORDINANCE NO. 26-0541

5. PUBLIC HEARINGS

A. HL26-0001b Hold a public hearing and consider adoption of an ordinance of the City of Denton designating the property located at 1403 Kendolph Drive, being part of Abstract Number 996, Tract 562 and 563 of the Eugene Puchalski Survey, a Historic Landmark under Section 2.9.4 of the Denton Development Code; providing for a penalty in the maximum amount of $2,000.00 for violations thereof; providing a severability clause and an effective date. The Historic Landmark Commission voted [7-0] to recommend approval of the request. Motion for approval by Commissioner Treat and second by Commissioner Black. The Planning

and Zoning Commission voted [6-0] to recommend approval of the request. Motion for approval by Commissioner Ketchersid and second by Commissioner McDuff. (HL26-0002b, Historic Landmark Designation of 1403 Kendolph Drive, Cameron Robertson)
ASSIGNED ORDINANCE NO. HL26-0001b

There were no online eComments received on this item.

The item was presented and no discussion followed.

The Mayor opened the public hearing. There were no in-person citizen comments. The Mayor closed the public hearing.

Following discussion, Mayor Pro Tem Rumohr moved to adopt the item as presented. Motion seconded by Council Member Beck.

Motion carried unanimously.

AYES (7): Mayor Hudspeth, Mayor Pro Tem Rumohr and Council Members Beck, Byrd, Holland, Jester, and McGee.
NAYS (0): None

B. Z26-0001a Hold a public hearing and consider adoption of an ordinance of the City of Denton, Texas, regarding a change in the zoning district and use classification from Rural Residential (RR) District to Light Industrial (LI) District on approximately 1.67 acres of land generally located on the east side of south Mayhill Road, approximately 75 feet south of Morse Street in the City of Denton, Denton County, Texas; adopting an amendment to the City's Official Zoning Map; providing for a penalty in the maximum amount of $2,000.00 for violations thereof; providing a severability clause and an effective date. The Planning and Zoning Commission voted (5-0) to recommend approval of the request. Motion for approval by Commissioner McDuff and second by Commissioner Ketchersid. (Z26-0001a, Mayhill Road Rezoning, Matt Bodine)
ASSIGNED ORDINANCE NO. Z26-0001a

There were no online eComments received on this item.

The item was presented and discussion followed.

The Mayor opened the public hearing. There were no in-person citizen comments. The Mayor closed the public hearing.

Following discussion, Council Member Byrd moved to adopt the item as presented. Motion seconded by Council Member Jester.

Motion carried unanimously.

AYES (7): Mayor Hudspeth, Mayor Pro Tem Rumohr and Council Members Beck, Byrd, Holland, Jester, and McGee.
NAYS (0): None

6. ITEMS FOR INDIVIDUAL CONSIDERATION

A. S26-0001 Consider adoption of an ordinance of the City of Denton extending the approval period for a Specific Use Permit for an equipment sales and rental use originally approved via Ordinance S24-0001a for approximately 10 acres of land, generally located on the south side of US 380, approximately 3,800 feet to the west of Masch Branch Road in the City of Denton, Denton County, Texas; adopting an amendment to the City's official zoning map; providing for a penalty in the maximum amount of $2,000.00 for violations thereof; providing for severability and an effective date. (S26-0001, RDO Equipment, Ashley Ekstedt)
ASSIGNED ORDINANCE NO. S26-0001

There were no online eComments received on this item.

The item was presented, and discussion followed.

There were no in-person citizen comments.

Following discussion, Council Member Jester moved to adopt the item as presented. Motion seconded by Council Member Beck.

Motion carried unanimously.

AYES (7): Mayor Hudspeth, Mayor Pro Tem Rumohr and Council Members Beck, Byrd, Holland, Jester, and McGee
NAYS (0): None

B. ID 26-0521 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Badger Meter, Inc., for the Advanced Metering Infrastructure (AMI) Implementation Program for the Water Metering Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8623 - awarded to Badger Meter, Inc., for five (5) years, with the option for five (5) additional one (1) year extensions, in the total ten (10) year not-to-exceed amount of $26,000,000.00). The Public Utilities Board recommends approval (4- 0).
ASSIGNED ORDINANCE NO. 26-0521

There were no online eComments received on this item.

The item was presented, and discussion followed.

There were no in-person citizen comments.

Following discussion, Council Member Beck moved to adopt the item as presented. Motion seconded by Council Member Holland.

Motion carried unanimously.

AYES (7): Mayor Hudspeth, Mayor Pro Tem Rumohr and Council Members Beck, Byrd, Holland, Jester, and McGee
NAYS (0): None

C. ID 26-0525 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Xylem Vue Inc. through the Sourcewell Cooperative Purchasing Network Contract No. 091724, for the Water Utility Monitoring and Analytics Project for the Water Utilities Department; authorizing the expenditure of funds therefor; and providing an effective date (File 8931 - awarded to Xylem Vue Inc., in the five (5) year not-to-exceed amount of $6,496,090.00). The Public Utilities Board recommends approval (4 - 0).
ASSIGNED ORDINANCE NO. 26-0525

There were no online eComments received on this item.

The item was presented, and discussion followed.

There were no in-person citizen comments.

Following discussion, Council Member Jester moved to adopt the item as presented. Motion seconded by Council Member Beck.

Motion carried unanimously.

AYES (7): Mayor Hudspeth, Mayor Pro Tem Rumohr and Council Members Beck, Byrd, Holland, Jester, and McGee
NAYS (0): None

D. ID 26-0509 Consider adoption of an ordinance of the City of Denton approving an economic development agreement under Chapter 380 of the local government code to promote economic development and to stimulate business activity and economic growth of the City of Denton between the City of Denton and KrateoSky LLC, regarding the expansion of operations and increase in the number of jobs in the City of Denton; authorizing the expenditure of funds therefor in an amount not-to exceed $870,064; and providing an effective date. The Economic Development Partnership Board recommends approval (10 - 0).
ASSIGNED ORDINANCE NO. 26-0509

All members of the City Council received online eComments as submitted and had the opportunity to review all submissions prior to the start of the meeting and consider such comments when voting on the item. The summary of online eComments received is noted on Exhibit A.

The item was presented, and discussion followed.

Following discussion, Mayor Hudspeth moved to adopt the item as presented. Motion seconded by Council Member Jester.

Motion carried.

AYES (5): Mayor Hudspeth and Council Members Byrd, Holland, Jester and McGee
NAYS (2): Mayor Pro Tem Rumohr and Council Members Beck

Council Member McGee called in question the vote saying that he had voted incorrectly and asked for a revote to be done.

City Attorney Reinwand said a new motion would need to be made and then the revote could be done on a new motion.

Mayor Hudspeth made a new motion, moving to adopt the item as presented. Motion seconded by Council Member Jester.

Motion carried.

AYES (4): Mayor Hudspeth and Council Members Byrd, Holland and Jester
NAYS (3): Mayor Pro Tem Rumohr and Council Members Beck and McGee

7. CONCLUDING ITEMS

Council Members expressed items of interest.

With no further business, the meeting was adjourned at 8:16 p.m.

_____	_____
GERARD HUDSPETH	KRISTI FOGLE
MAYOR	INTERIM CITY SECRETARY
CITY OF DENTON, TEXAS	CITY OF DENTON, TEXAS

MINUTES APPROVED ON: _____

EXHIBIT A - April 21, 2026 City Council Regular Meeting

Speaker Commentaries/Registrations
Online, Email, Phone

Name	Address	City	Agenda Item	Position	Method	Comments
Paul Varner	1710 Sam Bass Blvd.	Denton	D. ID26-0509	Opposed	eComment	No, as a Texan who values his independence and privacy, I strongly object to anything that is being used to promote and help further the use of autonomous surveillance. Additionally, the use of AI is extremely harmful to the environment in the amount of water and power that is used to provide the compute power necessary for it to function. These are things that ultimately the citizens pay and not the corporations. If they want to build here, they can do it without the help of our tax dollars.
Katherine Waddell	3026 N Bell Ave	Denton	D. ID26-0509	Opposed	eComment	Oppose. Hurts local water resources both in pollution and in overuse. Hurts local land and wildlife due to disruption of water and overuse of power. Uses too much electricity which would end up getting passed onto the residents of our city.
Haley Swanson	1504 Palisades Drive	Carrollton	D. ID26-0509	Opposed	eComment	Absolutely not, it's not worth it. AI is not a sustainable enough industry to justify how wasteful and destructive an expansion like this would be long term. It will never be worth the money, resources or manpower it would take to build or run it.
William Hulick	10127 Kirkhaven Drive	Dallas	D. ID26-0509	Opposed	eComment	Absolutely not. The heavy strain on infrastructure and environmental impacts are not only not worth the temporary gain. But actively harmful and pointless long term.
Brandon Ashcraft	8013 White Sulphur Road	Ponder	D. ID26-0509	Opposed	eComment	Say no to AI in Denton! These data centers are not only electricity and water hoarders, but contribute nothing to the local community compared to the environmental and noise damage it will cause to the surrounding area/all of Denton
Adam Horowitz		Denton	Open Mic	n/a	In-Person	Comments related to complaints against Denton PD
Chance Herrington		Denton	Open Mic	n/a	In-Person	Comments related to City not applying for grant funding associated with Dept. of Homeland Security.

BOARDS & COMMISSIONS - NOMINATIONS
April 21, 2026 (EXHIBIT B)

BOARD/COMMITTEE/COMMISSION	COUNCIL PLACE	NOMINATING CCM	NOMINEE	PRESENT TERM	NEW TERM	STATUS & QUALIFICATION OR PREFERENCE, IF ANY
Animal Shelter Advisory Committee	Hudspeth-7	City Council	Bailey Coleson	n/a	Appointed to a 1st term: Sept 1, 2025 - Aug 31, 2027	Animal Shelter Employee
Animal Shelter Advisory Committee	McGee-5	City Council	Wanda Coonce	1	Reappointed to a 2nd term: Sept 1, 2025 - Aug 31, 2027	City Official
Airport Advisory Board	Beck-2	City Council	Brownie Stonecipher	1	Reappointed to a 2nd term: Sept 1, 2025 - Aug 31, 2027	
Board of Ethics	Beck-2	City Council	Patricia Reinke	1	Reappointed to a 2nd term: Sept 1, 2025 - Aug 31, 2027	
Zoning Board of Adjustment	Holland-4	City Council	Julie Remski	1	Reappointed to a 2nd term: Sept 1, 2025 - Aug 31, 2027	
Zoning Board of Adjustment	Hudspeth-7	City Council	Byron Woods	2	Reappointed to a 3rd term: Sept 1, 2025 - Aug 31, 2027	
Committee on Persons with Disabilities	Holland-4	City Council	Alison Kelly	1	Reappointed to a 2nd term: Sept 1, 2025 - Aug 31, 2027	
Committee on Persons with Disabilities	Hudspeth-7	City Council	Daniel Clanton	1	Reappointed to a 2nd term: Sept 1, 2025 - Aug 31, 2027	
Committee on Persons with Disabilities	McGee-5	City Council	Judy Patman	1	Reappointed to a 2nd term: Sept 1, 2025 - Aug 31, 2027	
Community Services Advisory Committee	Holland-4	City Council	Dr. Janet Lee Scott-Harris	1	Reappointed to a 2nd term: Sept 1, 2025 - Aug 31, 2027	
Health and Building Standards Committee	McGee-5	City Council	Zachary Cathcart	2	Reappointed to a 3rd term: Oct 1, 2025 - Sept 30, 2027	

CITY OF DENTON CITY COUNCIL MINUTES
May 5, 2026

After determining that a quorum was present, the City Council convened in a Work Session on Tuesday, May 5, 2026, at 4:00 p.m. in the Council Work Session Room at City Hall.

PRESENT: Mayor Gerard Hudspeth, Mayor Pro Tem Suzi Rumohr and Council Members Brian Beck, Vicki Byrd, Joe Holland, Jill Jester, and Brandon Chase McGee

ABSENT: None

Also present were Interim City Manager Cassey Ogden and City Attorney Mack Reinwand.

WORK SESSION

1. Citizen Comments on Consent Agenda Items

None

2. Requests for clarification of agenda items listed on this agenda for public hearing and individual consideration.

• Request for Clarification:

  ◦ None

• Pulled from Individual Consideration:

Council Member Beck: 4.E, 4.F, and 4.O

3. Work Session Reports

A. ID 26-0590 Receive a report and hold a discussion regarding the City's 311 Operation. [Estimated Presentation/Discussion Time: 30 minutes]

The item was presented, and discussion followed.

Following discussion, there was no direction provided as the item was for presentation/discussion purposes.

The work session ended at 4:25 p.m.

CLOSED MEETING

1. The City Council convened into a Closed Meeting at 4:26 p.m. consistent with Chapter 551 of the Texas Government Code, as amended, or as otherwise allowed by law, as follows:

A. ID 26-0758 Deliberations regarding Real Property - Under Texas Government Code Section 551.072; Consulting with Attorneys - Under Texas Government Code Section 551.071. Receive information from staff, discuss, deliberate, and provide staff with direction pertaining to certain real property interests located at 610 Oakland Street in the City of

Denton, Denton County, Texas where a public deliberation would have a detrimental effect on the City's position in negotiations with third parties. Consultation with City's attorney regarding issues associated with the above matter where public discussion of these legal matters would conflict with the duty of the City's attorneys to the City of Denton and the Denton City Council under Texas Disciplinary Rule of Professional Conduct of the State Bar of Texas or would jeopardize the City's legal position in any administrative or potential litigation.
DELIBERATED

B. ID 26-0736 Deliberations regarding Personnel Matters - Under Texas Government Code Section 551.074. Deliberate and discuss the appointment, employment, duties, compensation, and/or contract of the Municipal Judge.
NOT DELIBERATED

The closed meeting started at 4:26 p.m. and ended at 4:52 p.m. No votes or actions were taken during the closed meeting.

REGULAR MEETING

After determining that a quorum was present, the City Council of the City of Denton, Texas convened in a Regular Meeting on Tuesday, May 5, 2026, at 6:30 p.m. in the Council Chambers at City Hall, 215 E. McKinney Street, Denton, Texas.

PRESENT: Mayor Gerard Hudspeth, Mayor Pro Tem Suzi Rumohr and Council Members Brian Beck, Vicki Byrd, Joe Holland, Jill Jester, and Brandon Chase McGee

ABSENT: None

Also present were Interim City Manager Cassey Ogden and City Attorney Mack Reinwand.

The posted agenda noted the registration process for public participation (virtual and in-person) at this meeting. While citizen commentary received via the online eComment process was not read, each member of the City Council received each online commentary as it was submitted. In-person, and online eComments received are reflected on the exhibit to the minutes of this meeting.

1. PLEDGE OF ALLEGIANCE

A. U.S. Flag B. Texas Flag

2. PROCLAMATIONS/PRESENTATIONS

A. ID 26-2427 Proclamation: Small Business Week
PRESENTED

B. ID 26-0280 Proclamation: National Bike Month
PRESENTED

C. ID 26-0283 Proclamation: Drinking Water Week
PRESENTED

D. ID 26-0733 Proclamation: TWU Gymnastics National Championship Recognition
PRESENTED

3. PRESENTATIONS FROM MEMBERS OF THE PUBLIC

1) Scheduled Citizen Reports from Members of the Public.

A. ID 26-0712 Eileen Short regarding Dementia Friendly Denton City.
PRESENTED

B. ID 26-0713 Mary Wright regarding Cooper Creek.
PRESENTED

C. ID 26-0720 Prudence Sanchez regarding Homeless Camping on Private Property.
PRESENTED

D. ID 26-0722 Alfredo Sanchez regarding Homeless Camping on Private Property.
PRESENTED

E. ID 26-0734 Willie Hudspeth regarding New City Manager Hiring.
PRESENTED

F. ID 26-0735 Larry Lawrence regarding New City Manager Hiring.
PRESENTED

(2) Additional Citizen Reports (Open Microphone): None

4. CONSENT AGENDA

The Consent Agenda consisted of Items 4. A-Q. During the Work Session held earlier in the day, Items 4.E, 4.F, and 4.O were pulled for Individual Consideration by Council Member Beck.

Council Member Jester moved to adopt the Consent Agenda, now consisting of Items 4.A-D, 4.G-N. 4.P and 4.Q.

Motion seconded by Council Member Byrd.

Motion carried unanimously.

AYES (7): Mayor Hudspeth, Mayor Pro Tem Rumohr and Council Members Beck, Byrd, Holland, Jester, and McGee

NAYS (0): None

A. ID 26-0725 Consider approval of a resolution of the City of Denton confirming the appointment of Kristi Fogle as the Interim City Secretary; and providing an effective date.
ASSIGNED RESOLUTION NO. 26-0725

B. ID 26-0377 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the city manager to execute an Interlocal Cooperation

Agreement between the Town of Northlake and the City of Denton, Texas, to provide access for inspection and roadway widening at Gibbs Road at Robson Ranch Road; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-0377

C. ID 26-0617 Consider adoption of an ordinance of the City of Denton authorizing the City Manager to execute a funding agreement between the City of Denton and Giving Grace, Inc. to provide HOME Investment Partnership-American Rescue Plan (HOME-ARP) and HOME Investment Partnership (HOME) grant funds for Tenant Based Rental Assistance in Denton, Texas; authorizing the expenditure of funds in an amount not to exceed $896,119.41; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-0617

D. ID 25-2307 Consider adoption of an ordinance of the City of Denton, Texas, a Home-Rule Municipal Corporation, authorizing the City Manager, or their designee, to execute an agreement for cost sharing of an offsite sewer line with UCRP Acquisitions, LLC, a Texas Limited Liability Company, wherein UCRP Acquisitions, LLC will pay its proportionate share of costs involving design, easement acquisition, surveying, engineering, potholing, construction, legal fees, and other associated matters for an offsite sanitary sewer line generally located at the intersection of Hampton Road and North Masch Branch Road and running south along North Masch Branch Road, under U.S. 380, and connecting to an existing line near Jim Christal Road; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-2307

G. ID 26-0540 Consider adoption of an ordinance of the City of Denton authorizing the City Manager to execute an agreement with the Texas Historical Commission to participate in the Texas Main Street Program demonstrating the City of Denton's commitment to continue as a "sustaining level official main street city" and authorizing payment of the annual fee in the amount of $2,600; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-0540

H. ID 26-0673 Consider adoption of an ordinance of the City of Denton approving a grant to Brakefield's Pool Service, LLC for façade and sign improvements located at 520 S. Elm Street from the Downtown Reinvestment Grant Program in an amount not to exceed $10,000.00 from Tax Increment Reinvestment Zone Number One funds; and providing for an effective date. The Tax Increment Reinvestment Zone Number One Board Recommends Approval (5-0).
ASSIGNED ORDINANCE NO. 26-0673

I. ID 26-0674 Consider adoption of an ordinance of the City of Denton approving a grant to Mister Red, LLC for façade, awning, sign, and utility improvements located at 122 N. Locust Street from the Downtown Reinvestment Grant Program in an amount not to exceed $50,000.00 from Tax Increment Reinvestment Zone Number One funds; and providing for an effective date. The Tax Increment Reinvestment Zone Number One Board recommends approval (6-0).
ASSIGNED ORDINANCE NO. 26-0674

J. ID 26-0675 Consider adoption of an ordinance of the City of Denton approving a grant to McKarroll Partners, LLC for façade and utility improvements located at 325 W. McKinney Street from the Downtown Reinvestment Grant Program in an amount not to exceed $50,000.00 from Tax Increment Reinvestment Zone Number One funds; and providing for an effective date. The Tax Increment Reinvestment Zone Number One Board recommends approval (6-0).
ASSIGNED ORDINANCE NO. 26-0675

K. ID 26-0738 Consider adoption of an ordinance of the City of Denton, appointing an Interim Municipal Judge to serve as the Presiding Judge of the Municipal Court of Denton for the remainder of the current term ending on September 30, 2026; approving an agreement in substantial form setting the compensation and terms for the Interim Presiding Judge with an effective date of May 18, 2026 and ending date of September 30, 2026; authorizing the Mayor to execute said agreement; authorizing the expenditure of funds; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-0738

L. ID 26-0539 Consider adoption of an ordinance of the City of Denton approving and authorizing the execution of City Council Contingency fund donation agreements between the City of Denton and University of North Texas (UNT) Foundation in support of the UNT African Ensemble ($800), Texas Veterans Hall of Fame ($200), Denton Freedom House ($100), Project Hope in support of Hands of Hope ($100), Siti and Jido Park Foundation in support of Life Works Community ($100), Cumberland Youth & Family Services ($200), Ranch Hands Rescue in support of Bob's House of Hope ($200), which are nonprofit organizations operating within the City of Denton and designated for donations by individual Council members; providing a severability clause; and providing an effective date. The Community Partnership Committee recommends approval (2-0).
ASSIGNED ORDINANCE NO. 26-0539

M. ID 26-0665 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a second amendment to a Professional Services Agreement between the City of Denton and Burns & McDonnell Engineering Company, Inc., amending the contract approved by City Council on November 19, 2024, in the not-to-exceed amount of $434,596.00; amended by Amendment 1 approved by City Council; said second amendment to provide additional project support services and Maximo support specialists for Denton Municipal Electric; providing for the expenditure of funds therefor; and providing an effective date (RFQ 7804-015 - providing for an additional second amendment expenditure amount not-to-exceed $601,448.00, with the total contract amount not-to-exceed $1,181,092.00). The Public Utilities Board recommends approval (5 - 0).
ASSIGNED ORDINANCE NO. 26-0665

N. ID 26-0666 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a first amendment to a contract between the City of Denton and Anixter Inc., amending the contract approved by City Council on March 21, 2023, in the not-to-exceed amount of $1,125,000.00; said first amendment to continue to supply concrete streetlight and aggregate poles for Denton Municipal Electric;

providing for the expenditure of funds therefor; and providing an effective date (IFB 8191 - providing for an additional first amendment expenditure amount not-to-exceed $281,250.00, with the total contract amount not-to-exceed $1,406,250.00). The Public Utilities Board recommends approval (5 - 0).
ASSIGNED ORDINANCE NO. 26-0666

P. ID 26-0586 Consider adoption of an ordinance of the City of Denton granting the Downtown Denton Foundation a noise exception for the Denton Historic Bar Tour on Saturday, May 16, 2026, from 4:30 p.m. to 7:30 p.m.at Steve's Wine Bar, located at 111 Industrial Street; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-0586

Q. ID 26-0589 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute an interlocal agreement with the Town of Little Elm, under the Interlocal Cooperation Act, Texas Government Code, Chapter 791, to authorize the City of Denton to provide public safety radio subscriber support services and fire alerting support services to the Town of Little Elm; and declaring an effective date.
ASSIGNED ORDINANCE NO. 26-0589

ITEMS PULLED FOR INDIVIDUAL CONSIDERATION

E. ID 25-2012 Consider adoption of an ordinance of the City of Denton, a Texas Home-Rule Municipal Corporation, authorizing the City Manager to execute a Development Agreement with Baker 345, LLC and RM Squared Denton, LLC, for the payment in lieu of the construction of offsite sidewalk improvements along a portion of Masch Branch Road between Hampton Road and US380; and providing an effective date.
ASSIGNED ORDINANCE NO. 25-2012

The item was pulled for Individual Consideration by Council Member Beck.

The item was presented, and discussion followed.

Following discussion, Council Member Rumohr moved to adopt the item as presented. Motion seconded by Council Member McGee.

Motion carried unanimously.

AYES (7): Mayor Hudspeth, Mayor Pro Tem Rumohr and Council Members Beck, Byrd, Holland, Jester, and McGee

NAYS (0): None

F. ID 26-0597 Consider approval of a resolution of the City of Denton, Texas, amending prior resolution consenting to the creation of "Cole Ranch Improvement District No. 1 of Denton County, Texas" and the inclusion of land therein; and providing an effective date.
ASSIGNED RESOLUTION NO. 26-0597

The item was pulled for Individual Consideration by Council Member Beck.

The item was presented, and discussion followed.

Following discussion, Council Member Hudspeth moved to adopt the item as presented. Motion seconded by Council Member Holland.

Motion carried.

AYES (6): Mayor Hudspeth, Mayor Pro Tem Rumohr and Council Members Byrd, Holland, Jester, and McGee

NAYS (1): Council Member Beck

O. ID 26-0667 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract extension with Curtco, Inc., through April 26, 2027, to continue the crack sealing services for the Streets Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 7572 - extending a contract with Curtco, Inc., to April 26, 2027).
ASSIGNED ORDINANCE NO. 26-0667

The item was pulled for Individual Consideration by Council Member Beck.

The item was presented, and discussion followed.

Following discussion, Council Member Hudspeth moved to adopt the item as presented. Motion seconded by Council Member Holland.

Motion carried.

AYES (6): Mayor Hudspeth, Mayor Pro Tem Rumohr and Council Members Beck, Byrd, Holland, and Jester

NAYS (1): Council Member McGee

5. PUBLIC HEARINGS

A. Z25-0018a Hold a public hearing and consider adoption of an ordinance of the City of Denton, Texas, regarding a change in the zoning district and use classification from Residential 3 (R3) district to Residential 7 (R7) district on approximately 0.74 acres of land generally located on the northeast corner of Bolivar Street and Taliaferro Street, approximately 155 feet west of North Elm Street in the City of Denton, Denton County, Texas; adopting an amendment to the City's Official Zoning Map; providing for a penalty in the maximum amount of $2,000.00 for violations thereof; providing for a severability clause and an effective date. The Planning and Zoning Commission voted (7-0) to recommend approval. Motion for approval by Chair Pruett and second by Commissioner Riggs (Z25-0018a, Denton Duplexes, Bryce Van Arsdale).
ASSIGNED ORDINANCE NO. Z25-0018a

There were no online eComments received on this item.

The item was presented and discussion followed.

The Mayor opened the public hearing. In-person citizen comments received are noted on Exhibit A. The Mayor closed the public hearing.

Following discussion, Council Member Jester moved to postpone the item as presented to an undetermined date.

Motion seconded by Council Member McGee.

Motion carried unanimously.

AYES (7): Mayor Hudspeth, Mayor Pro Tem Rumohr and Council Members Beck, Byrd, Holland, Jester, and McGee

NAYS (0): None

6. ITEMS FOR INDIVIDUAL CONSIDERATION

A. ID 26-0757 Consider adoption of an ordinance of the City of Denton, approving and authorizing the City Manager to execute a lease agreement with the Denton City Federation of Women's Clubs for approximately 18,000 square feet of land located at 610 Oakland Street, situated in Quakertown Park, for a twenty year initial term with two ten year renewals; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-0757

Online eComments received are noted on Exhibit A.

The item was presented, and discussion followed.

In-person citizen comments received are noted on Exhibit A.

Following discussion, the following actions were taken:

1. Motion to Call the Question

Council Member Holland moved to Call the Question on the item as presented, thereby ending debate and proceeding to a vote. Motion seconded by Council Member Jester.

Motion carried.

AYES (5): Mayor Hudspeth and Mayor Pro Tem Rumohr and Council Members Byrd, Holland, and Jester

NAYS (2): Council Members Beck and McGee

2. Motion to Postpone

Council Member McGee moved to postpone the item as presented. Motion seconded by Council Member Beck.

Motion failed.

AYES (3): Council Members Byrd, McGee, and Beck

NAYS (4): Mayor Hudspeth, Mayor Pro Tem Rumohr and Council Members Holland and Jester

3. Motion to Adopt

Council Member Hudspeth moved to adopt the item as presented. Motion seconded by Council Member Holland.

Motion carried AYES (3): Mayor Hudspeth and Council Members Holland, Jester, and McGee

NAYS (4): Mayor Pro Tem Rumohr, Council Members Byrd and Beck

B. ID 26-0098 Consider adoption of an ordinance of the City of Denton authorizing the execution of a second amendment to Cole Ranch Operating Agreement with Cole Ranch Improvement District No. 1 of Denton County, Texas, relative to funding of improvement projects serving property within Cole Ranch Improvement District No. 1 of Denton County and adding definitions; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-0098

There were no online eComments received on this item.

The item was presented, and discussion followed.

There were no in-person citizen comments.

Following discussion, Council Member McGee moved to adopt the item as presented. Motion seconded by Council Member Jester.

Motion carried unanimously.

AYES (7): Mayor Hudspeth, Mayor Pro Tem Rumohr and Council Members Beck, Byrd, Holland, Jester, and McGee

NAYS (0): None

C. ID 26-0663 Consider adoption of an ordinance of the City of Denton authorizing the execution of a cost sharing agreement between the City, Cole Ranch Development LP, Cole Ranch Improvement District No. 1 of Denton County, HR 3200, LP, and Hunter Ranch Improvement District No. 1 of Denton County, for the construction of a sewer line; authorizing an escrow agreement and the expenditure of funds for the City's allocated share of improvement costs; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-0663

There were no online eComments received on this item.

The item was presented, and discussion followed.

There were no in-person citizen comments.

Following discussion, Council Member Beck moved to adopt the item as presented. Motion seconded by Council Member McGee.

Motion carried unanimously.

AYES (7): Mayor Hudspeth, Mayor Pro Tem Rumohr and Council Members Beck, Byrd, Holland, Jester, and McGee

NAYS (0): None

D. ID 26-0323 Consider adoption of an ordinance of the City of Denton, Texas directing the publication of Notice of Intention to issue $82,000,000 in principal amount of Certificates of Obligation of the City of Denton for General Government and Solid Waste projects; and providing an effective date. The Public Utilities Board recommends approval (5-0).
ASSIGNED ORDINANCE NO. 26-0323

There were no online eComments received on this item.

The item was presented, and discussion followed.

There were no in-person citizen comments.

Following discussion, Council Member Rumohr moved to adopt the item as presented. Motion seconded by Council Member Holland.

Motion carried unanimously.

AYES (7): Mayor Hudspeth, Mayor Pro Tem Rumohr and Council Members Beck, Byrd, Holland, Jester, and McGee

NAYS (0): None

E. ID 26-0324 Consider adoption of an ordinance of the City of Denton, Texas directing the publication of Notice of Intention to issue $243,000,000 in principal amount of Certificates of Obligation of the City of Denton for Waterworks and Wastewater System and Electric System projects; and providing an effective date. The Public Utilities Board recommends approval (5-0).
ASSIGNED ORDINANCE NO. 26-0324

There were no online eComments received on this item.

The item was presented, and discussion followed.

There were no in-person citizen comments.

Following discussion, Council Member Beck moved to adopt the item as presented. Motion seconded by Council Member Jester.

Motion carried unanimously.

AYES (7): Mayor Hudspeth, Mayor Pro Tem Rumohr and Council Members Beck, Byrd, Holland, Jester, and McGee

NAYS (0): None

7. CONCLUDING ITEMS

Council Members expressed items of interest.

With no further business, the meeting was adjourned at 11:13 p.m.

_____	_____
GERARD HUDSPETH	KRISTI FOGLE
MAYOR	INTERIM CITY SECRETARY
CITY OF DENTON, TEXAS	CITY OF DENTON, TEXAS

MINUTES APPROVED ON:_____

EXHIBIT A - May 5, 2026 City Council Regular Meeting
Speaker Commentaries/Registrations
Online, Email, Phone

Name	Address	City	Agenda Item	Position	Method	Comments
Aimee Bissett	109 North Elm	Denton	5.A	Support	In-Person	Applicant
Sam Bunn	2312 Boliver St.	Denton	5.A	Oppose	In-Person	Spoke in opposition
Liam Gaume-Wakefield	411 Ponder Ave.	Denton	5.A	Support	In-Person	Spoke in support
Candace Downing	2312 Bolivar St.	Denton	5.A	Oppose	In-Person	Spoke in opposition
Denise Galletta	2327 Bolivar St.	Denton	5.A	Oppose	In-Person	Spoke in opposition
Essar Reyes	1703 Oleoke Dr.	Denton	5.A	Support	In-Person	Spoke in support
Shaun Treat	n/a	Denton	6.A	Oppose	In-Person	Spoke in opposition
Pat Reinke	21 Timbergreen Circle	Denton	6.A	Support	In-Person	Spoke in support
Louise Griffith	910 Haynes St.	Denton	6.A	Oppose	In-Person	Spoke in opposition
Rev. Reginald T. Logan	705 Park Ln.	Denton	6.A	Oppose	In-Person	Spoke in opposition
Frances Punch	2002 Wisteria St.	Denton	6.A	Oppose	In-Person	Spoke in opposition
Tonya Gilbeaux	603 Boliver St.	Denton	6.A	Oppose	In-Person	Spoke in opposition
Katina Stone-Butter	2117 Georgetown Dr.	Denton	6.A	Oppose	In-Person	Spoke in opposition
Jerron Butler	2117 Georgetown Dr.	Denton	6.A	Oppose	In-Person	Opposed
Jamell Butler	2117 Georgetown Dr.	Denton	6.A	Oppose	In-Person	Opposed
Elizabeth Darbon	1707 N. Locust St.	Denton	6.A	Oppose	In-Person	Spoke in opposition
Phyllis Minton	2005 Burning Tree Ln.	Denton	6.A	Support	In-Person	Spoke in support
Marybeth Reinke Doyle	2112 Pembrooke Pl.	Denton	6.A	Support	In-Person	Spoke in support
Michael Herron	7345 Desert Willow Dr.	Denton	6.A	Oppose	In-Person	Spoke in opposition
Greg Johnson	3190 Teasley	Denton	6.A	Support	In-Person	Spoke in support
Leah Johnson	2405 Winthrop Hill Rd.	Denton	6.A	Support	In-Person	Spoke in support
Liam Gaume-Wakefield	411 Ponder Ave.	Denton	6.A	Oppose	In-Person	Spoke in opposition
Peyton Swick	519 Indian Trl.	Denton	6.A	Support	In-Person	Spoke in support
Jordan Villarreal	5201 Par Dr. Apt. 315	Denton	6.A	Oppose	In-Person	Spoke in opposition
Kimberly Thaggard	3311 Montecito Dr.	Denton	6.A	Support	In-Person	Spoke in support
Diana Dunklau	1104 Chapel Dr.	Denton	6.A	Support	In-Person	Spoke in support
Janet Shelton	4 Timbergreen Cir.	Denton	6.A	Support	In-Person	Spoke in support
Lindsey Miller	526 Village Way	Argyle	6.A	Support	In-Person	Spoke in support
George Ferrie	4708 Conley Ln.	Denton	6.A	Oppose	In-Person	Spoke in opposition
Michelle Jones	117 Visalia Ln.	Denton	6.A	Support	In-Person	Spoke in support
Clay Riggs	3812 Lake Country Dr.	Denton	6.A	Support	In-Person	Spoke in support
Caryn Riggs	3812 Lake Country Dr.	Denton	6.A	Support	In-Person	Spoke in support
Toby Hickey	1400 Cheyenne Trl.	Denton	6.A	Support	In-Person	Spoke in support

EXHIBIT A - May 5, 2026 City Council Regular Meeting
Speaker Commentaries/Registrations
Online, Email, Phone

Name	Address	City	Agenda Item	Position	Method	Comments
Molly Carter	1030 Dallas Dr. Apt 316	Denton	6.A	Support	eComment	Dear Members of the Denton City Council, I am writing to express my support for the lease renewal between the City of Denton and the Denton City Federation of Women's Clubs (Item 6.A on May 5 agenda, ID 26-0757). The Woman's Club plays an important role in our community by providing a space for service, connection, and civic engagement. Through its programs, events, and volunteer efforts, the Club brings people together and supports initiatives that benefit residents across generations.
Chelsie Clark	3913 Andrew Ave	Denton	6.A	Support	eComment	Dear City Council Members, I am writing in support of continuing the lease with the Women's Club. I have personally benefited from the friendships, service opportunities, and sense of community it provides, and I know many others have as well. The Women's Club contributes so much to our community through volunteer work, events, and outreach. It is a valuable organization that positively impacts many people in our city. Thank you for your consideration.
Clay Riggs	3812 Lake Country Drive	Denton	6.A	Support	eComment	I am as a writing to express my support for Item 6.A on the May 5 agenda, the lease renewal between the City of Denton and the Denton City Federation of Women's Clubs. It is important to continue supporting the women of Denton and to honor the nearly 100-year partnership between City Council and the Women's Club.
Diana Dunklau	1104 Chapel Drive		6.A	Support	eComment	I support renewal of the lease for the Denton Woman's club building. As long as I can remember, the facility has been used for wedding receptions, family friendly happenings, and cultural events. My mom, who was an original member of the Women's interracial fellowship, has spent many years helping to care for the venue. The building has been an icon in the Denton community because of a century of the Federation's and Ariel club's loving care. We want to continue the partnership with the city.
Caroline Seward	2024 Hollyhill Lane	Denton	6.A	Support	eComment	I support the lease agreement as presented.
Amber Sams	2100 Fairway Acres Drive	Argyle	6.A	Support	eComment	I am in support of the city renewing the lease for the Women's Building "item A". Our doors are open to the community, and our mission is cultural enrichment for Denton residents. The lease renewal in front of you supports a working community asset ”not a quiet building, an active one. I respectfully ask the Council to renew the lease on terms that let that programming continue.
Leah Johnson	2405 Winthrop Hill Road	Argyle	6.A	Support	eComment	The Women's Building provides many opportunities for the local community to come together (not just the women's clubs, but the entire community) - Breakfast with Santa, educational events, etc. Very importantly, it is one of the only (maybe the only) venue that provides an affordable option for events, reunions, wedding and quinceaÃ±era receptions, among others. I am in support of the city renewing this lease.
Lindsey Miller	9604 Edmondson	Denton	6.A	Support	eComment	I am commenting on my support to renew the lease for the Denton City Federation item A. ID 26-0757 Thank you!

EXHIBIT A - May 5, 2026 City Council Regular Meeting
Speaker Commentaries/Registrations
Online, Email, Phone

Name	Address	City	Agenda Item	Position	Method	Comments
Marybeth Reinke Doyle		Denton	6.A	Support	eComment	I urge you to support Item 6.A, the lease renewal with the Denton City Federation of Women's Clubs. For nearly a century, Denton women have built and maintained 610 Oakland as a place to mentor, empower, and lift up the women of this city â€" and through them, all of Denton. The Federation is also a willing partner in honoring Quakertown's history. Renewing this lease protects what already works. Please vote yes.
Sara Cotter	424 Stroud Street	Denton	6.A	Support	eComment	I am commenting on my support to renew the lease for the Denton City Federation item A. ID 26-0757 Thank you!
Damon Logan	2220 Coopers Hawk Court	Grand Prairie	6.A	Oppose	eComment	My name is Damon Logan and I am a descendant of John and Laura Logan who were residents of Quakertown. I am asking the council to vote No or to Table this for further discussion. Denton has made strides on acknowledging the horrific atrocities of Quakertown and trying to heal wounds that reverberate today. The Woman's building is on city land, but privately controlled on land that was once the Crawford Store. This sounds very convoluted and needs more discussion. The continued lease is wrong.
Sharon Appleton	3221 Nottingham Drive		6.A	Support	eComment	The Women's Club building has been maintained over the last 100 years by hard working women in the Denton community. It's been used for family celebrations, small businesses and non-profits to raise funds for the community. My family has also used the building many time. It's a real win win for Denton. It would be a real shame to lose the land for the building. I hope you will vote in support of providing a lease to City Federal.
Virginia Holt	3500 Buckingham Drive	Corinth	6.A	Support	eComment	Since 2016 the WC Fine Arts' venue has funneled upwards of $200,000 into Denton nonprofits with speakers like the grandson of Qananah Parker and a woman personally affected by Quakertown's move. Today at the WC, I - a blue eyed blonde - and a Black Dentonite mother/ daughter out of Louisiana origin discussed Ancestry's addictive app, my FW Black 6th cousin out of Louisiana, and our 1880's era Cherokee ancestors. You bet we exchanged contacts!
kelsie vogds robinson	10 Oak Forrest Circle		6.A	Support	eComment	Please vote "yes" to renew the Women's Building lease.

CITY OF DENTON CITY COUNCIL MINUTES
May 12, 2026

After determining that a quorum was present, the City Council of the City of Denton, Texas convened in a Special Called meeting on Tuesday, May 12, 2026, at 1:00 p.m. in the Council Chambers at City Hall, 215 E. McKinney Street, Denton, Texas.

PRESENT: Mayor Gerard Hudspeth, Mayor Pro Tem Suzi Rumohr and Council Members Brian Beck, Vicki Byrd, Joe Holland, Jill Jester, and Brandon Chase McGee

ABSENT: None

Also present were Interim City Manager Cassey Ogden and City Attorney Mack Reinwand.

There were no online registrations or call ins on any items on the agenda.

1. PLEDGE OF ALLEGIANCE

A. U.S. Flag

B. Texas Flag

2. PROCLAMATIONS / PRESENTATIONS

A. ID 26-0771 Proclamation: Dr. Brian Beck Appreciation
PRESENTED

B. ID 26-0768 Proclamation: Vicki Byrd Appreciation
PRESENTED

3. ITEMS FOR INDIVIDUAL CONSIDERATION

A. ID D 26-0580 Consider adoption of an ordinance of the City of Denton canvassing the returns and declaring the results of the General Municipal Election to elect City Council Members to Place 5, Place 6, and Mayor to Place 7, and the Special Municipal Election for the purpose of filling a vacancy in District 1 and District 2 for the unexpired term ending in May 2027, held on May 2, 2026; declaring that no candidate received the majority of votes cast for Places 5 and 7 (Mayor) in the General Municipal Election and that a Runoff Election is ordered to be held on Saturday, June 13, 2026; authorizing Runoff Election Day polling locations; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-0580

There were no online registrations or call-ins on the item.

The item was presented, and discussion followed.

Following discussion, Council Member McGee moved to adopt the item as presented. Motion seconded by Mayor Pro Tem Rumohr.

Motion carried unanimously.

AYES (7): Mayor Hudspeth, Mayor Pro Tem Rumohr and Council Members Beck, Byrd, Holland, Jester, and McGee

NAYS (0): None

B. ID 25-446 Issue the following to newly Elected Council Members:
* Certificate of Election
* Statement of Officer
* Oaths of Office

PRESENTED

Certificates of Election were presented to Council Members Jordan E. Villarreal, Nick Stevens and Jill Jester by Mayor Gerard Hudspeth. The Texas Statement of Officer, Texas State Oath of Office and City of Denton Oath of Office were administered to Council Member Jordan E. Villarreal - District 1, Council Member Nick Stevens - District 2, and Council Member Jill Jester – Place 6 by City Secretary, Ingrid Rex.

No action was taken as the item was for presentation purposes only.

3. CONCLUDING ITEMS

Council Members expressed items of interest.

With no further business, the meeting was adjourned at 1:55 p.m.

_____	_____
GERARD HUDSPETH	KRISTI FOGLE
MAYOR	INTERIM CITY SECRETARY
CITY OF DENTON, TEXAS	CITY OF DENTON, TEXAS

MINUTES APPROVED ON: _____

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: City Secretary's Office

ICM: Cassey Ogden

DATE: June 2, 2026

SUBJECT
Consider a nomination/reappointment to the City of Denton Community Services Advisory Committee.

BACKGROUND
This item provides for the appointment or reappointment of a member to a City board/ commission/committee whose term ended resulting in the existing member holding over from a previous term, or for appointment to an existing vacancy on the board resulting from a resignation.

Only nominees who have been fully vetted and qualified are presented for appointment.

The nomination of Tracey Long was received from Council Member Jester (At Large, Place 6) to serve a second term on the Community Services Advisory Committee.

EXHIBIT
Exhibit 1 – Agenda Information Sheet

Respectfully submitted:
Kristi Fogle
Interim City Secretary

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: City Secretary's Office

ICM: Cassey Ogden

DATE: June 2, 2026

SUBJECT
Consider a nomination/reappointment to the City of Denton Parks, Recreation & Beautification Board.

BACKGROUND
This item provides for the appointment or reappointment of a member to a City board/ commission/committee whose term ended resulting in the existing member holding over from a previous term, or for appointment to an existing vacancy on the board resulting from a resignation.

Only nominees who have been fully vetted and qualified are presented for appointment.

The nomination of Rob Seay was received from Council Member Jester (At Large, Place 6) for a vacancy on the Parks, Recreation & Beautification Board. The vacancy is for an unexpired term commencing September 1, 2025 and ending August 31, 2027

EXHIBIT
Exhibit 1 – Agenda Information Sheet

Respectfully submitted:
Kristi Fogle
Interim City Secretary

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: City Secretary's Office

ICM: Cassey Ogden

DATE: June 2, 2026

SUBJECT
Consider a nomination/appointment to the City of Denton Committee on Persons with Disabilities.

BACKGROUND
This item provides for the appointment or reappointment of a member to a City board/ commission/committee whose term ended resulting in the existing member holding over from a previous term, or for appointment to an existing vacancy on the board resulting from a resignation.

Only nominees who have been fully vetted and qualified are presented for appointment.

The nomination of Mary Kuhfeldt was received from Council Member Stevens (District 2) for a vacancy on the Committee on Persons with Disabilities. The vacancy is for an unexpired term commencing September 1, 2024 and ending August 31, 2026

EXHIBIT
Exhibit 1 – Agenda Information Sheet

Respectfully submitted:
Kristi Fogle
Interim City Secretary

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: **Development Services**

ACM: **Kenneth Hedges**

DATE: **June 2, 2026**

SUBJECT

Consider adoption of an ordinance providing for acceptance of eligible 212.172 non-annexation agreement(s) for properties that do not have an agricultural, wildlife management or timberland ad valorem tax exemption within an area of land adjacent to and abutting the existing city limits of the City of Denton, Texas, generally identified as part of DH-12, consisting of approximately 12.57 acres of land, generally located on the north side of Mills Road, approximately 2,018 feet east of North Mayhill Road; providing for severability; and providing an effective date. (ID 26-0782, Buckley)

BACKGROUND

State law requires the City to offer owners of property the City wishes to annex a Non-Annexation Agreements (NAA) if the property is appraised for tax purposes as having agricultural, wildlife management, or timber use. Although not required by state law, the City has also offered NAAs to properties used only for a single-family residence.

The major requirements included in the NAA's are:

- The property may only be used for single-family residential, agricultural, wildlife, timber, or related uses.
- City of Denton regulations apply to any proposed development.
- Development applications and building permits must be submitted and approved through the City of Denton.
- Land may be divided into smaller parcels through platting with the City but the smallest parcel cannot be less than 5 acres.
- Notification must be provided to the City if the property is sold.
- For properties with an agriculture, wildlife management, or timberland exemption, they are required to provide notice to the City of a change in exemption.

If the property owner does not abide by these requirements, **or if the NAA expires**, the City may proceed with annexation of the property.

These initial NAAs were offered in the period between 2010 and 2016 as the City was going through a process of annexing portions of the City's extra-territorial jurisdiction (ETJ). The City of Denton was originally party to approximately 173 NAAs with property owners of land in the ETJ of the City. These NAAs had an original expiration date of August 2020, but Council at that time ultimately directed staff to offer extensions of the NAA to August 2040. Expired NAA's were last brought to City Council for direction on October 20, 2020, and direction at that point was to continue to work with property owners who had expired NAAs. Following that direction, staff continued to work with property owners and

additional NAAs were brought forward to City Council in May 2021. Between 2020 and 2021 a majority of property owners with expired NAAs entered into new agreements; however, 18 NAAs remained expired.

Staff notified City Council in a Legal Status Report on April 19, 2024, of an effort to reengage the property owners with expired NAAs. Letters to private property owners were mailed in May with follow-up letters in June prior to the response deadline of June 21, 2024. Of the 18 property owners, 8 signed updated NAAs and were on the agenda for City Council approval for November 19, 2024. Following this, the City began the process of annexing the remaining properties with unsigned NAAs. If at any point during the annexation process the property owner indicates a desire to reenter into a NAA rather than be annexed into the City, staff works with the owner to receive an updated agreement and suspend the annexation proceedings, which is what occurred in this instance.

This property (property IDs 958918 and 958919) is in the DH-12 non-annexation area and owned by Gregory and Emily Buckley. On April 9, 2026, staff sent a certified letter to the property owner as the final notice of the opportunity to sign the new NAA agreeing to the extension of the NAA for the Property until August 1, 2040. The property owner has signed the new NAA (see Exhibit 2).

RECOMMENDATION

Staff recommends approval of the ordinance for the signed NAA to extend the agreement to 2040.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

December 18, 2012	City Council	Non-Annexation Agreement	Approved

EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance

Respectfully submitted:
Hayley Zagurski, AICP
Planning Director

Prepared by:
Ashley Ekstedt, AICP
Associate Planner

ORDINANCE NO. _____

AN ORDINANCE PROVIDING FOR ACCEPTANCE OF ELIGIBLE 212.172 NON-ANNEXATION AGREEMENT(S) FOR PROPERTIES THAT DO NOT HAVE AN AGRICULTURAL, WILDLIFE MANAGEMENT OR TIMBERLAND AD VALOREM TAX EXEMPTION WITHIN AN AREA OF LAND ADJACENT TO AND ABUTTING THE EXISTING CITY LIMITS OF THE CITY OF DENTON, TEXAS, GENERALLY IDENTIFIED AS PART OF DH-12, CONSISTING OF APPROXIMATELY 12.57 ACRES OF LAND, GENERALLY LOCATED ON THE NORTH SIDE OF MILLS ROAD, APPROXIMATELY 2,018 FEET EAST OF NORTH MAYHILL ROAD; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Section 43.061, Subchapter C-1, Local Government Code, a home rule city is authorized to annex certain areas that are not required to be in an annexation plan, and the City desires to pursue annexation of DH-12, as hereinafter described; and

WHEREAS, pursuant to Chapter 43 of the Tex. Loc. Gov't Code, the City had previously given notice of its intent to institute annexation proceedings in 2010, 2015, and again in 2016 for property located in DH-12, which was and is subject to the provisions of Sec. 43.016 of Tex. Loc. Gov't Code; and

WHEREAS, in accordance with State law, the City offered all eligible property owners within DH-12 non-annexation development agreements, as then contemplated by former Section 43.035 (as previously codified) and current Section 212.172 of Tex. Loc. Gov't Code, in lieu of the City's annexation in 2010, as well as extensions of said agreements in lieu of the City's annexation in 2015 and 2016; and

WHEREAS, under a non-annexation development agreement between an eligible property owner and the City, the land subject to the agreement retains its extraterritorial status and the owners of such land must abide by the City's development regulations as if such land were within the City limits, as provided further in such agreement; and

WHEREAS, the City Council has offered to extend the term of the non-annexation development agreement until December 31, 2040, to all eligible property owners within DH-12; and

WHEREAS, the Denton County Appraisal District records show that some properties that formerly entered non-annexation development agreements with the City are not currently appraised for ad valorem tax purposes as land for agricultural or wildlife management use, or timber land pursuant to Ch. 23 of the Tex. Tax Code, Subchapters C, D, or E and thus not eligible to receive a Ch. 43 non-annexation development agreement; and

WHEREAS, despite no longer having a valid agricultural, wildlife management or timber land ad valorem tax exemption, the City desires to allow the properties that formerly had a non-annexation development agreement with the City to remain in the City's extraterritorial jurisdiction in accordance to the similar terms and conditions that are contained in a Ch. 43 non-annexation development agreement; and

WHEREAS, Sec. 212.172 of the Tex. Loc. Gov't Code authorizes a property owner and a municipality to enter into an agreement for purposes of retaining land in the extraterritorial jurisdiction in exchange for the property owner's covenant not to develop the property and to authorize the municipality to apply its regulations and development authority not inconsistent with agricultural use; and

WHEREAS, for all intents and purposes, 212.172 non-annexation development agreements very similar to a Ch. 43 non-annexation development agreement, except that a 212.172 non-annexation development agreement does not require the Property to possess a valid agricultural, wildlife management or timber land ad valorem tax exemption; and

WHEREAS, the City continues to desire to allow such properties to remain in the City's extraterritorial jurisdiction until December 31, 2040, through a 212.172 non-annexation development agreement, which agreement amends and extends the term of the prior Ch. 43 non-annexation development agreements previously executed by the parties; and

WHEREAS, upon expiration of the 212.172 non-annexation development agreement, the owners shall be deemed to have filed a petition for voluntary annexation, pursuant to Subch. C-3 of Ch. 43 of the Tex. Loc. Gov't Code; and

WHEREAS, the City Council deems it to be in the best interests of the citizens of the City of Denton to enter into such 212.172 non-annexation development agreement with eligible property owners who timely submitted 212.172 non-annexation development agreement; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained in the preamble of this ordinance are incorporated herein by reference.

SECTION 2. The area of land which abuts and is adjacent to the existing corporate limits of the City of Denton, Texas, and part of that parcel identified as DH-12, known as Lots 1-2, Block A, Buckley Addition, is described in Exhibit "A", attached hereto and incorporated herein, and depicted in Exhibit "B", attached hereto and incorporated herein (except that if there is conflict between the Exhibits, "A" shall control).

SECTION 3. Certain 212.172 non-annexation development agreement relating to eligible properties within that parcel identified as DH-12, which have been properly executed by the owners of those properties, are hereby approved by the City of Denton and are attached hereto and incorporated herein by reference as Exhibit "C".

SECTION 4. City Manager is authorized and directed to sign the non-annexation agreements contained within Exhibit "C" for and on behalf of the City of Denton as a ministerial act, but with an effective date of this Council's action on same. The City Manager shall further arrange forthwith for the recordation of non-annexation agreements in the real property records of Denton County, Texas.

SECTION 5. Should any paragraph, section, sentence, phrase, clause or word of this Ordinance be declared unconstitutional or invalid for any reason, the remainder of this Ordinance shall not be affected thereby.

SECTION 6. This Ordinance shall take effect immediately on its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____, the ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Hilary McMahon _____

EXHIBIT A
LEGAL DESCRIPTION

Being Lot 1, Block A, Buckley Addition, recorded as Instrument 2020-189, Plat Records, Denton County, Texas, 5.00 acres of land, more or less, situated in the M. Forrest Survey, Abstract No. 417, Denton County, Texas, and being a portion of the 12.884 acre tract described in that certain Warranty Deed with Vendor's Lien dated October 24, 2018 from Sandra Kay Butler and William W. Butler, Jr., a married couple to Gregory Buckley and Emily Buckley, a married couple, filed for record on October 25, 2018 and recorded in Instrument Number 2018-126292, Real Property Records of Denton County, Texas. Said 5.00 acres of land, more or less, is commonly known as DCAD Property ID No. 958918, respectively.

Being Lot 2, Block A, Buckley Addition, recorded as Instrument 2020-189, Plat Records, Denton County, Texas, 7.57 acres of land, more or less, situated in the M. Forrest Survey, Abstract No. 417, Denton County, Texas, and being a portion of the 12.884 acre tract described in that certain Warranty Deed with Vendor's Lien dated October 24, 2018 from Sandra Kay Butler and William W. Butler, Jr., a married couple to Gregory Buckley and Emily Buckley, a married couple, filed for record on October 25, 2018 and recorded in Instrument Number 2018-126292, Real Property Records of Denton County, Texas. Said 7.57 acres of land, more or less, is commonly known as DCAD Property ID No. 958919, respectively.

EXHIBIT B
LOCATION MAP

EXHIBIT C
NON-ANNEXATION AGREEMENT

CHAPTERS 43 AND 212 TEXAS LOCAL GOVERNMENT CODE
2024 NON-ANNEXATION AGREEMENT

This AGREEMENT, entered into on the Effective Date, is by and between the CITY OF DENTON, TEXAS (the "City") and BUCKLEY, GREGORY & EMILY ("Owners"), the property owners of the hereinafter described property (the "Property") in Denton County, Texas:

Being Lot 1, Block A, Buckley Addition, recorded as Instrument 2020-189, Plat Records, Denton County, Texas, 5.00 acres of land, more or less, situated in the M. Forrest Survey, Abstract No. 417, Denton County, Texas, and being a portion of the 12.884 acre tract described in that certain Warranty Deed with Vendor's Lien dated October 24, 2018 from Sandra Kay Butler and William W. Butler, Jr., a married couple to Gregory Buckley and Emily Buckley, a married couple, filed for record on October 25, 2018 and recorded in Instrument Number 2018-126292, Real Property Records of Denton County, Texas. Said 5.00 acres of land, more or less, is commonly known as DCAD Property ID No. 958918, respectively.

Being Lot 2, Block A, Buckley Addition, recorded as Instrument 2020-189, Plat Records, Denton County, Texas, 7.57 acres of land, more or less, situated in the M. Forrest Survey, Abstract No. 417, Denton County, Texas, and being a portion of the 12.884 acre tract described in that certain Warranty Deed with Vendor's Lien dated October 24, 2018 from Sandra Kay Butler and William W. Butler, Jr., a married couple to Gregory Buckley and Emily Buckley, a married couple, filed for record on October 25, 2018 and recorded in Instrument Number 2018-126292, Real Property Records of Denton County, Texas. Said 7.57 acres of land, more or less, is commonly known as DCAD Property ID No. 958919, respectively.

RECITALS

WHEREAS, this Agreement is entered into pursuant to Sections 43.016 and 212.172 of the Tex. Loc. Gov't Code, in order to address the desires of Owner and the procedures of the City; and

WHEREAS, pursuant to Ch. 43 of the Tex. Loc. Gov't Code, the City had previously given notice of its intent to institute annexation proceedings in 2010, 2015, and again in 2016 for an "Annexation Area" that includes the above-described Property which was and is subject to the provisions of Sec. 43.016 of Tex. Loc. Gov't Code; and

WHEREAS, in accordance with State law, the City offered, and Owners accepted, a non-annexation development agreement ("NAA"), as then contemplated by former Section 43.035 (as previously codified) and current Section 212.172 of Tex. Loc. Gov't Code, in lieu of the City's annexation in 2010, as well as extensions of said NAA in lieu of the City's annexation in 2015 and 2016 (collectively, "Extended NAAs"), of the Property in the Annexation Area not otherwise excluded by operation of State law; and

WHEREAS, Sec. 43.016 of the Tex. Loc. Gov't Code authorizes a property owner and a municipality to enter into an agreement pursuant to Sec. 212.172 of the Tex. Loc. Gov't Code for purposes of retaining land in the municipality's extraterritorial jurisdiction (ETJ) in exchange for

the property owner's covenant not to develop the property and to authorize the municipality to apply regulations and development authority not inconsistent with agricultural use; and

WHEREAS, the Denton County Appraisal District records show that the Property currently is appraised for ad valorem tax purposes as land for agricultural or wildlife management use, or timber land pursuant to Ch. 23 of the Tex. Tax Code, Subchapters C, D, or E; and

WHEREAS, based upon Owners' representations and City's investigation, it appears that the Property still meets the eligibility criteria of Sec. 43.016 of Tex. Loc. Gov't Code, and the Ch. 23 of Tex. Tax Code; and

WHEREAS, the most recent Extended NAA executed by the City and Owners expired on August 1, 2020; and

WHEREAS, the City desires to allow the Property to remain in the City's ETJ for the term of this 2024 non-annexation agreement (hereinafter, the "2024 NAA" or "Agreement"), which amends and extends the term of the NAA and Extended NAA previously executed by the Parties for all purposes, until such time as stated herein; and

WHEREAS, Owners hereby accept this offer and agree to the terms of this 2024 NAA, as set forth herein, and Owners represent that it is their intention not to develop the Property during the term of this Agreement; and

WHEREAS, upon expiration of the 2024 NAA, Owners shall be deemed to have filed a petition for voluntary annexation, pursuant to Subch. C-3 of Ch. 43 of the Tex. Loc. Gov't Code, incorporating the agreed terms and schedule of the Written Agreement for Services, attached hereto as Exhibit "A"; and

WHEREAS, Owners and the City acknowledge that this Agreement between them is binding upon the City and the Owners and their respective successors and assigns for the term of the Agreement; and

WHEREAS, this Agreement is to be recorded in the Real Property Records of Denton County, Texas; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereto agree as follows:

Section 1. Continuation of ETJ Status. The City guarantees the continuation of the extraterritorial status of the Property and agrees not to annex the Property for the term of this Agreement, as hereinafter defined, and any subsequent renewals as may be agreed upon by the Parties, subject, however, to the provisions of this Agreement.

Section 2. Development Plan. The Owners covenant and agree that use of the Property for the term of this Agreement, as hereinafter defined, and any extensions agreed to by the Parties shall be limited to farm-related and ranch-related uses and customary accessory uses, and single-

family detached farm or ranch dwellings, provided that no single-family dwelling may be located or constructed on a lot smaller than five (5) acres unless the lot was created prior to the date of this Agreement. The property owner may apply to the City for division of the land subject to this Agreement into parcels, each of which is at least five (5) acres in size, for the purposes set forth in this section without being in violation of this Agreement. Such uses and activities constitute the development plan for the Property (the "Development Plan") in satisfaction of Sec. 212.172(b) of the Tex. Loc. Gov't Code.

Section 3. Governing Regulations. The City regulations, including but not limited to the following, shall apply to any development of the Property, as such regulations may hereafter be amended from time to time during the term of this Agreement, as hereinafter defined, provided that the application of such regulations does not result in interference with the use of the land for agricultural, wildlife management or forestry purposes and does not prevent the continuation of a use established prior to the effective date of this Agreement and which remains lawful at the time the Agreement is executed:

(1) Zoning standards contained in the Denton Development Code, as amended pursuant to the Denton Plan 2040, as amended, including but not limited to the Residential Rural (RR) Zoning District regulations, and standards incorporated therein;

(2) The subdivision and development regulations contained within the Denton Development Code, as amended, together with applicable Design Criteria Manuals, Denton Mobility Plan, and other approved Master Plans of the City of Denton, Texas, as amended and the most recent North Central Texas Council of Governments Standard Specifications for Public Works Construction, as amended or replaced;

(3) Denton building codes, as adopted by the City and currently contained within Chapters 17, 28, and 29 of the Denton Code of Ordinances and Subchapter 7 in the Denton Development Code, as amended, along with local amendments, as amended, and more particularly set forth as follows:

a. International Building Code, 2021 Edition with local amendments;
b. International Residential Code, 2021 Edition with Appendix G and local amendments;
c. The International Fire Code, 2021 Edition with local amendments;
d. International Plumbing Code, 2021 Edition with local amendments;
e. International Fuel Gas Code, 2021 Edition with local amendments;
f. International Mechanical Code, 2021 Edition with local amendments
g. Code of Ordinances of Chapter 17, Property Maintenance Code, as amended;
h. International Energy Conservation Code, 2021 Edition with regional amendments;
i. National Electric Code, 2020 Edition with local amendments;
j. National Electric Safety Code, 2021 Edition, with regional amendments;
k. Minimum housing and building standards, Code of Ordinances, Sections 17-141 – 196, as amended and as applicable; and
l. Irrigation Systems, Code of Ordinances, Sections 28-441 – 457;

(4) Sign regulations, as contained within Subchapter 33 of the Code of Ordinances, as amended;

(5) Applicable water and wastewater connection, construction and on-site operation requirements, contained within Chapter 26 of the Denton Code of Ordinances, as amended, and Subchapters 7 and 8 of the Denton Development Code, as amended, the Denton Water and Wastewater Criteria Manual, as amended, and as supplemented by the Texas Water Code, as amended, Texas Natural Resources Code, as amended, Texas Utilities Code, as amended, and applicable administrative standards of the Texas Commission on Environmental Quality, as amended;

(6) Applicable Flood Protection, Drainage and related standards, as contained within Chapter 30 of the Denton Code, as amended, subchapters 7 and 8 of the Denton Development Code, as amended, the Denton Stormwater Criteria Manual, as amended, and as supplemented by requirements of the Texas Water Code, as amended, Texas Natural Resources Code, as amended, applicable administrative standards of the Texas Commission on Environmental Quality, as amended, and applicable administrative standards of the Federal Emergency Management Administration, as amended; and

(7) Gas Well platting, drilling and production standards, as contained within Subchapters 2 and 6 of the Denton Development Code, as amended and as applicable, and as supplemented by requirements of the Texas Utilities Code, the Texas Natural Resources Code, the Texas Water Code, and applicable administrative standards of the Texas Railroad Commission and Texas Commission on Environmental Quality, as amended; and

(8) The City states and specifically reserves its authority pursuant to Chapter 251 of the Tex. Loc. Gov't Code to exercise eminent domain on the Property.

Section 4. Development Plan to Remain in Effect. Following expiration or termination of this Agreement for any reason, the Development Plan set forth in Section 2 shall remain in effect for a period of 180 calendar days thereafter, or until the effective date of the annexation and permanent zoning of the Property, whichever first occurs. The Parties covenant and agree that the City may deny any development application or plan of development that is submitted to the City for the Property during such period if such application or plan is inconsistent with the Development Plan. The Owners expressly waive any vested rights that might arise under Sec. 43.002(a)(2) and Chapter 245 of the Tex. Loc. Gov't Code, local or state law, or by common law, from the submittal of such inconsistent development application. The Owners further agree that no use commenced or completed on the Property that is inconsistent with the Development Plan shall be considered established or in existence prior to the expiration of the 180-day period during which the Development Plan is in effect.

Section 5. Agreement Deemed Void in Part; Petition for Voluntary Annexation; Service Plan.

(A) If an Owner files any application or plan of development for or otherwise commences development of any portion of the Property inconsistent with the Development Plan

provided in Section 2, then Sections 1 and 3 of this Agreement shall become null and void and remedy provisions of Section 5(B) of this Agreement will apply.

(B) UPON EXPIRATION, OR UPON BREACH OR TERMINATION OF THIS AGREEMENT FOR ANY REASON, OR AT ANY POINT THEREAFTER, THEN IN ADDITION TO THE CITY'S OTHER REMEDIES, SUCH ACT WILL CONSTITUTE A PETITION FOR VOLUNTARY ANNEXATION BY THE OWNER, PURSUANT TO SUBCH. C-3 OF CH. 43 OF THE TEX. LOC. GOV'T CODE AND THE PROPERTY WILL BE SUBJECT TO ANNEXATION AT THE DISCRETION OF THE CITY COUNCIL. OWNER AGREES THAT SUCH ANNEXATION IS VOLUNTARILY MADE AND HEREBY CONSENTS TO ANNEXATION PURSUANT TO SEC. 212.172(B)(7) OF THE TEX. LOC. GOV'T. CODE. OWNER HEREBY AGREES TO THE CITY'S LIST AND SCHEDULE OF MUNICIPAL SERVICES SET FORTH IN EXHIBIT "A" BY SIGNING THIS AGREEMENT AND OWNER AGREES THAT THE 2024 NAA SERVES AS THE WRITTEN AGREEMENT REGARDING SERVICES, PURSUANT TO SEC. 43.0672 OF THE TEX. LOC. GOV'T CODE. IN THE EVENT THAT THE WRITTEN AGREEMENT REGARDING SERVICES ARE NO LONGER REQUIRED BY CH. 43 ON THE DATE OF ANNEXATION, THEN THE MUNICIPAL SERVICES TO BE PROVIDED TO THE PROPERTY WILL BE IN ACCORDANCE WITH EXISTING CITY POLICY ON THE DATE OF ANNEXATION, AND AS AMENDED THEREAFTER. No subsequent change in the law regarding annexation shall affect the enforceability of this written Agreement or of the City's ability to annex the Property, pursuant to the terms of this Agreement. This section shall survive any termination of this Agreement.

Section 6. Notice of Sale or Exemption Status Change. Any person who sells or conveys any portion of the Property shall, prior to such sale or conveyance, give 30 days' written notice of this Agreement to the prospective purchaser or grantee. A copy of the notice shall be provided to the City 30 days prior to such sale or conveyance, and notice of the change in the exemption status of the Property shall be provided to the City within 14 days of any change at the following address:

City of Denton, Texas
ATTN: City Manager
215 E. McKinney St.
Denton, TX 76201

Section 7. Recording. This Agreement is to run with the Property and be recorded in the real property records, Denton County, Texas.

Section 8. Severability. Invalidation of any provision of this Agreement by judgment, court order, legislation, or otherwise shall not invalidate any of the remaining provisions which shall remain in full force and effect.

Section 9. Remedies. This Agreement may be enforced by either Owner or the City by any proceeding at law or in equity. Failure to do so shall not be deemed a waiver to enforce the provisions of this Agreement thereafter. Entry into this Agreement by Owner waives no rights as to matters not addressed in this Agreement.

Section 10. Change in Law. No subsequent change in the law regarding annexation shall affect the enforceability of this Agreement or the City's ability to annex the properties covered herein pursuant to the terms of this Agreement.

Section 11. Venue. Venue for this Agreement shall be in Denton County, Texas.

Section 12. Execution in Multiple Copies. This Agreement may be separately executed in individual counterparts and, upon execution, shall constitute one and same instrument.

Section 13. Effective Date; Term and Extension. The Effective Date of the Agreement shall be the date the Agreement is executed by the City. This Agreement shall terminate on August 1, 2040 ("Term"). The Term may be extended upon mutual agreement of the Parties. Owners and the City agree that this Agreement is binding upon both the City and Owners, and Owners' heirs, successors, and assigns for the term of the Agreement. Owners, and all of Owner's heirs, successors, and assigns shall be deemed to have filed a petition for voluntary annexation before the end of the Term for annexation of the Property to be completed on or after the end of the Term. Prior to the end of the Term, the City may commence the voluntary annexation of the Property. Owner agrees that such annexation shall be voluntary and consents to the annexation pursuant to Sec. 212.172(b)(7) of Tex. Loc. Gov't Code and Ch. 43, Subch. C-3 of the Tex. Loc. Gov't Code.

Section 14. Survival of Covenants. The covenants in Sections 2, 4, and 5 shall survive termination of this Agreement, together with any other provisions, as may be necessary for the implementation of those sections.

Section 15. **OWNERS REPRESENT AND ACKNOWLEDGE THAT EACH AND EVERY OWNER OF THE PROPERTY HAS SIGNED THIS AGREEMENT, AND OWNERS COVENANT AND AGREE, JOINTLY AND SEVERALLY, TO INDEMNIFY, HOLD HARMLESS, AND DEFEND THE CITY AGAINST ANY AND ALL LEGAL CLAIMS, BY ANY PERSON CLAIMING AN OWNERSHIP INTEREST IN THE PROPERTY WHO HAS NOT SIGNED THE AGREEMENT, ARISING IN ANY WAY FROM THE CITY'S RELIANCE ON THIS AGREEMENT.**

Entered into this 29th day of April, 2026.

OWNERS

Emily T. Buckley

THE CITY OF DENTON, TEXAS

By:_____
Its: City Manager, Deputy City Manager, or Assistant City Manager

THE STATE OF TEXAS }

COUNTY OF DENTON }

This instrument was acknowledged before me on the 29th day of April, 2026 by Gregory Buckley.

FELICIA BROOKE ASHLEY
Notary Public, State of Texas
Comm. Expires 07-13-2029
Notary ID 129388394

Notary Public, State of Texas

THE STATE OF TEXAS }

COUNTY OF DENTON }

This instrument was acknowledged before me on the 29th day of April, 2026 by Emily Taylor Buckley

FELICIA BROOKE ASHLEY
Notary Public, State of Texas
Comm. Expires 07-13-2029
Notary ID 129388394

Notary Public, State of Texas

THE STATE OF TEXAS }

COUNTY OF DENTON }

This instrument was acknowledged before me on the _____ day of _____, 20__, by _____.

_____
Notary Public, State of Texas

THE STATE OF TEXAS }

COUNTY OF DENTON }

This instrument was acknowledged before me on the _____ day of _____, 20__, by _____.

_____
Notary Public, State of Texas

THE STATE OF TEXAS }

COUNTY OF DENTON }

This instrument was acknowledged before me on the _____ day of _____, 20__, by _____, City Manager/Deputy City Manager/Assistant City Manager, on behalf of the City of Denton, Texas.

_____
Notary Public, State of Texas

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Hilary McMahon _____

After recording return to:
City of Denton
Attn.: City Secretary
215 E. McKinney St.
Denton, TX 76201

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: **Community Services**

CM/ DCM/ ACM: **Christine Taylor, Assistant City Manager**

DATE: **June 2, 2026**

SUBJECT

Consider adoption of an ordinance of the City of Denton authorizing the City Manager to execute a funding agreement between the City of Denton and Denton Affordable Housing Corporation to provide HOME Investment Partnership Program funds for the new construction of three (3) homebuyer units located at 418 Robertson St., Denton, Texas; authorizing the expenditure of funds in an amount not to exceed $424,878.41; and providing an effective date.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Foster Economic Opportunity and Affordability.

DISCUSSION

On May 2, 2025, the Community Services Advisory Committee (CSAC) finalized their recommendations to City Council for the 2025 Action Plan. All projects and programs to be approved by The Department of Housing and Urban Development (HUD) under the 2025 Action Plan are funded through Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), and program income from the use of these funds. In addition to federal funds, the City Council allocates General Fund dollars to provide grants for social service agencies. The following narrative describes the recommendations from the CSAC for estimated federal and general fund dollars available for the 2025-26 program year (**Exhibit 2**).

The Denton Affordable Housing Corporation (DAHC) is a locally certified Community Housing Development Organization (CHDO). The HOME Investment Partnership Program (HOME) requirements state that fifteen percent (15%) of a participating jurisdiction's funding must be allocated to CHDO-administered programs. On an annual basis, the City of Denton allocates a minimum of fifteen percent (15%) of the City's HOME allocation to DAHC for various affordable housing programs.

The City of Denton HOME Investment Partnership Program (HOME) will provide DAHC with $424,878.41 for costs associated with constructing three (3) homebuyer units located at 418 Robertson St. in the city limits of Denton, Texas. The construction will result in three homebuyer units with two-three bedrooms sold to low-income households in Denton.

HOME Project Funding

Funding for HOME projects is included in the 2025 Action Plan for Housing and Community Development for program year October 1, 2025, through September 30, 2026. City Council approved the 2025 Action Plan for Housing and Community Development with Ordinance No. 25-193, on July 22, 2025. The U.S.

Department of Housing and Urban Development (HUD) approved the Action Plan in September 2025, and funds became available in October 2025.

Service Agreement
This Service Agreement establishes the agreement between the City and the agency regarding the total allocation of funding along with responsibilities, eligible activities, performance measures, and duration of the agreement. (**Exhibit 3**).

Agreement Timing
The Community Services Department has implemented a "Shovel Ready" policy for housing projects, meaning funds are only awarded to projects which are ready to be constructed. As part of this new policy, funding agreements are not brought forward to City Council or executed until the project has significantly advanced through the development process and is near to pulling construction permits. This is the reason the agreements for DAHC's homebuyer construction and concurrent operating assistance have been brought before Council later than the other agreements recommended by CSAC for the 2025 Action Plan.

OPTIONS

- Approve the Denton Affordable Housing Corp. funding agreement;
- Do not approve the Denton Affordable Housing Corp. funding agreement.

RECOMMENDATION

- Approve the Denton Affordable Housing Corp. funding agreement;

FISCAL INFORMATION

Projects is funded with HOME funds.

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – 2025-26 CSAC Funding Recommendations and Descriptions
Exhibit 3 – Ordinance and Agreement with Denton Affordable Housing Corp.

Respectfully submitted:
Jesse Kent
Director of Community Services

Prepared by:
Leia Atkinson
Housing Programs Manager

Luisa Garcia
Community Development Manager

2025-26 Community Development Grant Program Application
Final Funding Recommendations

Organization	Application Type	Service Type	2024-25 Award	2025-26 Request	2025-26 CSAC Funding Recommendation - Adjusted for final HUD amounts	Funding Recommendation by Source: CDBG FUNDS	GENERAL FUNDS	HOME FUNDS
Court Appointed Special Advocates of Denton County, Inc.	Human Services	Family Resources	$30,000.00	$40,000.00	$35,340.00		$35,340.00	
Children's Advocacy Center	Human Services	Victim Services	$25,000.00	$100,000.00	$40,388.00		$40,388.00	
SPAN Inc.	Human Services	Food Security	$25,500.00	$27,000.00	$25,243.00	$17,556.00	$7,687.00	
Communities in Schools	Human Services	Child Care/Education	$27,500.00	$39,600.00	$35,340.00		$35,340.00	
Denton County Friends of the Family	Human Services	Homeless/ Housing	$40,000.00	$50,000.00	$45,437.00	$45,437.00		
PediPlace	Human Services	Healthcare	$30,000.00	$50,000.00	$35,339.00		$35,339.00	
Denton County MHMR	Human Services	Behavioral Health	$28,000.00	$60,000.00	$30,291.00		$30,291.00	
City of Denton Parks Department	Human Services	Child Care	$45,000.00	$90,000.00	$43,922.00	$43,922.00		
Our Daily Bread	Human Services	Homelessness	$39,134.00	$100,000.00	$39,378.00		$39,378.00	
North Texas Solutions for Recovery[1]	Human Services	Mental Health	$45,000.00	$100,000.00	$0.00		$0.00	
Giving Grace	Human Services	Homeless Services	$40,000.00	$100,000.00	$36,854.00		$36,854.00	
Cumberland Youth and Family Services	Human Services	Family Resources	$15,000.00	$25,000.00	$16,155.00		$16,155.00	
The Salvation Army	Human Services	Homeless/Food Security	$30,000.00	$65,000.00	$25,242.00		$25,242.00	
Refuge for Women	Human Services	Victim Services	$0.00	$50,000.00	$15,360.00		$15,360.00	
Recovery Resource Council	Human Services	Behavioral Health	$0.00	$100,000.00	$0.00		$0.00	
Health Services of North Texas	Human Services	Healthcare	$50,000.00	$75,000.00	$50,485.00	$50,485.00		
Paisley Street Preschool[3]	Human Services	Daycare Services	$10,000.00	$100,000.00	$15,145.00		$15,145.00	
Community Services, Inc.	Human Services	Rent Assistance	$0.00	$100,000.00	$0.00		$0.00	
Denton Christian Preschool	Human Services	Daycare Services	$30,000.00	$35,000.00	$30,291.00		$30,291.00	
TRANSCEND STEM Education	Human Services	Workforce Development	$0.00	$25,000.00	$0.00		$0.00	
Opening Doors International Services, Inc.	Human Services	Immigration Services	$15,000.00	$30,000.00	$15,145.00		$15,145.00	
Project Hope Family Enrichment Center	Human Services	Utility Assistance	$0.00	$100,000.00	$0.00		$0.00	
Silent Voyces	Human Services	Mental Health	$0.00	$52,043.00	$0.00		$0.00	
Care Cuts	Human Services	Healthcare	$0.00	$35,000.00	$0.00		$0.00	
SUBTOTAL HUMAN SERVICES			$525,134.00	$1,548,643.00	$535,355.00	$157,400.00	$377,955.00	$0.00
Denton Affordable Housing Corporation	Housing	Housing Construction	$221,000.00	$471,590.00	$471,590.00			$471,590.00
Denton County Friends of the Family Project	Housing	Housing Repairs	$0.00	$53,000.00	$53,000.00	$53,000.00		
City of Denton Minor Repair	Housing	Minor Repairs	$449,730.74	$400,000.00	$468,647.26	$468,647.26		
SUBTOTAL HOUSING PROGRAMS			$670,730.74	$924,590.00	$993,237.26	$521,647.26	$0.00	$471,590.00
Fred Moore Park Scoreboards Project	Public Facility/ Improvements	Park Improvements	$0.00	$18,003.00	$18,000.00	$18,000.00		
Denia Park Shade Structures Project	Public Facility/ Improvements	Park Improvements	$0.00	$250,000.00	$250,000.00	$250,000.00		
SUBTOTAL PUBLIC FACILITY/IMPROVEMENTS			$0.00	$268,003.00	$268,000.00	$268,000.00	$0.00	$0.00
TOTALS			$1,195,864.74	$2,741,236.00	$1,796,592.26	$947,047.26	$377,955.00	$471,590.00
FUNDING AVAILABLE				$2,444,697.05	$2,444,697.05	$947,047.26	$377,955.00	$1,119,694.79
BALANCE				$296,538.95	$648,104.79	$0.00	$0.00	$648,104.79

NOTES:

[1]North Texas Solutions for Recovery is no longer in business as of April 2025.

[2]The HOME unprogrammed funds will be allocated through a substantial amendment.

[3]Denton City County Day School name changed to Paisley Street Preschool

2025-26 Community Development Grant Program
Project Descriptions

Organization	Project Description	Funding Amount	Projected Outputs
	HUMAN SERVICES PROJECTS		
Children's Advocacy Center for North Texas, Inc.	Direct client services to help child abuse victims and families needing services.	$40,388	183
COD PARD Summer Kids Camp	Full and partial scholarships for a summer day camp program to income-eligible kids in need of quality care, mentoring, development of life skills, leadership, respect for others and respect for self.	$43,922	57
Communities in Schools	Dropout prevention programs in Denton ISD campuses located within city limits of Denton serving grades K-12 students who struggle with academic, social, emotional, and/or physical barriers to success and are at-risk of dropping out of school based on Texas Education Agency's 14 at-risk criteria.	$35,340	946
Court Appointed Special Advocates of Denton County, Inc.	Recruit, train and support community volunteers to advocate for the best interest of abused and neglected children, and to promote community awareness of child abuse issues.	$35,340	195
Cumberland Youth and Family Services	Trauma-informed mental healthcare to children, individuals, families, and couples who qualify for services based on income, location, and lack of insurance.	$16,155	22
Denton Christian Preschool	Quality education for preschool age children in the Denton community to ensure children are at or above grade level when entering kindergarten and help end generational poverty. Funds will cover a portion of salaries for two (2) employees – Bilingual Teacher and Bus Driver.	$30,291	40
Paisley Street Preschool	Full-time early learning experiences for children ages 18 months to 5 years old on a sliding scale tuition.	$15,145	45
Denton County Friends of Family	Salary support for a Shelter Director to ensure shelter is properly equipped to improve clients' sense of safety, provide support in overcoming the impact of violence and abuse and begin the process of helping the client achieve and maintain self-sufficiency free from family violence.	$45,437	240
Denton County MHMR	Outreach to Suicide Survivors by LOSS Team who are on-site at the scene of a suicide to provide resources and hope to newly bereaved. Funds will cover the cost of the LOSS Team Coordinator salary.	$30,291	15
Giving Grace	Supportive services including case management to individuals transitioning from homelessness and into housing.	$36,854	19
Health Services of North Texas	Provides quality primary medical care for impoverished and uninsured/underinsured patients of all ages (including women's health & prenatal care).	$50,485	201
Opening Doors International Services	Outreach, consultation on immigration benefits and openings for immigration cases at low- or no-cost.	$15,145	255
Our Daily Bread	Salary will support two case managers that assist with intake and data collection and reporting for guests entering in the program.	$39,378	316
PediPlace	Primary healthcare for children residing in Denton ages birth to 18 who are uninsured or qualify for Medicaid or CHIP benefits.	$35,339	555
Refuge for Women	Direct service for survivors of sex trafficking with long-term residential housing and supportive services	$15,360	15
SPAN, Inc.	Senior nutrition program providing hot, nutritionally regulated home delivered and congregate meals for senior adults in Denton.	$25,243	402
The Salvation Army, A Georgia Corp - Denton	Assistance with food provided during the K.A.R.E. Kitchen daily meals and Food Pantry for clients experiencing homelessness and low-income households.	$25,242	1,800
	TOTAL	**$535,355**	***5,306***
	HOUSING PROJECTS		
City of Denton - Minor Repair Program	The program addresses urgently needed repairs of homes in the city limits of Denton up to $24,500 for low and moderate income households.	$468,647	48
Denton Affordable Housing Corporation (DAHC)	DAHC will use the funds to develop 3 single family new construction units, provide homebuyer assistance to low and moderate income buyer and for DAHC operating costs.	$471,590	3
Denton County Friends of the Family Project	Project consists of repairing a home with space configuration and ADA compliant. The home will be available as a transitional house when a family leaves emergency shelter and increase housing stability.	$53,000	1
	TOTAL	**$993,237**	***52 UNITS***
	PUBLIC FACILITY PROJECTS		
Parks and Recreation - Denia Park Shade Structures Project	Project includes the purchase and installation of a shade structure at Denia Park to provide areas of shade for park visitors.	$250,000.00	5,595
Parks and Recreation - Fred Moore Park Scoreboards Project	Project consists of purchase and installation of scoreboards for the football and softball fields at the Fred Moore Park.	$18,000.00	2,725
	TOTAL	**$268,000**	***8,320 PEOPLE***

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON AUTHORIZING THE CITY MANAGER TO EXECUTE A FUNDING AGREEMENT BETWEEN THE CITY OF DENTON AND DENTON AFFORDABLE HOUSING CORPORATION TO PROVIDE HOME INVESTMENT PARTNERSHIP PROGRAM FUNDS FOR THE NEW CONSTRUCTION OF THREE (3) HOMEBUYER UNITS LOCATED AT 418 ROBERTSON ST., DENTON, TEXAS; AUTHORIZING THE EXPENDITURE OF FUNDS IN AN AMOUNT NOT TO EXCEED $424,878.41; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Denton recognizes the need to assist low- and moderate-income families in securing decent, safe, sanitary and affordable housing; and

WHEREAS, the City has received funds from the U.S. Department of Housing and Urban Development under the National Affordable Housing Act of 1990, as amended; and

WHEREAS, the City Council approved the 2025 Action Plan for Housing and Community Development which adopts an authorized budget expenditure of 2024 and 2025 HOME Investment Partnership Program funds; and

WHEREAS, the 2025 Action Plan includes funding allocated for a Community Housing Development Organization ("CHDO") project provided by Denton Affordable Housing Corporation ("DAHC") for the new construction of three homebuyer units located at 418 Roberston St., Denton, Texas (the "Project") with an authorized budget of $424,878.41; and

WHEREAS, the City has determined that DAHC is the only locally certified CHDO that includes the required number of low-income residents from Denton and/or representatives of the low- income community on its board of directors necessary to satisfy federal requirements to serve the City's geographical area; and

WHEREAS, DAHC is a locally based non-profit organization, has a demonstrated capacity for carrying out housing projects assisted with HOME funds, and has a history of significant service to the Denton community in the area of affordable housing; and

WHEREAS, the City Council deems it in the public interest to enter into an agreement with DAHC for to provision of HOME funds for the Project in substantially the form attached hereto as Exhibit "A" (the "Agreement") to provide much needed services for Denton residents; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations in the preamble of this ordinance are incorporated herein by reference as true and as if fully set forth in the body of this ordinance.

SECTION 2. The City Manager, or their designee, is hereby authorized to execute the Agreement.

SECTION 3. The City Manager is hereby authorized to expend HOME Investment Partnership

Program funds in an amount not to exceed $424,878.41 in the manner specified in the Agreement, and to take any other actions that may be necessary or convenient, in the reasonable opinion of either the City Manager or the City Attorney, to carry out the City's rights and obligations under the Agreement.

SECTION 4. The City Manager has designated the Department of Community Services to be responsible for the administration of this Agreement and all matters pertaining thereto.

SECTION 5. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____. The ordinance was passed and approved by the following vote [___-___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Scott Bray _____ Scott Bray
Deputy City Attorney

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HOME AGREEMENT
BETWEEN
THE CITY OF DENTON
AND DENTON AFFORDABLE HOUSING CORPORATION

This HOME Agreement ("Agreement") is made and entered into as of this ___ day of _____2026 by and between the City of Denton, a Texas home-rule municipal corporation ("CITY"), and Denton Affordable Housing Corporation, a Texas non-profit corporation based in Denton, Texas ("DEVELOPER").

WHEREAS, CITY is the administrator of HOME Investment Partnership Program funds ("HOME Funds") received from the U. S. Department of Housing and Urban Development ("HUD") under Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended; and

WHEREAS, the purpose of the HOME Investment Partnership Program (the "HOME Program") is to increase the supply of decent, safe, sanitary, and affordable housing for very low income, low income and moderate-income households; and

WHEREAS, CITY has designated the City's department of Community Development responsible for the administration of this Agreement and all matters pertaining thereto; and

WHEREAS, CITY has designated and certified DEVELOPER as a Community Housing Development Organization (CHDO), as defined in 24 CFR 92.2 and 24 CFR 92.300(a); and

WHEREAS, DEVELOPER proposes to use HOME Funds for an eligible project under the HOME regulations whereby DEVELOPER will construct three (3) homebuyer units in Denton, Texas, to be known as 418 Robertson Street, Denton, Texas 76205 (the "Project"); and

WHEREAS, the CITY has approved a deferred loan to DEVELOPER to carry out the Project as specified in this agreement, subject to the terms specified herein below, and

NOW, THEREFORE, the parties hereto agree, and by the execution hereof are bound, to the mutual obligations and to the performance and accomplishment of the conditions hereinafter described.

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1. CHDO PROVISIONS

A. CHDO Designation

DEVELOPER has been designated by CITY as a Community Housing Development Organization ("CHDO") as defined under 24 CFR 92.2 and shall serve as the DEVELOPER of the Project as such role is defined under 24 CFR 92.300(a).

B. Certification of Current and Continuing CHDO Status

DEVELOPER hereby acknowledges that this Project is being funded with HOME Funds reserved specifically for CHDOs and certifies that as of the date of this Agreement it meets the definition of a CHDO under 24 CFR 92.2. DEVELOPER further certifies and agrees that it will continue to operate its affairs such that it continuously meets the CHDO definition for the life of this Agreement and will notify CITY immediately if any change in circumstance results in it no longer meeting these criteria at any time during the term of this Agreement. It further will provide documentation to CITY as may be requested from time to time to document that it continues to comply with the CHDO definition.

2. THE PROJECT

A. Project Description

DEVELOPER shall construct three (3) homebuyer units in Denton, Texas, to be known as 418 Robertson Street, Denton, Texas 76205 and more particularly described as being all of Lot 13, Block 6, of Alex Robertson Addition, an Addition to the City of Denton, Denton County, Texas, according to the Plat thereof recorded in Volume 1, Page 19, Plat Records of Denton County, Texas attached hereto as Attachment A and incorporated herein by reference (sometimes referred to herein as the "Property") and incorporated herein by reference and pursuant to the Program Budget attached hereto as Attachment B and incorporated herein by reference.

B. Tasks and Schedule

To ensure that the Project progresses adequately toward completion, DEVELOPER must achieve the following benchmarks.

a. *Final Plans and Specifications*: No later than **June 1, 2026** and prior to initiating construction activity, DEVELOPER must provide evidence to CITY of an issued building permit from the City of Denton Development Services Department.

b. *Pre Construction Requirements*:

Prior to beginning construction, DEVELOPER must provide the following to CITY:

i. Proof of all insurance coverage policies required herein
ii. Project specifications in form acceptable to CITY
iii. Current project timetable
iv. Completed marketing plan
v. Completed work write up
vi. Bid summary sheet
vii. Proof of bid advertisement

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viii. Completed bid selection

ix. Contractor and sub-contractor debarment checks

x. All underwriting items, including:

1. Resumes of all DEVELOPER staff working on HOME funded project
2. DEVELOPER's most recent audit and financials

xi. Market study

xii. All CHDO Recertification items as requested by CITY

CITY is generally available to provide technical assistance and examples of previous documentation submitted by DEVELOPER on other HOME funded projects.

c. *Construction*: Unless otherwise extended by CITY, DEVELOPER must begin construction on the Project no later than **July 1, 2026** and substantially complete construction within **twelve (12) months** from the date of execution of this agreement. Per the requirements of 24 CFR 92.2, in any event DEVELOPER *must* begin construction no later than twelve (12) months from the date of execution of this Agreement.

d. *Cost Certification:* Within **one hundred-twenty (120) days** after completing construction, DEVELOPER must provide a cost certification outlining the final sources and uses of all funds or a summary and backup of bids.

e. *Completion Report:* Prior to final disbursement of funds, DEVELOPER must provide CITY with demographic data on the initial occupants of all HOME-assisted units in the Project in order to complete the Project in HUD's Integrated Disbursement and Information System (IDIS) If the Project is not completed in HUD's IDIS system within **twenty-four (24) months** of the date of execution of this Agreement, CITY may cancel its commitment of funding, and the DEVELOPER shall repay any HOME Funds previously provided for the Project. In any case, if the Project is not completed in HUD's IDIS system within four years of the date of this Agreement, the Project will be considered terminated prior to completion and per the requirements of 24 CFR 92.205(e), and all HOME Funds must be repaid by the DEVELOPER to the CITY.

f. *Project Completion*: "Project Completion" means all of the following have occurred:

a. The requirements for "Project completion" outlined in 24 CFR 92.2 have been satisfied,

b. CITY shall have determined that the Project:

i. Has reached completion in accordance with the scope of work as approved by the CITY;

ii. Is in compliance with all Housing Quality Standards, and

iii. All HOME Funds have been disbursed by CITY and drawn from the US Treasury,

c. All required completion data has been entered in HUD's IDIS system, and

d. CITY and DEVELOPER have executed the final Deed of Trust and Real Estate Lien Note and have updated such documents by identifying the date on which Project Completion has occurred.

g. *Extension of Agreement:* Request for an extension must be submitted in writing at least 30 days prior to any project deadline to the Community Development Manager, 601 E. Hickory Street, Denton, TX 76201. The City shall have the right, but not the obligation, to extend the deadlines of this agreement for one (1) additional one-year period.

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Overview of Project Deadlines	
Task	**Deadline**
Building Permits Issued	Within 30 days of execution of this Agreement
Construction Begun	Within 60 days of execution of this Agreement
Construction Completed	Twelve (12) months from execution of this Agreement
Cost Certification	120 days after completing construction
Completion Report	Twenty-four (24) months from execution of this agreement

C. Budget

i. *HOME Investment:* Conditioned upon the availability of HOME Funds, and DEVELOPER's compliance with the conditions set out herein, CITY intends to provide an amount not to exceed **$424,878.41** in 2024 and 2025 HOME Funds to DEVELOPER toward eligible project costs.

ii. *Budget Documentation:* DEVELOPER shall provide CITY with the following documentation prior to beginning construction:

a. Completed work write up outlining the intended uses of all HOME funds on each individual unit and any common areas,

b. Current pro forma overviewing all sources and uses for the entire project.

iii. *Cost Reasonableness:* The eligibility of costs incurred shall be determined in accordance with 2 CFR Part 200 Subpart E - Basic Considerations.

3. TERM

A. Beginning and Expiration

The term of this Agreement shall begin on the date represented by the date of the last signature of either party executing the Agreement and shall expire upon completion of the HOME Affordability Period, unless sooner terminated in accordance with this Agreement (the "Term").

B. HOME Affordability Period

DEVELOPER and its successors in interest shall ensure that any HOME-assisted units are sold to and continue to be owned by persons with qualifying incomes for the entire HOME Affordability Period, which shall begin with initial occupancy of the Project and shall run for **fifteen (15) years** following the date on which the Project has met the requirements for Project Completion outlined in 24 CFR 92.2 and this Agreement. DEVELOPER and its successors in interest must maintain compliance with this Agreement and all applicable HOME rules for the entirety of the HOME Affordability Period.

C. Security during Affordability Period

DEVELOPER shall ensure that purchasers of HOME-assisted units comply with the terms of this Agreement by requiring purchasers execute a promissory note and deed of trust which secure compliance

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with all applicable HOME Program requirements and relevant portions of this Agreement during the HOME Affordability Period. DEVELOPER shall act in a timely manner to enforce the terms of this Agreement as incorporated in any deed of trust pursuant to this section.

D. Annual review of Compliance

DEVELOPER shall take full responsibility for ensuring that housing it has assisted with HOME funds meets the affordability and resale requirements of 24 CFR 92.254. DEVELOPER is responsible for ensuring each initial homebuying household is qualified at initial sale of all units, as well as monitoring annually to ensure that any subsequent resales were compliant with the resale requirements of 24 CFR 92.254. In the event of a noncompliant resale, DEVELOPER will be responsible for facilitating recapture procedures outlined in 24 CFR 92.254(a)(5)(ii)(B)(*2*), in which CITY will recapture the HOME investment on a pro rata basis based on the amount of time the project was compliant with the terms of this agreement and 24 CFR 92.254.

4. RESPONSIBILITIES

A. Performance

DEVELOPER shall perform all services and activities, described in the Statement of Work attached hereto as Exhibit A and incorporated herein by reference, in accordance with the Program Budget attached hereto as Exhibit B and incorporated herein by reference, and as otherwise set forth herein, in a satisfactory and efficient manner as determined by CITY.

B. Agreement Administration – DEVELOPER

DEVELOPER's Executive Director shall be DEVELOPER's representative responsible for the management of all contractual matters pertaining hereto, unless written notification to the contrary is received by CITY from DEVELOPER and approved by CITY.

C. Agreement Administration – CITY

The CITY's Community Development Manager will be CITY's representative responsible for the administration of this Agreement.

D. Financial Responsibility – DEVELOPER

DEVELOPER shall comply with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards, Final Guidance, and the regulations found at 24 CFR Part 92.

E. Enforcement of the Agreement

DEVELOPER understands that, in accordance with 24 CFR 504 (c)(1)(x) AND 2 CFR Part 200, Appendix II to Part 200 (B), suspension or termination, at CITY's option, may occur if the DEVELOPER materially fails to comply with any term of this Agreement. Further, DEVELOPER acknowledges that the Agreement may also be terminated for convenience in accordance with the provisions of this Agreement.

F. Match

DEVELOPER agrees to submit documentation to CITY of an eligible matching contribution that is equal to at least 25% of the HOME investment in the Project as outlined in 24 CFR Part 92 Subpart E - Matching

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Contribution Requirement. DEVELOPER investment in the Project that is derived from non-federal funds shall generally be considered an acceptable form of match.

G. Program Budget Changes

DEVELOPER shall not change the Program Budget without prior written approval from the CITY.

H. Hold Harmless

DEVELOPER agrees to hold and save harmless the CITY, its officers, elected and appointed officials, and employees from any and all loss, cost, or damage of every kind (including, property damage, bodily injury or death), nature or description arising under this Agreement.

I. Reversion of Assets

Upon dissolution of the DEVELOPER or upon expiration or termination of this Agreement, any remaining funds or assets derived from the expenditure of the CITY's funds, hereinafter sometimes described as the CITY's HOME Funds, proceeds or HOME-funded projects, must be immediately transferred to the CITY.

J. Security

a. *Promissory Note:* The HOME Forgivable Payment Loan must be secured by a promissory note on the Property. DEVELOPER agrees to execute any and all notes, security agreements, financing statements, affordability covenants, builder's and mechanic's liens and deeds of trust and any other documents or amendments that are consistent with this Agreement and are reasonably necessary for perfection of City's lien or lien interests in the form required by the City. DEVELOPER further agrees to cooperate with the City in re-signing any documents to correct errors or omissions, if any, in any form or legal document required by the City or HUD.

b. *Deed of Trust:* DEVELOPER must convey to City a deed of trust, in form satisfactory to CITY, that provides a means for enforcement of the affordability restrictions of 24 CFR 92.254. The deed of trust must be senior to all other financing liens and be enforceable against all successors in interest to DEVELOPER. DEVELOPER must also execute and deliver to CITY for recording Restrictive Covenants binding on the Property, in form satisfactory to CITY, which enjoin the Property from being sold to persons that do not meet the affordability requirements of 24 CFR 92.254.

K. Legal Compliance

DEVELOPER agrees that the Project will be operated in compliance with all applicable federal, state, and local laws or ordinances or regulations, including but not limited to HOME regulations and fair housing laws. During the HOME Affordability Period, failure to maintain the Project in compliance with all applicable laws, or the inability to correct instances of noncompliance, will result in a requirement that the DEVELOPER satisfy any repayment obligation to HUD incurred by CITY under 24 CFR 92.503(b).

L. Affirmative Marketing

DEVELOPER must comply with all affirmative marketing requirements as outlined in 24 CFR 92.351 DEVELOPER must submit an Affirmative Fair Housing Marketing Plan ("AFHMP"), using form HUD-935.2A, or on another such form as CITY may reasonably require, for CITY review prior to marketing and selling the HOME-assisted units.

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M. Subcontracting with Small and Minority Firms, Women's Business Enterprises

The requirements of Executive Orders 11625 and 12432 (concerning Minority Business Enterprise), and 12138 (concerning Women's Business Enterprise) apply to this Agreement. DEVELOPER must make efforts to encourage the use of minority and women's business enterprises in connection with HOME- funded activities. In order to comply with the reporting requirements of 24 CFR Part 92.508 (a)(7)(ii), DEVELOPER must submit a Contract and Subcontract Activity Reporting Form. This form shall be submitted with the final Reimbursement Request.

N. Contractor, Subcontractor and Vendor Requirements

DEVELOPER will use commercially reasonable efforts to ensure that all contractors or vendors utilized by DEVELOPER or subcontractors utilized by DEVELOPER's general contractor are appropriately licensed and such licenses are maintained throughout the construction of the project.

DEVELOPER shall ensure that all contractors utilized by DEVELOPER, subcontractors utilized by DEVELOPER's general contractor in the construction of the project, or vendors utilized by DEVELOPER in the operation of the project are not debarred or suspended from performing the contractor's, subcontractor's or vendor's work by the City, the State of Texas, or the Federal government. For purposes of this AGREEMENT, the term "vendors" does not include suppliers or materialmen. DEVELOPER acknowledges that 2 CFR Part 200 forbids DEVELOPER from hiring or continuing to employ any contractor, subcontractor or vendor that is listed on the Federal System for Award Management, www.sam.gov ("SAM").

DEVELOPER must confirm by search of SAM that all contractors, subcontractors or vendors are not listed by SAM as being debarred, prior to hiring and submit evidence of such to CITY prior to initial disbursement of funds. Failure to submit such proofs of search shall be an event of default, if not cured within any applicable notice or cure period.

In the event that CITY determines that any contractor, subcontractor or vendor has been debarred, suspended, or is not properly licensed, DEVELOPER or DEVELOPER's general contractor shall immediately cause such contractor, subcontractor or vendor to immediately stop work on the project and DEVELOPER shall not be reimbursed for any work performed by such contractor, subcontractor or vendor. However, this section should not be construed to be an assumption of any responsibility or liability by CITY for the determination of the legitimacy, quality, ability, or good standing of any contractor, subcontractor or vendor.

5. FORM OF FINANCING AND DISBURSEMENTS

A. HOME Deferred Loan

CITY will provide HOME funding as a forgivable loan for construction on the Project (the "HOME Forgivable Payment Loan"). The term of the HOME Forgivable Payment Loan will commence at execution of the Deed of Trust and Real Estate Lien Note (which execution is anticipated to occur at or around the execution of this Agreement) and will continue for a term of fifteen (15) years from the date of Project Completion, which will require that construction be complete, all HOME Funds have been disbursed by CITY and drawn from the US Treasury, and required completion data has been entered in HUD's IDIS system. Notwithstanding any other provision of this Agreement, the total HOME Forgivable Payment Loan shall not exceed the sum of Four Hundred Thousand Eight Hundred Seventy-Eight Dollars and 84/100 Dollars ($424,878.84).

B. Interest

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The HOME Forgivable Payment Loan will carry **zero percent** (0%) interest (provided there is no default) and shall be forgiven following expiration of the Affordability Period, to commence on the date of Project Completion as described herein.

C. Request for disbursement of funds

a. *Necessity of disbursement:* DEVELOPER shall not request disbursement of funds until they are needed for payment of eligible costs. The amount of each request will be limited to the amount needed as per 24 CFR 92.504 (c)(3)(viii).

b. *Onsite Inspections:* Prior to disbursement of funds, CITY shall conduct an onsite inspection to confirm the specified work has been completed.

c. *City's review:* CITY shall retain the right to review and approve all draws for the Project. DEVELOPER may only request funds that are outlined as eligible in 24 CFR 92.206, and included in the work write up.

d. *Frequency of requests:* DEVELOPER shall request disbursement of funds no more than on a monthly basis, and no less than on a quarterly basis throughout the construction period. DEVELOPER shall submit request for disbursement at least fourteen (14) days prior to the desired disbursement date.

e. *Documentation for requests:* DEVELOPER submit alongside the request for disbursement a list of the specific work completed, with direct reference to the work write-up, and provide evidence that this work incurred costs to DEVELOPER of at least the amount estimated in the work write-up.

f. *Program Income:* If any program income is generated, DEVELOPER shall expend such program income for the activities detailed in the work write-up before DEVELOPER requests further disbursement of funds.

D. Conditions of Final Payment

The final request for disbursement of funds shall not be submitted before completion of the Project, including all landscape requirements and offsite utilities and streets and correction of defects in workmanship and/or materials. In addition to the requirements for a standard request for disbursement of funds, CITY shall require the following prior to the final payment of funds:

i. Evidence satisfactory to CITY that the Project has been completed lien free and substantially in accordance with the plans and specifications; and

ii. Review and final settlement of the cost certification.

E. Withholding Payment

City shall withhold payment on any reimbursement request that does not include the required complete documentation.

F. Limit of Liability

DEVELOPER acknowledges and agrees that CITY's reimbursement obligations are contingent upon the actual receipt and appropriation of adequate funds to meet CITY's liabilities under this Agreement. If adequate funds are not available or appropriated to make payments under this Agreement, CITY shall notify DEVELOPER in writing within a reasonable time after such fact has been determined. CITY may, at its option, either reduce the amount of its liability, as specified in Subsection A of this Section, or terminate the Agreement.

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6. HOME PROGRAM REQUIREMENTS

A. Affordability Period Requirements

The Project must comply with all requirements of 24 CFR 92.254 for the duration of the Project's HOME Affordability Period.

B. Designation of HOME Units

The Project's three (3) HOME Units will be designated as HOME-assisted. The restrictions of this section shall apply throughout the term of this Agreement.

C. Sale of HOME Units

Upon completion of the PROJECT, DEVELOPER shall sell each HOME Unit, through fee simple title, to an eligible low- to moderate-income first-time homebuyer who will occupy the property as their principal residence for the applicable affordability period. Periods of affordability required by 24 CFR 92.254 shall be enforced by a deed of trust and restrictive covenant. Properties sold to low-income homebuyers will be secured by a subordinate lien, payable to the City of Denton for the Affordability Period for the amount of HOME funds reimbursed to DEVELOPER for that particular unit.

i. Sale price of the home will not exceed the applicable HUD approved HOME Homeownership Value Limits ("95% limits") for New Homes.

ii. DEVELOPER must execute a written agreement with the homebuyer compliant with 24 CFR 92.504. A template of this written agreement must be submitted to the City prior to sale of the HOME units.

iii. DEVELOPER is the developer of the homeownership housing project, as defined by 24 CFR 92.300(a)(6). Proceeds may be retained by DEVELOPER and used for housing activities that benefit low-income families. Proceeds do not need to be used on HOME-eligible activities. Proceeds are not considered program income because DEVELOPER is not considered a subrecipient pursuant to 24 CFR 92.2

D. Fees

DEVELOPER shall not charge any servicing, origination, or other fees for costs of administering the HOME program, except as permitted by 24 CFR 92.214.

E. Income Restrictions

i. All HOME units must be offered for sale exclusively to homebuyers with household incomes at or below 80% of the Area Median Income (AMI) as determined annually by HUD and as adjusted for household size. The most current HUD income determinations must be used when determining eligibility for a prospective homebuyer.

ii. DEVELOPER acknowledges that the HOME Income Limits are released by HUD on independent schedules.

iii. DEVELOPER must apply the definition of annual income defined in 24 CFR 5.609. Prior to selling any HOME-assisted unit, DEVELOPER must obtain and examine at least two months of source documents evidencing household income.

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iv. DEVELOPER must additionally submit this source documentation and written explanation of DEVELOPER's determination of eligibility to CITY prior to selling any HOME-assisted unit.

7. COMPLIANCE WITH OTHER FEDERAL REQUIREMENTS, APPLICABLE LAWS, AND REGULATIONS

A. DEVELOPER Procurement Standards

DEVELOPER shall ensure that procurement of materials and services is done in a cost-effective manner. DEVELOPER shall comply with all applicable federal, state and local laws, regulations, and ordinances for making procurements under this AGREEMENT. DEVELOPER shall establish written procurement procedures to ensure that materials and services are obtained in a cost- effective manner and in accordance with 2 CFR 200.318-327.

B. Certification Regarding Lobbying

DEVELOPER certifies that it will not and, to the best of its knowledge, has not used Federally appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any Federal agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award. DEVELOPER further agrees that it shall disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.

C. Compliance with FFATA and Whistleblower Protections

DEVELOPER shall provide CITY with all necessary information for CITY to comply with the requirements of 2 CFR 300(b), including provisions of the Federal Funding Accountability and Transparency Act ("FFATA") governing requirements on executive compensation and provisions governing whistleblower protections contained in 10 U.S.C. 2409, 41 U.S.C. 4712, 10 U.S.C. 2324, 41 U.S.C. 4304 and 41 U.S.C. 4310.

DEVELOPER shall provide CITY its DUNS number prior to the payment of any HOME Funds.

D. Compliance with All Applicable Laws and Regulations

DEVELOPER agrees to comply fully with all applicable federal, state, and local laws and regulations that are currently in effect or that are hereafter amended during the performance of this Agreement. These laws include, but are not limited to:

a. Title VI of the Civil Rights Act of 1964 (42 U.S.C. Sections 2000d et seq.) including provisions requiring recipients of federal assistance to ensure meaningful access by person of limited English proficiency

b. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Sections 3601 et seq.)

c. Executive Orders 11063, 11246 as amended by 11375 and 12086 and as supplemented by

i. Department of Labor regulations 41 CFR, Part 60

ii. The Age Discrimination in Employment Act of 1967

iii. The Age Discrimination Act of 1975 (42 U.S.C. Sections 6101 et seq.)

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iv. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. Sections 4601 et seq. and 49 CFR Part 24) ("URA")

d. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Sections 794 et seq.) and 24 CFR Part 8 where applicable

e. National Environmental Policy Act of 1969, as amended, 42 U.S.C. sections 4321 et seq. ("NEPA") and the related authorities listed in 24 CFR Part 58.

f. The Clean Air Act, as amended, (42 U.S.C. Sections 1251 et seq.) and the Clean Water Act of1977, as amended (33 U.S.C. Sections 1251 et seq.), related Executive Order 11738 and Environmental Protection Agency Regulations. In no event shall any amount of the assistance provided under this Agreement be utilized with respect to a facility that has given rise to a conviction under the Clean Air Act or the Clean Water Act.

g. Immigration Reform and Control Act of 1986 (8 U.S.C. Sections 1101 et seq.) specifically including the provisions requiring employer verifications of legal status of its employees

h. The Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12101 et seq.), the Architectural Barriers Act of 1968 as amended (42 U.S.C. sections 4151 et seq.) and the Uniform Federal Accessibility Standards, 24 CFR Part 40, Appendix A

i. Regulations at 24 CFR Part 87 related to lobbying, including the requirement that certifications and disclosures be obtained from all covered persons

j. Drug Free Workplace Act of 1988 (41 U.S.C. Sections 701 et seq.) and 24 CFR Part 2429

k. Executive Order 12549 and 24 CFR Part 5.105(c) pertaining to restrictions on participation by ineligible, debarred or suspended persons or entities

l. Regulations at 24 CFR § 92.202 pertaining to site and neighborhood standards for new construction projects

m. For contracts and subgrants for construction or repair, Copeland "Anti-Kickback" Act (18 U.S.C.874) as supplemented in 29 CFR Part 5

n. For construction contracts in excess of $2,000, and in excess of $2,500 for other contracts which involve the employment of mechanics or laborers, Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327A 300) as supplemented by 29 CFR Part 5

o. Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.), as amended by the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.) and implementing regulations at 24 CFR Part 35, subparts A, B, M, and R

p. Regulations at 24 CFR Part 92, Home Investment Partnerships Program Final Rule

q. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200 et seq.

r. Federal Funding Accountability and Transparency Act of 2006, (Pub.L. 109-282, as amended by Section 6205(a) of Pub.L. 110-252 and Section 3 of Pub.L. 113-101)

s. Federal Whistleblower Regulations, 10 U.S.C. 2409, 41 U.S.C. 4712, 10 U.S.C. 2324, 41 U.S.C. 4304 and 41 U.S.C. 4310.

t. Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as amended (PRWORA), and any applicable requirements that HUD, the Attorney General,

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or the U.S. Citizenship and Immigration Services may establish from time to time to comply with PRWORA, Executive Order 14218, or other Executive Orders or Immigration Laws.

u. Nondiscrimination and equal access requirements outlined in 24 CFR Part 5 Subpart A

v. The Fair Housing Act (42 U.S.C. 3601-20)

w. Executive Orders 11625 and 12432 (concerning Minority Business Enterprise), and 12138 (concerning Women's Business Enterprise)

E. Political or Sectarian Activity

None of the performance rendered hereunder shall involve any political activity (including, but not limited to, any activity to further the election or defeat of any candidate for public office) or any activity undertaken to influence the passage, defeat or final content of legislation. None of the performance rendered hereunder shall involve or benefit in any manner any sectarian or religious activity.

F. Nepotism

DEVELOPER shall not employ in any paid capacity any person who is a member of the immediate family of any person who is currently employed by DEVELOPER or is a member of DEVELOPER's governing board. The term "member of immediate family" includes wife, husband, son, daughter, mother, father, brother, sister, in-laws, aunt, uncle, nephew, niece, stepparent, stepchild, half-brother and half-sister.

G. Conflict of Interest

DEVELOPER covenants that neither it nor any member of its governing body presently has any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. DEVELOPER further covenants that in the performance of this Agreement, no person having such interest shall be employed or appointed as a member of its governing body.

DEVELOPER further covenants that no member of its governing body or its staff, subcontractors or employees shall possess any interest in or use this position for a purpose that is or gives the appearance of being motivated by desire for private gain for themselves, or others, particularly those with which they have family, business, or other ties.

No officer, member, or employee of CITY and no member of its governing body who exercises any function or responsibilities in the review or approval of the undertaking or carrying out of this Agreement shall participate in any decision relating to the Agreement which affects his/her personal interest or the interest in any corporation, partnership, or association in which he/she has direct or indirect interest.

8. RECORDKEEPING AND AUDITING

A. Records Retention

DEVELOPER shall retain all applicable administrative and project records and records required by federal, state, or local law, including those specified in 24 CFR 92.508 of the HOME Final Rule, for a period of five (5) years after the termination of the affordability period.

Notwithstanding the above, if there are litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have commenced before the expiration of the five (5) year period, such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five (5) year period, whichever occurs later.

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B. CITY Reserves the Right to Audit

CITY reserves the right to perform an audit of DEVELOPER's project operations and finances at any time during the term of this Agreement and during the HOME Affordability Period and for five (5) years thereafter, if CITY determines that such audit is necessary for CITY's compliance with the HOME Regulations or other CITY policies, and DEVELOPER agrees to allow access to all pertinent materials as described herein. If such audit reveals a questioned practice or expenditure, such questions must be resolved within fifteen (15) business days after notice to DEVELOPER of such questioned practice or expenditure. If questions are not resolved within this period, CITY reserves the right to withhold further funding under this and/or other Agreement(s) with DEVELOPER. If as a result of any audit it is determined that developer has falsified any documentation or misused, misapplied or misappropriated home funds or spent home funds on any ineligible activities, developer agrees to reimburse CITY the amount of such monies plus the amount of any sanctions, penalty or other charge levied against CITY by HUD because of such actions.

C. Director's Meetings

DEVELOPER shall ensure that the CITY is notified of all meetings, regular and special called, of DEVELOPER's Board of Directors. Notice should be received by the CITY at least seventy-two (72) hours prior to the meeting. Such notice shall include an agenda and a brief description of the matters to be discussed. DEVELOPER understands and agrees that CITY representatives shall be afforded access to all of the Board of Directors' meetings. Minutes of all meetings of DEVELOPER's Board of Directors shall be available to CITY within ten (10) working days of approval.

9. INSURANCE

A. Adequate Coverage

DEVELOPER shall observe sound business practices with respect to providing such bonding and insurance as would provide adequate coverage for the activities performed and services offered under this Agreement.

B. Premise Liability Insurance

The premises on and in which the activities described in Exhibit A are conducted, and the employees conducting these activities, shall be covered by premise liability insurance, commonly referred to as "Owner/Tenant" coverage with CITY named as an additional insured. Upon request of DEVELOPER, CITY may, at its sole discretion, approve alternate insurance coverage arrangements. Insurance should be maintained on the property until a homebuyer takes possession and obtains homeowner's insurance.

C. Title Insurance

DEVELOPER shall provide a title insurance policy insuring title to the Property in standard form issued by a title company authorized to do business in the State of Texas and acceptable to CITY. The name of the insured shall be City of Denton, a Texas home-rule municipal corporation. The policy shall:

i. Show fee simple title to the Property in DEVELOPER, subject only to such exceptions as CITY may approve,

ii. Be in the full amount of CITY's loan,

iii. Contain a comprehensive coverage endorsement and such other endorsements as CITY may

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require, and

iv. Show that the Property is free of all liens, encumbrances, restrictions or other matters of any kind whatsoever, with only such exceptions from coverage as are satisfactory to CITY.

D. Worker's Compensation

DEVELOPER will comply with applicable workers' compensation statutes and will obtain employers' liability coverage where available and other appropriate liability coverage for program participants, if applicable.

E. Vehicle Liability Insurance

DEVELOPER will maintain adequate and continuous liability insurance on all vehicles owned, leased or operated by DEVELOPER. All employees of DEVELOPER who are required to drive a vehicle in the normal scope and course of their employment must possess a valid Texas driver's license and automobile liability insurance. Evidence of the employees' current possession of a valid license and insurance must be maintained on a current basis in DEVELOPER's files.

F. Losses not covered by insurance

Actual losses not covered by insurance as required by this Section 14 are not allowable costs under this Agreement and remain the sole responsibility of DEVELOPER.

G. Change in Policies

The policy or policies of insurance shall contain a clause which requires that CITY and DEVELOPER be notified in writing of any cancellation or change in the policy at least thirty (30) days prior to such change or cancellation.

10.TERMINATION

A. Termination for Cause

The CITY may terminate this Agreement, in whole or in part, at any time whenever the CITY determines that the DEVELOPER has failed to comply with any of the terms or conditions of this Agreement. The CITY shall notify the DEVELOPER in writing of the effective date of such termination and, in the case of partial termination, the portion of the Agreement to be terminated.

B. Termination for Convenience

The CITY shall have the right to terminate this Agreement for convenience, in whole or in part by thirty (30) days prior written notification to the DEVELOPER stating the effective date of the termination and, in the case of partial termination, the portion to be terminated.

The DEVELOPER shall have the right to terminate this Agreement for convenience, in whole or in part, by thirty (30) days prior written notification to the CITY stating the effective date of the termination and, in the case of partial termination, the portion to be terminated.
If, in the case of a partial termination by DEVELOPER, it is the determination of CITY that the remaining portion of the funding under this Agreement is not sufficient to accomplish the Project as described in the Work Statement in Attachment A, the CITY may require that the entire Agreement and funding be terminated.

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C. Default

The actions noted in this Section below, or as provided elsewhere in this Agreement, shall constitute an event of default ("Event of Default") by DEVELOPER hereunder. The CITY may give written notice of default to the DEVELOPER in accordance with the provisions herein.

i. Failure to comply with the terms and conditions hereof;
ii. Failure to comply with HOME Program regulations, fair housing laws, and other federal requirements related to the Project;
iii. A default by DEVELOPER under any of the Loan Documents; and/or
iv. Any event of fraud, misrepresentation, gross negligence, or willful misconduct by DEVELOPER in the execution or performance of this Agreement or in its participation in the HOME Program.

D. Remedies

If the Event of Default remains uncured thirty (30) days after delivery of written notice by CITY (or such other notice period as may be specified herein), or if DEVELOPER has diligently and continuously attempted to cure following receipt of such written notice but reasonably required more than thirty (30) calendar days to cure, as determined by both Parties mutually and in good faith, CITY shall have the right to elect, in CITY's sole discretion, to (i) extend DEVELOPER's time to cure, (ii) terminate this AGREEMENT effective immediately upon written notice of such intent to DEVELOPER, or (iii) pursue all or any combination of the following the remedies or any other remedies available to CITY at law or in equity:

a. Suspend reimbursement and/or disbursement of HOME Funds or withhold any further payments to be made under this Agreement until such time as DEVELOPER's breach has been cured in accordance with the terms and conditions of any cure period provided by CITY (but CITY may, in its sole discretion, make disbursement after the occurrence of an Event of Default without thereby waiving its rights and remedies hereunder);
b. Reprogram HOME Funds that have not yet been expended from affected activities to other eligible activities;
c. Direct DEVELOPER to prepare and follow a schedule of actions for carrying out the affected activities, consisting of schedules, timetables and milestones necessary to implement the affected activities, including extending the HOME Affordability Period;
d. Direct DEVELOPER to establish and follow a management plan that assigns responsibilities for carrying out the remedial activities;
e. Cancel or revise activities likely to be affected by the performance deficiency, before expending HOME Funds for the activities;
f. Direct DEVELOPER to reimburse CITY in any amount of HOME Funds not used in accordance with the HOME Regulations;
g. Apply to any appropriate court, State or Federal, for specific performance, in whole or in part, of the terms, conditions, covenants and/or agreements contained herein, or for an injunction against any violation of such terms, conditions, covenants and/or agreements;
h. Enter upon the Property and take possession thereof, together with the Project then in the course of construction, and proceed either in its own name or in the name of the DEVELOPER, as the attorney-in-fact of the DEVELOPER (which authority is coupled with an interest and is irrevocable by the DEVELOPER), to complete or cause to be completed the Project, at the cost and expense of the DEVELOPER;
i. Require the use of or change in professional property management;
j. Pursue the appointment of a receiver to collect rents and profits or to take possession of the Project;
k. Declare immediately due and payable all unpaid principal, accrued interest and annual fees on the HOME Deferred Payment Loan and/or Note, together with all other sums payable thereunder and

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the same shall thereupon be immediately due and payable without presentment or other demand, protest, notice of dishonor or any other notice of any kind, all of which are hereby expressly waived;

l. Apply sanctions set forth in 24 CFR 92, if determined by CITY to be applicable;

m. Take or seek any other appropriate action including, but not limited to, any remedial action legally available such as declaratory judgment, specific performance, breach of contract, temporary or permanent injunctions and/or any other available remedies;

n. Apply to any appropriate court, State or Federal, for such other relief as may be appropriate and allowed by law, since the injury to CITY arising from a default under any of the terms of this Agreement would be irreparable and the amount of damage would be difficult to ascertain; and

o. Terminate this Agreement or any other agreements with DEVELOPER by giving written notice to DEVELOPER of such termination and specifying the effective date of such termination. If the Agreement is terminated by CITY as provided herein, DEVELOPER shall have no claim of payment or claim of benefit for any incomplete Project activities undertaken under this Agreement. Any delay by CITY in exercising any right or remedy provided herein or otherwise afforded by law or equity shall not be a waiver of or preclude the exercise of such right or remedy. All such rights and remedies shall be distinct and cumulative and may be exercised singly, serially (in any order) or concurrently, and as often as the occasion therefore arises. In the event of any termination under Section 24 of this Agreement, all HOME Funds awarded but unpaid to DEVELOPER pursuant to this Agreement shall be immediately rescinded and DEVELOPER shall have no further right to such funds and any HOME Funds already paid to DEVELOPER must be repaid to CITY within 30 days of termination. Failure to repay such HOME Funds will result in CITY exercising all legal remedies available to CITY under this Agreement or the Loan Documents.

E. No Funds Disbursed while in Breach:

DEVELOPER understands and agrees that no HOME Funds will be paid to DEVELOPER until all Events of Default are cured to CITY's satisfaction.

F. No Compensation After Date of Termination

In the event of termination, DEVELOPER shall not receive any HOME Funds in compensation for work undertaken after the date of termination and shall not be entitled to, and hereby waives, all claims for lost profits and all other damages and expenses.

G. Rights of CITY Not Affected

Termination shall not affect or terminate any of the existing rights of CITY against DEVELOPER, or which may thereafter accrue because of an Event of Default, and this provision shall be in addition to any and all other rights and remedies available to CITY under the law, this Agreement or the Loan Documents including, but not limited to, compelling DEVELOPER to complete the Required Improvements in accordance with the terms of this Agreement. Such termination does not terminate any applicable provisions of this Agreement that have been expressly noted as surviving the expiration or termination of this Agreement. No delay or omission by CITY in exercising any right or remedy available to it under this Agreement shall impair any such right or remedy or constitute a waiver or acquiescence in any DEVELOPER default.

H. Civil, Criminal and Administrative Penalties

Failure by DEVELOPER to perform in accordance with all of the terms and conditions of this Agreement may result in civil, criminal or administrative penalties, including, but not limited to those set out in this Agreement.

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I. Termination for Cause by DEVELOPER

DEVELOPER may terminate this AGREEMENT if CITY does not provide the HOME Funds substantially in accordance with this AGREEMENT. In such event, the termination of the Contract shall have the effect of returning the Parties to their respective circumstances as existed prior to the execution of this AGREEMENT, and no terms or obligations shall survive the date of termination, including but not limited to, reporting, inspections or the HOME Affordability Period.

J. Dissolution of DEVELOPER Terminates Contract

In the event DEVELOPER is dissolved or ceases to exist, this Agreement shall terminate. In the event of termination under this Section, all HOME Funds are subject to repayment and CITY may exercise any or all of its remedies under this AGREEMENT and/or the Loan Documents.

K. Reversion of Assets

In the event this Agreement is terminated by DEVELOPER without cause, all tangible personal property owned by DEVELOPER that was acquired or improved with the HOME Funds shall belong to CITY and shall automatically transfer to CITY or to such assignees as CITY may designate.

11.REPRESENTATIONS AND WARRANTIES

A. Purpose

The CITY is providing funding to the DEVELOPER in order to promote the development of affordable housing for low-income households. DEVELOPER represents that the use of HOME Funds for the Project will meet this stated goal.

B. Changes to Budget

The CITY is the only agent authorized to designate changes to the Program Budget or to approve specific projects and programs authorized pursuant to the non-administration portion of the Program Budget.

C. Legal Authority

DEVELOPER assures and guarantees that it possesses the legal authority, pursuant to any proper, appropriate and official motion, resolution or action passed or taken, to enter into this Agreement.

The person or persons signing and executing this Agreement on behalf of DEVELOPER, do hereby warrant and guarantee that he, she, or they have been fully authorized by DEVELOPER to execute this Agreement on behalf of DEVELOPER and to validly and legally bind DEVELOPER to all terms, performances and provisions herein set forth.

CITY shall have the right, at its option, to either temporarily suspend or permanently terminate this Agreement if there is a dispute as to the legal authority of either DEVELOPER or the person signing the Agreement to enter into this Agreement. DEVELOPER is liable to CITY for any money it has received from CITY for performance of the provisions of this Agreement if CITY has suspended or terminated this Agreement for the reasons enumerated in this section.

D. Supplanting

DEVELOPER agrees that the funds and resources provided DEVELOPER under the terms of this Agreement will in no way be substituted for funds and resources from other sources, nor in any way serve to reduce the resources, services, or other benefits which would have been available to, or

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provided through, DEVELOPER had this Agreement not been executed.

E. Warranties

Developer represents and warrants that:

i. All information, reports and data heretofore or hereafter requested by CITY and furnished to CITY, are complete and accurate as of the date shown on the information, data, or report, and, since that date, have not undergone any significant change without written notice to CITY.
ii. Any supporting financial statements heretofore requested by CITY and furnished to that since said date, there has been no material change, adverse or otherwise, in the financial condition of DEVELOPER.
iii. No litigation or legal proceedings are presently pending or threatened against DEVELOPER.
iv. None of the provisions herein contravenes or is in conflict with the authority under which DEVELOPER is doing business or with the provisions of any existing indenture or agreement of DEVELOPER.
v. DEVELOPER has the power to enter into this Agreement and accept payments here under, and has taken all necessary action to authorize such acceptance under the terms and conditions of this Agreement.
vi. None of the assets of DEVELOPER is subject to any lien or encumbrance of any character, except for current taxes not delinquent, except as shown in the financial statements furnished by DEVELOPER to CITY.
vii. Each of these representations and warranties shall be continuing and shall be deemed to have been repeated by the submission of each request for payment.

12.INDEMNIFICATION

It is expressly understood and agreed by both parties hereto that CITY is contracting with DEVELOPER as an independent owner, and that as such, DEVELOPER shall save and hold CITY and CITY's officers, agents, elected and appointed officials, and employees harmless from all liability of any nature or kind, including costs and expenses for, or on account of, any claims, audit exceptions, demands, suits or damages of any kind or character whatsoever resulting in whole or in part from the performance, act or omission of DEVELOPER or of any employee, agent or representative of DEVELOPER.

DEVELOPER agrees to provide the defense for, and to indemnify and hold harmless CITY and CITY's agents, elected and appointed officials, employees from any and all claims, suits, causes of action, demands, damages, losses, attorneys' fees, expenses, and liability arising out of the use of these contracted funds, program administration, and implementation except to the extent caused by the willful act or omission of CITY, its officers, agents, or employees.

DEVELOPER hereby agrees to reimburse, indemnify and save and hold CITY and CITY's successors and assigns harmless from and against any damage, liability, loss, penalty, charge, cost or deficiency, including but not limited to any repayment obligation to HUD incurred by CITY under 24 CFR 92.503(b), reasonable attorneys' fees, and other costs and expenses incident to monitoring, remedial actions, proceedings or investigations and the defense of any claim, arising out of, resulting from, or related to, and to pay to CITY or its successor in interest, on demand, the full amount of any sum which CITY or its successor has paid or becomes obligated to pay on account of:

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i. Any misrepresentation, omission, or the breach of any representation or warranty of the DEVELOPER made in, under, or in connection with the Loan Documents;
ii. Any failure of the DEVELOPER to fully perform or observe, or to cause to be performed or observed, any term, provision, covenant, or agreement to be performed or observed by the DEVELOPER, or after an assumption, by a subsequent owner, pursuant to the Loan Documents;
iii. Any claims, assessments, or liabilities for charges, penalties, liens, taxes, or deficiencies arising from or relating to the use and operation by the DEVELOPER, or after an assumption, DEVELOPER's successors to the Property or the Project; or
iv. The manufacture, generation, storage, use, treatment, transportation, or disposal of solid waste, or any toxic or hazardous materials, substances, or pollutants either directly or indirectly by the DEVELOPER or any of DEVELOPER's past or present affiliates on the Property described in Section 2.A., which occurs prior to possession passing from the DEVELOPER pursuant to a Sheriff's Deed upon completion of a foreclosure or upon acceptance of a Deed in Lieu of Foreclosure.

The provisions of this section shall survive the termination of this HOME Agreement, the term or termination of the Loan Documents, the payment or forgiveness of the HOME Forgivable Payment Loan, and the liabilities and the exercise of any right or remedy under the Loan Documents.

13.IMMIGRATION NATIONALITY ACT

CITY actively supports the Immigration & Nationality Act (INA) which includes provisions addressing employment eligibility, employment verification, and nondiscrimination. DEVELOPER shall verify the identity and employment eligibility of all employees who perform work under this Agreement. DEVELOPER shall complete the Employment Eligibility Verification Form (I-9), maintain photocopies of all supporting employment eligibility and identity documentation for all employees, and upon request, provide CITY with copies of all I-9 forms and supporting eligibility documentation for each employee who performs work under this Agreement. DEVELOPER shall establish appropriate procedures and controls so that no services will be performed by any employee who is not legally eligible to perform such services. DEVELOPER shall provide CITY with a certification letter that it has complied with the verification requirements required by this Agreement. DEVELOPER shall indemnify CITY from any penalties or liabilities due to violations of this provision. CITY shall have the right to immediately terminate this Agreement for violations of this provision by DEVELOPER.

14.NOTICE

For purposes of this Agreement, all official communications and notices among the parties shall be in writing, delivered by hand delivery, overnight mail service or by United States Mail, and shall be deemed to be delivered and received, upon the earlier to occur of (a) the date delivered if provided by hand delivery or overnight mail service, and (b) the date of the deposit in a regularly maintained receptacle for the United States Mail, registered or certified, return receipt requested, postage prepaid, addressed to the parties as set forth below:

TO CITY:
City Manager
City of Denton
215 E McKinney
Denton, Texas 76201

TO DEVELOPER:
Executive Director
Denton Affordable Housing Corporation
211 Second Street
Denton, Texas 76201

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w/ a copy to:
City Attorney
215 E McKinney
Denton, Texas 76201

15.VENUE

This Agreement shall be interpreted in accordance with the laws of the State of Texas and venue of any litigation concerning this Agreement shall be in a court of competent jurisdiction sitting in Denton County, Texas

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IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the date first written above.

CITY OF DENTON
BY:

CASSEY OGDEN,
INTERIM CITY MANAGER

ATTEST:
BY:

INGRID REX
CITY SECRETARY

APPROVED AS TO LEGAL FORM
MACK REINWAND, CITY ATTORNEY

Scott Bray
Deputy City Attorney

REVIEWED AND APPROVED
BY: Signed by: F418EB1B782348F...

JESSE KENT
DIRECTOR OF COMMUNITY SERVICES

5/12/2026

DATE

DENTON AFFORDABLE HOUSING CORPORATION
BY: Signed by: 5768FDC4896F4FE...

CARRIE BAUGUS
EXECUTIVE DIRECTOR

ATTEST:
BY: Signed by: GEORGE FERRIE C79F93462E984C1...

BOARD CHAIR
DENTON AFFORDABLE HOUSING CORPORATION

Docusign Envelope ID: 87CA5943-EAE2-4484-8E9D-EEA6785B6254

ATTACHMENT A
WORK STATEMENT

Description of improvements: 2024 and 2025 of HOME Funds of $424,878.41 will be used to pay costs associated with construction of three (3) homebuyer units at 418 Robertson St., Denton, Texas. Funds will be used to complete all three homes simultaneously.

The actual costs will be based on the bids received and awarded by DAHC, subject to approval by CITY. Actual costs over $424,878.41 will be paid by DAHC. If needed, cosmetic items will be removed from the work to be completed.

CONSTRUCTION DEADLINES	
May 2026	Contract is executed with DAHC and approved by City Council
June 2026	Construction Permits Issued
June 2026	DAHC Completes work write up and CHDO recertification
June 2026	Construction Bidding and Award
July 2026	Construction Started
October 2026	Construction 50% Completed
February 2027	Construction Completed
May 2027	Homes sold to homebuyers
September 2027	Cost Certification
May 2028	Completion Report

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ATTACHMENT B
HOME FUNDS BUDGET

Construction costs: $424,878.41 of 2025-26 HOME Investment Partnership Program funds.

Unit	Estimated Cost
Unit 1 (2 Bedroom)	$141,626.14
Unit 2 (2 Bedroom)	$141,626.14
Unit 3 (3 Bedroom)	$141,626.13
TOTAL	**$424,878.41**

Please note: Denton Affordable Housing Corporation will provide the City with a project pro forma, including a total project budget, documentation of all funding sources and commitments, and a project plan.

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ATTACHMENT C
STAFF ANALYSIS OF HOME FUNDING REQUIREMENTS

Maximum Subsidy

As of March 4, 2026, HUD is operating on an interim policy for maximum per unit subsidy limits. 24 CFR 92.250 has been amended to state that HUD will publish per-unit dollar limits for local areas annually. However, this amendment has been delayed until April 30, 2026 and limits have not been published yet.

When calculated under the interim rule as directed, according to the Annual Indexing of Statutory Mortgage Limits for Multifamily Housing Programs (Section 234 – Condominium Housing, Elevator Type) for 2025 (2026 had not been released as of March 4, 2026) and adjusted for the High Cost Percentage Area based on the DFW Field Office and capped at 240%, the Subsidy Limits are as follows.

Number of Bedrooms	Maximum Per-Unit Subsidy
0 Bedrooms	$187,658.40
1 Bedroom	$215,121.60
2 Bedrooms	$261,595.20
3 Bedrooms	$338,419.20
4 Bedrooms	$371,476.80

Staff expects that new maximum subsidy amounts may be published prior to the execution of this contract. However, a Notice to Congress regarding this amendment on April 25, 2025 states that the new limits will be no lower than the previous. Since the per-unit subsidy is significantly below the applicable limits under the interim rule, at approximately 54% of the maximum, staff determines that the per-unit subsidy amount is HOME compliant.

Maximum Sales Price (Homeownership Value Limit)

According to the HOME Homeownership Value Limits published by HUD, most recently published December 19, 2025, the maximum sales price for each unit shall be **$370,000**.

Income Limit

As of March 4, 2026, according to the HOME Income Limits published by HUD, effective June 1, 2025, the maximum income limits for prospective homebuyers in the HOME program is as follows.

Dallas, TX HUD Metro FMR Area	**Income Limit Category**	**Household Size**							
		1	**2**	**3**	**4**	**5**	**6**	**7**	**8**
	Low (80%)	$65,700	$75,100	$84,500	$93,850	$101,400	$108,900	$116,400	$123,900

Staff expects that new income limits will be published prior to purchase of the HOME units, and Denton Affordable Housing Corporation is required to use the most recent HOME Income Limits to determine homebuyer eligibility. These income limits are included for reference only.

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: **Community Services**

CM/ DCM/ ACM: **Christine Taylor, Assistant City Manager**

DATE: **June 2, 2026**

SUBJECT

Consider adoption of an ordinance of the City of Denton, authorizing the City Manager to execute a funding agreement between the City of Denton and the Denton Affordable Housing Corporation for operating expenses; authorizing the expenditure of HOME Investment Partnership funds not to exceed $46,711.59 and providing an effective date.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Foster Economic Opportunity and Affordability.

DISCUSSION

On May 2, 2025, the Community Services Advisory Committee (CSAC) finalized their recommendations to City Council for the 2025 Action Plan. All projects and programs to be approved by The Department of Housing and Urban Development (HUD) under the 2025 Action Plan are funded through Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), and program income from the use of these funds. In addition to federal funds, the City Council allocates General Fund dollars to provide grants for social service agencies. The following narrative describes the recommendations from the CSAC for estimated federal and general fund dollars available for the 2025-26 program year. (**Exhibit 2)**

The Denton Affordable Housing Corporation (DAHC) is a locally certified Community Housing Development Organization (CHDO). The HOME Investment Partnership Program (HOME) requirements state that fifteen percent (15%) of a participating jurisdiction's funding must be allocated to CHDO-administered programs. On an annual basis, the City of Denton allocates a minimum of fifteen percent (15%) of the City's HOME allocation to DAHC for various affordable housing programs.

A portion of this year's HOME allocation will provide DAHC with $46,711.59 of funding for operating expenses. 2024 and 2025 HOME funds will be reimbursed to DAHC as costs are documented, reviewed, and approved by Community Development staff.

HOME Project Funding

Funding for HOME projects is included in the 2025 Action Plan for Housing and Community Development for program year October 1, 2025, through September 30, 2026. City Council approved the 2025 Action Plan for Housing and Community Development with Ordinance No. 25-193, on July 22, 2025. The U.S. Department of Housing and Urban Development (HUD) approved the Action Plan in September 2025, and funds will become available in October 2025.

Service Agreement
This Service Agreement establishes the agreement between the City and the agency regarding the total allocation of funding along with responsibilities, eligible activities, performance measures, and duration of the agreement. (**Exhibit 3**).

Agreement Timing
The Community Services Department has implemented a "Shovel Ready" policy for housing projects, meaning funds are only awarded to projects which are ready to be constructed. As part of this new policy, funding agreements are not brought forward to City Council or executed until the project has significantly advanced through the development process and is near to pulling construction permits. This is the reason the agreements for DAHC's homebuyer construction and concurrent operating assistance have been brought before Council later than the other agreements recommended by CSAC for the 2025 Action Plan.

OPTIONS

- Approve the funding agreement
- Do not approve the funding agreement

RECOMMENDATION

- Approve the funding agreement.

FISCAL INFORMATION

Projects is funded with HOME funds.

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – 2025-26 CSAC Funding Recommendations
Exhibit 3 – Ordinance and Agreement

Respectfully submitted:
Jesse Kent
Director of Community Services

Prepared by:
Leia Atkinson
Housing Programs Manager

Luisa Garcia
Community Development Manager

2025-26 Community Development Grant Program Application
Final Funding Recommendations

Organization	Application Type	Service Type	2024-25 Award	2025-26 Request	2025-26 CSAC Funding Recommendation - Adjusted for final HUD amounts	Funding Recommendation by Source: CDBG FUNDS	GENERAL FUNDS	HOME FUNDS
Court Appointed Special Advocates of Denton County, Inc.	Human Services	Family Resources	$30,000.00	$40,000.00	$35,340.00		$35,340.00	
Children's Advocacy Center	Human Services	Victim Services	$25,000.00	$100,000.00	$40,388.00		$40,388.00	
SPAN Inc.	Human Services	Food Security	$25,500.00	$27,000.00	$25,243.00	$17,556.00	$7,687.00	
Communities in Schools	Human Services	Child Care/Education	$27,500.00	$39,600.00	$35,340.00		$35,340.00	
Denton County Friends of the Family	Human Services	Homeless/ Housing	$40,000.00	$50,000.00	$45,437.00	$45,437.00		
PediPlace	Human Services	Healthcare	$30,000.00	$50,000.00	$35,339.00		$35,339.00	
Denton County MHMR	Human Services	Behavioral Health	$28,000.00	$60,000.00	$30,291.00		$30,291.00	
City of Denton Parks Department	Human Services	Child Care	$45,000.00	$90,000.00	$43,922.00	$43,922.00		
Our Daily Bread	Human Services	Homelessness	$39,134.00	$100,000.00	$39,378.00		$39,378.00	
North Texas Solutions for Recovery[1]	Human Services	Mental Health	$45,000.00	$100,000.00	$0.00		$0.00	
Giving Grace	Human Services	Homeless Services	$40,000.00	$100,000.00	$36,854.00		$36,854.00	
Cumberland Youth and Family Services	Human Services	Family Resources	$15,000.00	$25,000.00	$16,155.00		$16,155.00	
The Salvation Army	Human Services	Homeless/Food Security	$30,000.00	$65,000.00	$25,242.00		$25,242.00	
Refuge for Women	Human Services	Victim Services	$0.00	$50,000.00	$15,360.00		$15,360.00	
Recovery Resource Council	Human Services	Behavioral Health	$0.00	$100,000.00	$0.00		$0.00	
Health Services of North Texas	Human Services	Healthcare	$50,000.00	$75,000.00	$50,485.00	$50,485.00		
Denton City County Day School[3]	Human Services	Daycare Services	$10,000.00	$100,000.00	$15,145.00		$15,145.00	
Community Services, Inc.	Human Services	Rent Assistance	$0.00	$100,000.00	$0.00		$0.00	
Denton Christian Preschool	Human Services	Daycare Services	$30,000.00	$35,000.00	$30,291.00		$30,291.00	
TRANSCEND STEM Education	Human Services	Workforce Development	$0.00	$25,000.00	$0.00		$0.00	
Opening Doors International Services, Inc.	Human Services	Immigration Services	$15,000.00	$30,000.00	$15,145.00		$15,145.00	
Project Hope Family Enrichment Center	Human Services	Utility Assistance	$0.00	$100,000.00	$0.00		$0.00	
Silent Voyces	Human Services	Mental Health	$0.00	$52,043.00	$0.00		$0.00	
Care Cuts	Human Services	Healthcare	$0.00	$35,000.00	$0.00		$0.00	
SUBTOTAL HUMAN SERVICES			$525,134.00	$1,548,643.00	$535,355.00	$157,400.00	$377,955.00	$0.00
Denton Affordable Housing Corporation	Housing	Housing Construction	$221,000.00	$471,590.00	$471,590.00			$471,590.00
Denton County Friends of the Family Project	Housing	Housing Repairs	$0.00	$53,000.00	$53,000.00	$53,000.00		
City of Denton Minor Repair	Housing	Minor Repairs	$449,730.74	$400,000.00	$468,647.26	$468,647.26		
SUBTOTAL HOUSING PROGRAMS			$670,730.74	$924,590.00	$993,237.26	$521,647.26	$0.00	$471,590.00
Fred Moore Park Scoreboards Project	Public Facility/ Improvements	Park Improvements	$0.00	$18,003.00	$18,000.00	$18,000.00		
Denia Park Shade Structures Project	Public Facility/ Improvements	Park Improvements	$0.00	$250,000.00	$250,000.00	$250,000.00		
SUBTOTAL PUBLIC FACILITY/IMPROVEMENTS			$0.00	$268,003.00	$268,000.00	$268,000.00	$0.00	$0.00
TOTALS			$1,195,864.74	$2,741,236.00	$1,796,592.26	$947,047.26	$377,955.00	$471,590.00
FUNDING AVAILABLE				$2,444,697.05	$2,444,697.05	$947,047.26	$377,955.00	$1,119,694.79
BALANCE				$296,538.95	$648,104.79	$0.00	$0.00	$648,104.79

NOTES:

[1]North Texas Solutions for Recovery is no longer in business as of April 2025.

[2]The HOME unprogrammed funds will be allocated through a substantial amendment.

[3]Denton City County Day School name changed to Paisley Street Preschool

2025-26 Community Development Grant Program
Project Descriptions

Organization	Project Description	Funding Amount	Projected Outputs
	HUMAN SERVICES PROJECTS		
Children's Advocacy Center for North Texas, Inc.	Direct client services to help child abuse victims and families needing services.	$40,388	183
COD PARD Summer Kids Camp	Full and partial scholarships for a summer day camp program to income-eligible kids in need of quality care, mentoring, development of life skills, leadership, respect for others and respect for self.	$43,922	57
Communities in Schools	Dropout prevention programs in Denton ISD campuses located within city limits of Denton serving grades K-12 students who struggle with academic, social, emotional, and/or physical barriers to success and are at-risk of dropping out of school based on Texas Education Agency's 14 at-risk criteria.	$35,340	946
Court Appointed Special Advocates of Denton County, Inc.	Recruit, train and support community volunteers to advocate for the best interest of abused and neglected children, and to promote community awareness of child abuse issues.	$35,340	195
Cumberland Youth and Family Services	Trauma-informed mental healthcare to children, individuals, families, and couples who qualify for services based on income, location, and lack of insurance.	$16,155	22
Denton Christian Preschool	Quality education for preschool age children in the Denton community to ensure children are at or above grade level when entering kindergarten and help end generational poverty. Funds will cover a portion of salaries for two (2) employees – Bilingual Teacher and Bus Driver.	$30,291	40
Paisley Street Preschool	Full-time early learning experiences for children ages 18 months to 5 years old on a sliding scale tuition.	$15,145	45
Denton County Friends of Family	Salary support for a Shelter Director to ensure shelter is properly equipped to improve clients' sense of safety, provide support in overcoming the impact of violence and abuse and begin the process of helping the client achieve and maintain self-sufficiency free from family violence.	$45,437	240
Denton County MHMR	Outreach to Suicide Survivors by LOSS Team who are on-site at the scene of a suicide to provide resources and hope to newly bereaved. Funds will cover the cost of the LOSS Team Coordinator salary.	$30,291	15
Giving Grace	Supportive services including case management to individuals transitioning from homelessness and into housing.	$36,854	19
Health Services of North Texas	Provides quality primary medical care for impoverished and uninsured/underinsured patients of all ages (including women's health & prenatal care).	$50,485	201
Opening Doors International Services	Outreach, consultation on immigration benefits and openings for immigration cases at low- or no-cost.	$15,145	255
Our Daily Bread	Salary will support two case managers that assist with intake and data collection and reporting for guests entering in the program.	$39,378	316
PediPlace	Primary healthcare for children residing in Denton ages birth to 18 who are uninsured or qualify for Medicaid or CHIP benefits.	$35,339	555
Refuge for Women	Direct service for survivors of sex trafficking with long-term residential housing and supportive services	$15,360	15
SPAN, Inc.	Senior nutrition program providing hot, nutritionally regulated home delivered and congregate meals for senior adults in Denton.	$25,243	402
The Salvation Army, A Georgia Corp - Denton	Assistance with food provided during the K.A.R.E. Kitchen daily meals and Food Pantry for clients experiencing homelessness and low-income households.	$25,242	1,800
	TOTAL	**$535,355**	***5,306***
	HOUSING PROJECTS		
City of Denton - Minor Repair Program	The program addresses urgently needed repairs of homes in the city limits of Denton up to $24,500 for low and moderate income households.	$468,647	48
Denton Affordable Housing Corporation (DAHC)	DAHC will use the funds to develop 3 single family new construction units, provide homebuyer assistance to low and moderate income buyer and for DAHC operating costs.	$471,590	3
Denton County Friends of the Family Project	Project consists of repairing a home with space configuration and ADA compliant. The home will be available as a transitional house when a family leaves emergency shelter and increase housing stability.	$53,000	1
	TOTAL	**$993,237**	***52 UNITS***
	PUBLIC FACILITY PROJECTS		
Parks and Recreation - Denia Park Shade Structures Project	Project includes the purchase and installation of a shade structure at Denia Park to provide areas of shade for park visitors.	$250,000.00	5,595
Parks and Recreation - Fred Moore Park Scoreboards Project	Project consists of purchase and installation of scoreboards for the football and softball fields at the Fred Moore Park.	$18,000.00	2,725
	TOTAL	**$268,000**	***8,320 PEOPLE***

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, AUTHORIZING THE CITY MANAGER TO EXECUTE A FUNDING AGREEMENT BETWEEN THE CITY OF DENTON AND THE DENTON AFFORDABLE HOUSING CORPORATION FOR OPERATING EXPENSES; AUTHORIZING THE EXPENDITURE OF HOME INVESTMENT PARTNERSHIP PROGRAM FUNDS NOT TO EXCEED $46,711.59; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, The City Council of the City of Denton recognizes the need to assist low and moderate-income families in securing safe, sanitary and decent housing; and

WHEREAS, the City has received funds from the U.S. Department of Housing and Urban Development under the National Affordable Housing Act of 1990 as amended; and

WHEREAS, the City Council approved the 2025 Action Plan for Housing and Community Development which includes an authorized budget expenditure of HOME Investment Partnership Program ("HOME") funds for construction of affordable homebuyer units and for operating expenses; and

WHEREAS, the City has adopted a budget for such funds including an authorized program budget for expenditure of funds for operating costs for the Denton Affordable Housing Corporation ("DAHC"); and

WHEREAS, the City has determined that DAHC is the only locally-certified Community Housing Development Organization ("CHDO") that includes the required number of low-income citizens from the City or representatives of the low-income community on its board of directors necessary to satisfy federal requirements to serve the City's geographical area and that DAHC has provided affordable housing within the City which has significantly benefited the community; and

WHEREAS, DAHC has a demonstrated history of service to the community in the area of affordable housing; and

WHEREAS, DAHC is expected to receive funds for an affordable housing project within 24 months of receiving funds for operating expenses pursuant to 24 CFR § 92.504(c); and

WHEREAS, the City Council deems it in the public interest to enter into an agreement with DAHC for the provision of HOME funds for operating expenses in substantially the form attached hereto as Exhibit "A" (the "Operating Expenses Agreement"); NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations in the preamble of this ordinance are incorporated herein by reference as true and as if fully set forth in the body of this ordinance.

SECTION 2. The City Manager is hereby authorized to execute the Operating Expenses Agreement between the City of Denton and Denton Affordable Housing Corporation to provide HOME funds for Operating Expenses in substantially the form attached hereto as Exhibit "A".

SECTION 3. The City Council hereby authorizes the City Manager to expend HOME Investment Partnership Program funds in the manner and amount specified in the Operating Expenses Agreement, not to exceed $46,711.59, and to take any other actions necessary to complete the City's obligations under the Agreement.

SECTION 4. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____, the ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

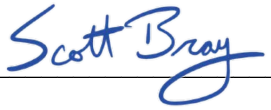
PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY:  Scott Bray
Deputy City Attorney

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HOME INVESTMENT PARTNERSHIPS PROGRAM
CHDO OPERATING EXPENSES AGREEMENT
BETWEEN THE CITY OF DENTON AND
DENTON AFFORDABLE HOUSING CORPORATION

This Agreement is hereby entered into by and between the City of Denton, a Texas home rule municipal corporation, hereinafter referred to as "City", and Denton Affordable Housing Corporation, a Texas non-profit corporation, hereinafter referred to as "DAHC".

WHEREAS, CITY is the administrator of HOME Investment Partnership Program funds (HOME Funds) received from the U. S. Department of Housing and Urban Development (HUD) under Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended (the Act); and

WHEREAS, the purpose of the HOME Investment Partnership Program (the HOME Program) is to increase the supply of decent, safe, sanitary, and affordable housing for very low income, low income and moderate-income households; and

WHEREAS, CITY has designated the Community Development Division as the City division responsible for the administration of this Agreement and all matters pertaining thereto; and

WHEREAS, CITY has designated and certified DAHC as a Community Housing Development Organization (CHDO), as defined in 24 CFR 92.2 and 24 CFR 92.300(a); and

WHEREAS, CITY has recommended a grant of HOME funds for CHDO Operating Expenses to DAHC pursuant to 24 CFR 92.208 and 24 CFR 92.300, subject to the terms specified herein below (the “Project”); and

WHEREAS, the City Council of the City of Denton found that the Agreement between the City and DAHC serves a municipal and public purpose, is in the public interest, and of a benefit to the citizens of the City of Denton;

NOW, THEREFORE, the parties hereto agree, and by the execution hereof are bound, to the mutual obligations and to the performance and accomplishment of the conditions hereinafter described.

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1. CHDO PROVISIONS

A. CHDO Designation

DEVELOPER has been designated by CITY as a Community Housing Development Organization ("CHDO") as defined under 24 CFR 92.2.

B. Certification of Current and Continuing CHDO Status

DEVELOPER hereby acknowledges that this Project is being funded with HOME Funds reserved specifically for CHDOs and certifies that as of the date of this Agreement it meets the definition of a CHDO under 24 CFR 92.2. DEVELOPER further certifies and agrees that it will continue to operate its affairs such that it continuously meets the CHDO definition for the life of this Agreement and will notify CITY immediately if any change in circumstance results in it no longer meeting these criteria at any time during the term of this Agreement. It further will provide documentation to CITY as may be requested from time to time to document that it continues to comply with the CHDO definition.

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2. THE PROJECT

A. Eligible Uses

Any funds to be paid to DEVELOPER by CITY pursuant to this Agreement are CHDO Operating Expenses provided under 24 CFR 92.208(a). In accordance with 24 CFR 92.504(c)(6)(ii), CHDO Operating Expenses must be spent in accordance with this Agreement on one of the following uses to support the completion of the 418 Robertson project:

(1) operating expenses (*e.g.,* salaries, wages, and other employee compensation and benefits);

(2) employee education, training, and travel;

(3) rent;

(4) utilities;

(5) communication cost;

(6) taxes;

(7) insurance;

(8) equipment;

(9) materials; and

(10) supplies.

B. Ineligible Uses

Under no circumstances may HOME funds be used to replace existing nonfederal funds previously appropriated for the same purpose, also known as supplanting. The CHDO Operating Expenses must be spent on a unique and new cost associated with the development of 418 Robertson. Expenses incurred prior to the execution of this agreement are ineligible.

3. TERM

A. Beginning and Expiration

The term of this Agreement shall begin on the date represented by the date of the last signature of either party executing the Agreement and shall expire twenty-four (24) months from the day it begins, unless sooner terminated because funding is no longer available or in accordance with Section 9 "Termination" (the "Term").

4. RESPONSIBILITIES

A. Performance

DEVELOPER shall perform all services and activities described in the Statement of Work attached hereto as Exhibit A and incorporated herein by reference, in accordance with the Program Budget attached hereto as Exhibit B and incorporated herein by reference, and as otherwise set forth herein, in a satisfactory and efficient manner as determined by CITY.

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B. Agreement Administration – DEVELOPER

DEVELOPER's Executive Director shall be DEVELOPER's representative responsible for the management of all contractual matters pertaining hereto, unless written notification to the contrary is received by CITY from DEVELOPER and approved by CITY.

C. Agreement Administration – CITY

The CITY's Community Development Manager will be CITY's representative responsible for the administration of this Agreement.

D. Financial Responsibility – DEVELOPER

DEVELOPER shall comply with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards, Final Guidance, and the regulations found at 24 CFR Part 92.

E. Enforcement of the Agreement

DEVELOPER understands and acknowledges that, in accordance with 24 CFR 504 (c)(1)(x) AND 2 CFR Part 200, Appendix II to Part 200 (B), suspension or termination, at CITY's option, may occur if the DEVELOPER materially fails to comply with any term of this Agreement. Further, DEVELOPER acknowledges that the Agreement may also be terminated for convenience in accordance with the provisions of this Agreement.

F. Match

DEVELOPER agrees to submit documentation to CITY of an eligible matching contribution that is equal to at least 25% of the HOME investment in the Project as outlined in 24 CFR Part 92 Subpart E - Matching Contribution Requirement. DEVELOPER investment in the Project that is derived from non-federal funds shall generally be considered an acceptable form of match.

G. Program Budget Changes

DEVELOPER shall not change the Program Budget without prior written approval from the CITY.

H. Hold Harmless

DEVELOPER agrees to hold and save harmless the CITY, its officers, elected and appointed officials, and employees from any and all loss, cost, or damage of every kind (including, property damage, bodily injury or death), nature or description arising under this Agreement.

I. Reversion of Assets

Upon dissolution of the DEVELOPER or upon expiration or termination of this Agreement, any remaining funds or assets derived from the expenditure of the CITY's funds, hereinafter sometimes described as the CITY's HOME Funds, proceeds or HOME-funded projects, must be immediately transferred to the CITY.

J. Legal Compliance

DEVELOPER agrees that the Project will be operated in compliance with all applicable federal, state, and local laws or ordinances or regulations, including but not limited to HOME regulations and fair housing laws. During the HOME Affordability Period, failure to maintain the Project in compliance

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with all applicable laws, or the inability to correct instances of noncompliance, will result in a requirement that the DEVELOPER satisfy any repayment obligation to HUD incurred by CITY under 24 CFR 92.503(b).

5. FORM OF FINANCING AND DISBURSEMENTS

A. HOME Grant

CITY will reimburse DEVELOPER for CHDO Operating Expenses incurred in performance of the Scope of Work and in accordance with the Program Budget (the "HOME Operating Expenses"). Notwithstanding any other provision of this Agreement, the total of all payments and other obligations made or incurred by CITY hereunder shall not exceed the sum of Forty-Six Thousand Seven Hundred Eleven and 59/100 Dollars ($46,711.59).

B. Request for disbursement of funds

a. *Necessity of disbursement:* DEVELOPER shall not request disbursement of funds until they are needed for payment of eligible costs. The amount of each request will be limited to the amount needed as per 24 CFR 92.504 (c)(3)(viii).

b. *City's review:* CITY shall retain the right to review and approve all draws for the Project. DEVELOPER may only request funds that are outlined as eligible in 24 CFR 92.206.

c. *Frequency of requests:* DEVELOPER shall request disbursement of funds no more than on a monthly basis, and no less than on a quarterly basis throughout the Term. DEVELOPER shall submit each request for disbursement at least fourteen (14) days prior to the desired disbursement date.

d. *Documentation for requests:* DEVELOPER shall submit alongside the request for disbursement a list of the specific work completed, with direct reference to the work write-up, and provide evidence that this work incurred costs to DEVELOPER of at least the amount estimated in the work write-up.

C. Conditions of Final Payment

In addition to the requirements for a standard request for disbursement of funds, CITY shall require the following prior to the final payment of funds:

a. Evidence satisfactory to CITY that the Project has been completed lien free and substantially in accordance with the plans and specifications; and

b. Review and final settlement of the cost certification.

D. Withholding Payment

City shall withhold payment on any reimbursement request that does not include the required complete documentation.

E. Limit of Liability.

DEVELOPER acknowledges and agrees that CITY's reimbursement obligations are contingent

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upon the actual receipt and appropriation of adequate funds to meet CITY's liabilities under this Agreement. If adequate funds are not available or appropriated to make payments under this Agreement, CITY shall notify DAHC in writing within a reasonable time after such fact has been determined. CITY may, at its option, either reduce the amount of its liability, as specified in Subsection A of this Section, or terminate the Agreement.

6. COMPLIANCE WITH OTHER FEDERAL REQUIREMENTS, APPLICABLE LAWS, AND REGULATIONS

A. DEVELOPER Procurement Standards

DEVELOPER shall ensure that procurement of materials and services is done in a cost-effective manner. DEVELOPER shall comply with all applicable federal, state and local laws, regulations, and ordinances for making procurements under this AGREEMENT. DEVELOPER shall establish written procurement procedures to ensure that materials and services are obtained in a cost- effective manner and in accordance with 2 CFR 200.318-327.

B. Certification Regarding Lobbying

DEVELOPER certifies that it will not and, to the best of its knowledge, has not used Federally appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any Federal agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award. DEVELOPER further agrees that it shall disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.

C. Compliance with FFATA and Whistleblower Protections

DEVELOPER shall provide CITY with all necessary information for CITY to comply with the requirements of 2 CFR 300(b), including provisions of the Federal Funding Accountability and Transparency Act ("FFATA") governing requirements on executive compensation and provisions governing whistleblower protections contained in 10 U.S.C. 2409, 41 U.S.C. 4712, 10 U.S.C. 2324, 41 U.S.C. 4304 and 41 U.S.C. 4310.

DEVELOPER shall provide CITY its DUNS number prior to the payment of any HOME Funds.

D. Compliance with All Applicable Laws and Regulations

DEVELOPER agrees to comply fully with all applicable federal, state, and local laws and regulations that are currently in effect or that are hereafter amended during the performance of this Agreement. These laws include, but are not limited to:

a. Title VI of the Civil Rights Act of 1964 (42 U.S.C. Sections 2000d et seq.) including provisions requiring recipients of federal assistance to ensure meaningful access by person of limited English proficiency

b. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Sections 3601 et seq.)

c. Executive Orders 11063, 11246 as amended by 11375 and 12086 and as supplemented by

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i. Department of Labor regulations 41 CFR, Part 60

ii. The Age Discrimination in Employment Act of 1967

iii. The Age Discrimination Act of 1975 (42 U.S.C. Sections 6101 et seq.)

iv. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. Sections 4601 et seq. and 49 CFR Part 24) ("URA")

d. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Sections 794 et seq.) and 24 CFR Part 8 where applicable

e. National Environmental Policy Act of 1969, as amended, 42 U.S.C. sections 4321 et seq. ("NEPA") and the related authorities listed in 24 CFR Part 58.

f. The Clean Air Act, as amended, (42 U.S.C. Sections 1251 et seq.) and the Clean Water Act of1977, as amended (33 U.S.C. Sections 1251 et seq.), related Executive Order 11738 and Environmental Protection Agency Regulations. In no event shall any amount of the assistance provided under this Agreement be utilized with respect to a facility that has given rise to a conviction under the Clean Air Act or the Clean Water Act.

g. Immigration Reform and Control Act of 1986 (8 U.S.C. Sections 1101 et seq.) specifically including the provisions requiring employer verifications of legal status of its employees

h. The Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12101 et seq.), the Architectural Barriers Act of 1968 as amended (42 U.S.C. sections 4151 et seq.) and the Uniform Federal Accessibility Standards, 24 CFR Part 40, Appendix A

i. Regulations at 24 CFR Part 87 related to lobbying, including the requirement that certifications and disclosures be obtained from all covered persons

j. Drug Free Workplace Act of 1988 (41 U.S.C. Sections 701 et seq.) and 24 CFR Part 2429

k. Executive Order 12549 and 24 CFR Part 5.105(c) pertaining to restrictions on participation by ineligible, debarred or suspended persons or entities

l. Regulations at 24 CFR Part 92, Home Investment Partnerships Program Final Rule

m. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200 et seq.

n. Federal Funding Accountability and Transparency Act of 2006, (Pub.L. 109-282, as amended by Section 6205(a) of Pub.L. 110-252 and Section 3 of Pub.L. 113-101)

o. Federal Whistleblower Regulations, 10 U.S.C. 2409, 41 U.S.C. 4712, 10 U.S.C. 2324, 41 U.S.C. 4304 and 41 U.S.C. 4310.

p. Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as amended (PRWORA), and any applicable requirements that HUD, the Attorney General, or the U.S. Citizenship and Immigration Services may establish from time to time to comply with PRWORA, Executive Order 14218, or other Executive Orders or Immigration Laws.

q. Nondiscrimination and equal access requirements outlined in 24 CFR Part 5 Subpart A

r. The Fair Housing Act (42 U.S.C. 3601-20)

s. Executive Orders 11625 and 12432 (concerning Minority Business Enterprise), and

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12138 (concerning Women's Business Enterprise)

E. Political or Sectarian Activity

None of the performance rendered hereunder shall involve any political activity (including, but not limited to, any activity to further the election or defeat of any candidate for public office) or any activity undertaken to influence the passage, defeat or final content of legislation. None of the performance rendered hereunder shall involve or benefit in any manner any sectarian or religious activity.

F. Nepotism

DEVELOPER shall not employ in any paid capacity any person who is a member of the immediate family of any person who is currently employed by DEVELOPER or is a member of DEVELOPER's governing board. The term "member of immediate family" includes wife, husband, son, daughter, mother, father, brother, sister, in-laws, aunt, uncle, nephew, niece, stepparent, stepchild, half-brother and half-sister.

G. Conflict of Interest

DEVELOPER covenants that neither it nor any member of its governing body presently has any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. DEVELOPER further covenants that in the performance of this Agreement, no person having such interest shall be employed or appointed as a member of its governing body.

DEVELOPER further covenants that no member of its governing body or its staff, subcontractors or employees shall possess any interest in or use this position for a purpose that is or gives the appearance of being motivated by desire for private gain for themselves, or others, particularly those with which they have family, business, or other ties.

No officer, member, or employee of CITY and no member of its governing body who exercises any function or responsibilities in the review or approval of the undertaking or carrying out of this Agreement shall participate in any decision relating to the Agreement which affects his/her personal interest or the interest in any corporation, partnership, or association in which he/she has direct or indirect interest.

7. RECORDKEEPING AND AUDITING

A. Records Retention

DEVELOPER shall retain all applicable administrative and project records and records required by federal, state, or local law, including those specified in 24 CFR 92.508 of the HOME Final Rule, for a period of five (5) years after the termination of the affordability period.

Notwithstanding the above, if there are litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have commenced before the expiration of the five (5) year period, such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five (5) year period, whichever occurs later.

B. CITY Reserves the Right to Audit

CITY reserves the right to perform an audit of DEVELOPER’s project operations and finances at any

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time during the term of this Agreement and during and for five (5) years thereafter, if CITY determines that such audit is necessary for CITY's compliance with the HOME Regulations or other CITY policies, and DEVELOPER agrees to allow access to all pertinent materials as described herein. If such audit reveals a questioned practice or expenditure, such questions must be resolved within fifteen (15) business days after notice to DEVELOPER of such questioned practice or expenditure. If questions are not resolved within this period, CITY reserves the right to withhold further funding under this and/or other Agreement(s) with DEVELOPER. If as a result of any audit it is determined that developer has falsified any documentation or misused, misapplied or misappropriated home funds or spent home funds on any ineligible activities, developer agrees to reimburse CITY the amount of such monies plus the amount of any sanctions, penalty or other charge levied against CITY by HUD because of such actions.

C. Director's Meetings

DEVELOPER shall ensure that the CITY is notified of all meetings, regular and special called, of DEVELOPER's Board of Directors. Notice should be received by the CITY at least seventy-two (72) hours prior to the meeting. Such notice shall include an agenda and a brief description of the matters to be discussed. DEVELOPER understands and agrees that CITY representatives shall be afforded access to all of the Board of Directors' meetings. Minutes of all meetings of DEVELOPER's Board of Directors shall be available to CITY within ten (10) working days of approval.

8. INSURANCE

A. Adequate Coverage

DEVELOPER shall observe sound business practices with respect to providing such bonding and insurance as would provide adequate coverage for the activities performed and services offered under this Agreement.

B. Premise Liability Insurance

The premises on and in which the activities described in Exhibit A are conducted, and the employees conducting these activities, shall be covered by premise liability insurance, commonly referred to as "Owner/Tenant" coverage with CITY named as an additional insured. Upon request of DEVELOPER, CITY may, at its sole discretion, approve alternate insurance coverage arrangements. Insurance should be maintained on the property until a homebuyer takes possession and obtains homeowner's insurance.

C. Worker's Compensation

DEVELOPER will comply with applicable workers' compensation statutes and will obtain employers' liability coverage where available and other appropriate liability coverage for program participants, if applicable.

D. Vehicle Liability Insurance

DEVELOPER will maintain adequate and continuous liability insurance on all vehicles owned, leased or operated by DEVELOPER. All employees of DEVELOPER who are required to drive a vehicle in the normal scope and course of their employment must possess a valid Texas driver's license and automobile liability insurance. Evidence of the employees' current possession of a valid license and insurance must be maintained on a current basis in DEVELOPER's files.

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E. Losses not covered by Insurance

Actual losses not covered by insurance as required by this Section 8 are not allowable costs under this Agreement and remain the sole responsibility of DEVELOPER.

F. Change in Policies

The policy or policies of insurance shall contain a clause which requires that CITY and DEVELOPER be notified in writing of any cancellation or change in the policy at least thirty (30) days prior to such change or cancellation.

9. TERMINATION

A. Termination for Cause

The CITY may terminate this Agreement, in whole or in part, at any time whenever the CITY determines that the DEVELOPER has failed to comply with any of the terms or conditions of this Agreement. The CITY shall notify the DEVELOPER in writing of the effective date of such termination and, in the case of partial termination, the portion of the Agreement to be terminated.

B. Termination for Convenience

The CITY shall have the right to terminate this Agreement for convenience, in whole or in part by thirty (30) days prior written notification to the DEVELOPER stating the effective date of the termination and, in the case of partial termination, the portion to be terminated.

The DEVELOPER shall have the right to terminate this Agreement for convenience, in whole or in part, by thirty (30) days prior written notification to the CITY stating the effective date of the termination and, in the case of partial termination, the portion to be terminated.

If, in the case of a partial termination by DEVELOPER, it is the determination of CITY that the remaining portion of the funding under this Agreement is not sufficient to accomplish the Project as described in the Work Statement in Attachment A, the CITY may require that the entire Agreement and funding be terminated.

C. Default

The actions noted in this Section below, or as provided elsewhere in this Agreement, shall constitute an event of default ("Event of Default") by DEVELOPER hereunder. The CITY may give written notice of default to the DEVELOPER in accordance with the provisions herein.

a. Failure to comply with the terms and conditions hereof;

b. Failure to comply with HOME Program regulations, fair housing laws, and other federal requirements related to the Project;; and/or

c. Any event of fraud, misrepresentation, gross negligence, or willful misconduct by DEVELOPER in the execution or performance of this Agreement or in its participation in the HOME Program.

D. Remedies

If the Event of Default remains uncured thirty (30) days after delivery of written notice by CITY (or such other notice period as may be specified herein), or if DEVELOPER has diligently and

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continuously attempted to cure following receipt of such written notice but reasonably required more than thirty (30) calendar days to cure, as determined by both Parties mutually and in good faith, CITY shall have the right to elect, in CITY's sole discretion, to (i) extend DEVELOPER's time to cure, (ii) terminate this AGREEMENT effective immediately upon written notice of such intent to DEVELOPER, or (iii) pursue all or any combination of the following the remedies or any other remedies available to CITY at law or in equity:

a. Suspend reimbursement and/or disbursement of HOME Funds or withhold any further payments to be made under this Agreement until such time as DEVELOPER's breach has been cured in accordance with the terms and conditions of any cure period provided by CITY (but CITY may, in its sole discretion, make disbursement after the occurrence of an Event of Default without thereby waiving its rights and remedies hereunder);

b. Reprogram HOME Funds that have not yet been expended from affected activities to other eligible activities;

c. Direct DEVELOPER to prepare and follow a schedule of actions for carrying out the affected activities, consisting of schedules, timetables and milestones necessary to implement the affected activities, including extending the HOME Affordability Period;

d. Direct DEVELOPER to establish and follow a management plan that assigns responsibilities for carrying out the remedial activities;

e. Cancel or revise activities likely to be affected by the performance deficiency, before expending HOME Funds for the activities;

f. Direct DEVELOPER to reimburse CITY in any amount of HOME Funds not used in accordance with the HOME Regulations;

g. Apply to any appropriate court, State or Federal, for specific performance, in whole or in part, of the terms, conditions, covenants and/or agreements contained herein, or for an injunction against any violation of such terms, conditions, covenants and/or agreements;

h. Enter upon the Property and take possession thereof, together with the Project then in the course of construction, and proceed either in its own name or in the name of the DEVELOPER, as the attorney- in-fact of the DEVELOPER (which authority is coupled with an interest and is irrevocable by the DEVELOPER), to complete or cause to be completed the Project, at the cost and expense of the DEVELOPER;

i. Require the use of or change in professional property management;

j. Pursue the appointment of a receiver to collect rents and profits or to take possession of the Project;

k. Declare immediately due and payable all unpaid principal, accrued interest and

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annual fees on the HOME Deferred Payment Loan and/or Note, together with all other sums payable thereunder and the same shall thereupon be immediately due and payable without presentment or other demand, protest, notice of dishonor or any other notice of any kind, all of which are hereby expressly waived;

l. Apply sanctions set forth in 24 CFR 92, if determined by CITY to be applicable;

m. Take or seek any other appropriate action including, but not limited to, any remedial action legally available such as declaratory judgment, specific performance, breach of contract, temporary or permanent injunctions and/or any other available remedies;

n. Apply to any appropriate court, State or Federal, for such other relief as may be appropriate and allowed by law, since the injury to CITY arising from a default under any of the terms of this Agreement would be irreparable and the amount of damage would be difficult to ascertain; and

o. Terminate this Agreement or any other agreements with DEVELOPER by giving written notice to DEVELOPER of such termination and specifying the effective date of such termination. If the Agreement is terminated by CITY as provided herein, DEVELOPER shall have no claim of payment or claim of benefit for any incomplete Project activities undertaken under this Agreement. Any delay by CITY in exercising any right or remedy provided herein or otherwise afforded by law or equity shall not be a waiver of or preclude the exercise of such right or remedy. All such rights and remedies shall be distinct and cumulative and may be exercised singly, serially (in any order) or concurrently, and as often as the occasion therefore arises. In the event of any termination under Section 24 of this Agreement, all HOME Funds awarded but unpaid to DEVELOPER pursuant to this Agreement shall be immediately rescinded and DEVELOPER shall have no further right to such funds and any HOME Funds already paid to DEVELOPER must be repaid to CITY within 30 days of termination. Failure to repay such HOME Funds will result in CITY exercising all legal remedies available to CITY under this Agreement or the Loan Documents.

E. No Funds Disbursed while in Breach:

DEVELOPER understands and agrees that no HOME Funds will be paid to DEVELOPER until all Events of Default are cured to CITY's satisfaction.

F. No Compensation After Date of Termination

In the event of termination, DEVELOPER shall not receive any HOME Funds in compensation for work undertaken after the date of termination and shall not be entitled to, and hereby waives, all claims for lost profits and all other damages and expenses.

G. Rights of CITY Not Affected

Termination shall not affect or terminate any of the existing rights of CITY against DEVELOPER,

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or which may thereafter accrue because of an Event of Default, and this provision shall be in addition to any and all other rights and remedies available to CITY under the law, this Agreement or the Loan Documents including, but not limited to, compelling DEVELOPER to complete the Required Improvements in accordance with the terms of this Agreement. Such termination does not terminate any applicable provisions of this Agreement that have been expressly noted as surviving the expiration or termination of this Agreement. No delay or omission by CITY in exercising any right or remedy available to it under this Agreement shall impair any such right or remedy or constitute a waiver or acquiescence in any DEVELOPER default.

H. Dissolution of DEVELOPER Terminates Contract

In the event DEVELOPER is dissolved or ceases to exist, this Agreement shall terminate. In the event of termination under this Section, all HOME Funds are subject to repayment and CITY may exercise any or all of its remedies under this AGREEMENT.

I. Reversion of Assets

In the event this Agreement is terminated by DEVELOPER without cause, all tangible personal property owned by DEVELOPER that was acquired or improved with the HOME Funds shall belong to CITY and shall automatically transfer to CITY or to such assignees as CITY may designate.

10. REPRESENTATIONS AND WARRANTIES

A. Purpose

The CITY is providing funding to the DEVELOPER in order to promote the development of affordable housing for low-income households. DEVELOPER represents that the use of HOME Funds for the Project will meet this stated goal.

B. Changes to Budget

The CITY is the only agent authorized to designate changes to the Program Budget or to approve specific projects and programs authorized pursuant to the non-administration portion of the Program Budget.

C. Legal Authority

DEVELOPER assures and guarantees that it possesses the legal authority, pursuant to any proper, appropriate and official motion, resolution or action passed or taken, to enter into this Agreement.

The person or persons signing and executing this Agreement on behalf of DEVELOPER, do hereby warrant and guarantee that he, she, or they have been fully authorized by DEVELOPER to execute this Agreement on behalf of DEVELOPER and to validly and legally bind DEVELOPER to all terms, performances and provisions herein set forth.

CITY shall have the right, at its option, to either temporarily suspend or permanently terminate this Agreement if there is a dispute as to the legal authority of either DEVELOPER or the person signing the Agreement to enter into this Agreement. DEVELOPER is liable to CITY for any money it has received from CITY for performance of the provisions of this Agreement if CITY has suspended or terminated this Agreement for the reasons enumerated in this section.

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D. Supplanting

DEVELOPER agrees that the funds and resources provided DEVELOPER under the terms of this Agreement will in no way be substituted for funds and resources from other sources, nor in any way serve to reduce the resources, services, or other benefits which would have been available to, or provided through, DEVELOPER had this Agreement not been executed.

E. Warranties

Developer represents and warrants that:

a. All information, reports and data heretofore or hereafter requested by CITY and furnished to CITY, are complete and accurate as of the date shown on the information, data, or report, and, since that date, have not undergone any significant change without written notice to CITY.

b. Any supporting financial statements heretofore requested by CITY and furnished to that since said date, there has been no material change, adverse or otherwise, in the financial condition of DEVELOPER.

c. No litigation or legal proceedings are presently pending or threatened against DEVELOPER.

d. None of the provisions herein contravenes or is in conflict with the authority under which DEVELOPER is doing business or with the provisions of any existing indenture or agreement of DEVELOPER.

e. DEVELOPER has the power to enter into this Agreement and accept payments here under, and has taken all necessary action to authorize such acceptance under the terms and conditions of this Agreement.

f. None of the assets of DEVELOPER is subject to any lien or encumbrance of any character, except for current taxes not delinquent, except as shown in the financial statements furnished by DEVELOPER to CITY.

g. Each of these representations and warranties shall be continuing and shall be deemed to have been repeated by the submission of each request for payment.

11. INDEMNIFICATION

It is expressly understood and agreed by both parties hereto that CITY is contracting with DEVELOPER as an independent owner, and that as such, DEVELOPER shall save and hold CITY and CITY's officers, agents, elected and appointed officials, and employees harmless from all liability of any nature or kind, including costs and expenses for, or on account of, any claims, audit exceptions, demands, suits or damages of any kind or character whatsoever resulting in whole or in part from the performance, act or omission of DEVELOPER or of any employee, agent or representative of DEVELOPER.

DEVELOPER agrees to provide the defense for, and to indemnify and hold harmless CITY and CITY's agents, elected and appointed officials, employees from any and all claims, suits, causes of action, demands, damages, losses, attorneys' fees, expenses, and liability arising out of the use of these contracted funds, program administration, and implementation except to the extent caused by the willful act or omission of CITY, its officers, agents, or employees.

DEVELOPER hereby agrees to reimburse, indemnify and save and hold CITY and CITY's successors and assigns harmless from and against any damage, liability, loss, penalty, charge, cost or

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deficiency, including but not limited to any repayment obligation to HUD incurred by CITY under 24 CFR 92.503(b), reasonable attorneys' fees, and other costs and expenses incident to monitoring, remedial actions, proceedings or investigations and the defense of any claim, arising out of, resulting from, or related to, and to pay to CITY or its successor in interest, on demand, the full amount of any sum which CITY or its successor has paid or becomes obligated to pay on account of:

a. Any misrepresentation, omission, or the breach of any representation or warranty of the DEVELOPER made in, under, or in connection with the Loan Documents;

b. Any failure of the DEVELOPER to fully perform or observe, or to cause to be performed or observed, any term, provision, covenant, or agreement to be performed or observed by the DEVELOPER, or after an assumption, by a subsequent owner, pursuant to the Loan Documents;

c. Any claims, assessments, or liabilities for charges, penalties, liens, taxes, or deficiencies arising from or relating to the use and operation by the DEVELOPER, or after an assumption, DEVELOPER's successors to the Property or the Project; or

d. The manufacture, generation, storage, use, treatment, transportation, or disposal of solid waste, or any toxic or hazardous materials, substances, or pollutants either directly or indirectly by the DEVELOPER or any of DEVELOPER's past or present affiliates on the Property described in Section 2.A., which occurs prior to possession passing from the DEVELOPER pursuant to a Sheriff's Deed upon completion of a foreclosure or upon acceptance of a Deed in Lieu of Foreclosure.

The provisions of this section shall survive the termination of this HOME Agreement.

12. IMMIGRATION NATIONALITY ACT

CITY actively supports the Immigration & Nationality Act (INA) which includes provisions addressing employment eligibility, employment verification, and nondiscrimination. DEVELOPER shall verify the identity and employment eligibility of all employees who perform work under this Agreement. DEVELOPER shall complete the Employment Eligibility Verification Form (I-9), maintain photocopies of all supporting employment eligibility and identity documentation for all employees, and upon request, provide CITY with copies of all I-9 forms and supporting eligibility documentation for each employee who performs work under this Agreement. DEVELOPER shall establish appropriate procedures and controls so that no services will be performed by any employee who is not legally eligible to perform such services. DEVELOPER shall provide CITY with a certification letter that it has complied with the verification requirements required by this Agreement. DEVELOPER shall indemnify CITY from any penalties or liabilities due to violations of this provision. CITY shall have the right to immediately terminate this Agreement for violations of this provision by DEVELOPER.

13. NOTICE

For purposes of this Agreement, all official communications and notices among the parties shall be in writing, delivered by hand delivery, overnight mail service or by United States Mail, and shall be deemed to be delivered and received, upon the earlier to occur of (a) the date delivered if provided by

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hand delivery or overnight mail service, and (b) the date of the deposit in a regularly maintained receptacle for the United States Mail, registered or certified, return receipt requested, postage prepaid, addressed to the parties as set forth below:

TO CITY:
City Manager
City of Denton

215 E McKinney
Denton, Texas 76201

w/ a copy to:
City Attorney
215 E McKinney
Denton, Texas 76201

TO DEVELOPER:
Executive Director
Denton Affordable Housing Corporation
211 Second Street
Denton, Texas 76201

14. VENUE

This Agreement shall be interpreted in accordance with the laws of the State of Texas and venue of any litigation concerning this Agreement shall be in a court of competent jurisdiction sitting in Denton County, Texas.

[Signature page follows]

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IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the date first written above.

CITY OF DENTON
BY:

CASSEY OGDEN,
INTERIM CITY MANAGER

ATTEST:
BY:

KRISTI FOGLE
INTERIM CITY SECRETARY

APPROVED AS TO LEGAL FORM
MACK REINWAND, CITY ATTORNEY

Scott Bray
Deputy City Attorney

REVIEWED AND APPROVED
BY: Signed by: F418EB1B782348F...

JESSE KENT
DIRECTOR OF COMMUNITY SERVICES

5/12/2026

DATE

DENTON AFFORDABLE HOUSING CORPORATION
BY: Signed by: 5768FDC4896F4FE...

CARRIE BAUGUS
EXECUTIVE DIRECTOR

ATTEST:
BY: Signed by: GEORGE FERRIE C79F93462E984C1...

BOARD CHAIR
DENTON AFFORDABLE HOUSING CORPORATION

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EXHIBIT A
STATEMENT OF WORK
CHDO Operating Expenses

A. **CHDO**:

Denton Affordable Housing Corp.

211 2nd St.

Denton, Texas 76209 (hereafter "CHDO")

B. **Program**: Community Housing Development Organization (CHDO) Operating Expense

C. **Funding**: Home Investment Partnerships Program Funds (CFDA # 14.239)

D. **Type of Award:** Funds are awarded as a grant to CHDOs meeting the eligibility requirements at the time of application and are subject to the terms of the Agreement including the conditions set forth in this Statement of Work. The eligibility requirements are:

a. Current CHDO Certification from City of Denton;

E. **Purpose:** These funds are designed to provide operating funds to CHDOs based on financial need and the expectation that the CHDO will access HOME CHDO funding within 24 months of the award or has a project underway being funded with HOME CHDO funds.

F. **Authorization:**

24 CFR § 92.208 -- Eligible Community Housing Development Organization (CHDO) Operating Expense and Capacity Building Costs

(a) Up to 5 percent of a participating jurisdiction's fiscal year HOME allocation may be used for the operating expenses of Community Housing Development Organizations. These funds may not be used to pay operating expenses incurred by a CHDO acting as a subrecipient or contractor under the HOME Program. Operating expenses means reasonable and necessary costs for the operation of the community housing development organization. Such costs include salaries, wages, and other employee compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; equipment; materials and supplies. The requirements and limitations on the receipt of these funds by CHDOs are set forth in §92.300(e) and (f).

24 CFR § 92.300 -- Set aside for Community Housing Development Organizations (CHDO)

(e) If funds for operating expenses are provided under § 92.208 to a community housing development organization that is not also receiving funds under paragraph (a) of this section for housing to be developed, sponsored or owned by the community housing development organization, the participating jurisdiction must enter into a written agreement with the community housing development organization that provides that the community housing development organization is expected to receive funds under paragraph (a) of this section within 24 months of receiving the funds for operating expenses, and specifics the terms and conditions upon which this expectation is based.

(f) The participating jurisdiction must ensure that a community housing development organization does not receive HOME funding for any fiscal year in an amount that provides no more than 50 percent or $50,000, whichever is greater, of the community

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housing development organization's total operating expenses in that fiscal year. This also includes organizational support and housing education provided under section 233(b)(1), (2), and (6) of the Act, as well as funds for operating expenses provided under § 92.208.

G. **Requirements:**

Expenses incurred within the Agreement Period that are eligible under 2 CFR Part 200 (Cost Principles for Non-Profit Organizations) may be reimbursed to the CHDO up to the dollar amount limit of the Agreement. Operating expenses means reasonable and necessary costs for the operation of the CHDO. Such costs include:

a. salaries, wages, and other employee compensation and benefits;
b. employee education, training and travel;
c. rent, utilities, communication costs, taxes and insurance; and
d. equipment, materials and supplies.

For specific information about eligible and ineligible expenses, please refer to 2 CFR Part 200 and 24 CFR Part 92.

Because operating expenses funds are designed to support a CHDO's operational needs, project-related expenses are not considered eligible operating expenses under this Agreement.

Project-related expenses include, but may not be limited to:

a. Pre-development costs;
b. Hard costs;
c. Soft costs; and
d. Relocation costs

CHDO agrees that it will access HOME CHDO funds within the Term of this Agreement (Section 2.)

H. **Reports**: CHDO shall submit reports to CITY according to the following schedule, and other reports or revisions to reports upon request:

Required Reports/Documentation	Timeline
An original invoice with all documentation required to support expenditures	No more than once monthly.
Audited Financial Statements, Auditor's Opinion and Management Letters (3 copies)	Within 180 calendar days following the end of CHDOs Fiscal Year (must be provided annually)

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EXHIBIT B
PROGRAM BUDGET
CHDO HOME FUNDS

DAHC shall provide the services listed in this Agreement within the monetary limits attached hereto and incorporated by reference herein. In no event shall compensation to the DAHC exceed the lesser of the DAHC's costs attributable to the work performed as stated in Exhibit A, or the sum of Forty-Six Thousand Seven Hundred and Eleven and 59/100 Dollars ($46,711.59).

DAHC will submit monthly reimbursement requests. DAHC will be reimbursed for eligible expenditures (Section A.) for operating expenses described in Exhibit A, Statement of Work and supported with written documentation verifying the expense was both incurred and paid (Section B.) within the term of the agreement and prior to the request for reimbursement.

Allowable Expenditures	**Total Allocation**
Operating Expenses	$46,711.59

Reimbursement Process: CHDO shall submit its request for reimbursement of operating expenses by submitting to CITY an original invoice as described in Section J (below) with copies of documentation supporting the amount of the reimbursement being requested. Such documentation may include, but may not be limited to, copies of:

a. Invoices;
b. Bills;
c. Canceled checks;
d. Receipts; and
e. Any other documentation that substantiates an eligible expense incurred by the CHDO during the agreement period.

Unless otherwise authorized by City, the frequency of requests for reimbursement shall be limited to once per month until all funds have been expended.

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: June 2, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to approve a pre-qualified professional services list for traffic and transportation related services for various transportation services, traffic engineering and planning, traffic signal, intelligent transportation systems, roadway design, illumination, and capital improvement projects within the City of Denton for the Traffic Department; and providing an effective date (RFQ 8962 – for a two (2) year, with the option for one (1) additional one (1) year extension, in the total three (3) year term).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

INFORMATION/BACKGROUND

On December 12, 2025, a Request for Qualifications (RFQ) was advertised for four (4) individual services: Transportation Services, Traffic Engineering, Intelligent Transportation Systems (ITS), and Illumination Services. Statements of Qualifications (SOQs) were received from 33 consultants before the submittal deadline of January 7, 2026.

This process ensures that all consultants are reviewed fairly and based on criteria spelled out to each consultant in the original RFQ. The goal of the City of Denton's pre-qualified Transportation and Engineering list is to provide a list of approved consultants from which the Transportation Services or any division within the City can choose to supplement staffing levels or provide specialty services. A ranking of the pre-qualified vendors in the required service will be performed for every project using the list on an as-needed basis. The City will then negotiate the scope and price with the highest-ranked consultant. If the City and the firm cannot agree on the overall amount, the City moves on to the next firm to gain the best possible contract for the City and the project.

Any consultant that was pre-qualified under the RFQ is eligible to receive contracts for services that would go through the normal negotiation process, including City Council consideration (where applicable). It is intended that this method of qualifying consultants for current and future services will be repeated every three (3) years and is eligible for use by any City of Denton departments and divisions when these services are required.

Request for Qualifications (RFQ) for professional transportation engineering services was sent to 1,232 prospective firms for these services, including 33 Denton firms. In addition, the RFQ was placed on the

Procurement website for prospective respondents to download and advertised in the local newspaper. Thirty-three (33) statements of qualifications (SOQ) were received. The SOQs were evaluated based on published criteria, including experience and qualifications, past performance, proposed staff and team members, local office, and ability to meet schedule. All firms scoring 80 or higher were placed on the list. The evaluation team is recommending approval of the list with twenty-three (23) qualified firms.

NIGP Code Used for Solicitation:	925, 940, 968, and 969
Notifications sent for Solicitation sent in IonWave:	1,232
Number of Suppliers that viewed Solicitation in IonWave:	98
HUB-Historically Underutilized Business Invitations sent out:	195
SBE-Small Business Enterprise Invitations sent out:	389
Responses from Solicitation:	33

RECOMMENDATION

Recommend approval of pre-qualified professional services list for traffic and transportation related services for various transportation services, traffic engineering and planning, traffic signal, intelligent transportation systems, roadway design, illumination, and capital improvement projects within the City of Denton, as reviewed and qualified by City staff.

ESTIMATED SCHEDULE OF PROJECT

This is an initial two (2) year contract with options to extend the contract for one (1) additional one (1) year period, with all terms and conditions remaining the same.

FISCAL INFORMATION

No funds are requested or required to be spent as part of this approval. Individual contracts will be negotiated with each firm, and purchasing orders will be issued as needed.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Evaluation Sheet
Exhibit 3: Ordinance

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Chandra Muruganandham, 940-349-8221.

Legal point of contact: Leah Bush at 940-349-8333.

Exhibit 2

RFQ 8962 - Evaluation Sheet for Transportation Engineering Services

Approved Firms with a score above 80 are highlighted

Transportation Services						
Supplier	**Score**	**Overall Experience and Qualifications of the Firm - 30 %**	**Past Performance and experience on projects of this magnitude and complexity - 30%**	**Proposed Staff and team Members (experience and availability) - 20%**	**Local office presence/understanding and knowledge of DFW Regions - 10%**	**Ability to meet Schedule - 10%**
Kimley-Horn and Associates, Inc.	**97.60**	**30.00**	**28.80**	**19.20**	**10.00**	**9.60**
HDR Engineering, Inc.	**91.60**	**27.60**	**27.60**	**18.40**	**9.20**	**8.80**
LJA Engineering, Inc.	**89.60**	**27.60**	**25.20**	**18.40**	**9.60**	**8.80**
HNTB Corporation	**86.40**	**26.40**	**26.40**	**16.00**	**9.60**	**8.00**
Westwood Professional Services	**86.40**	**27.60**	**25.20**	**16.00**	**9.20**	**8.40**
Teague Nall and Perkins, Inc.	**85.20**	**25.20**	**25.20**	**17.60**	**9.20**	**8.00**
Halff Associates, Inc.	**83.60**	**26.40**	**24.00**	**16.00**	**9.20**	**8.00**
Olsson, Inc.	**83.60**	**25.20**	**24.00**	**16.80**	**9.20**	**8.40**
Bridgefarmer & Associates, Inc.	**82.00**	**26.40**	**24.00**	**16.00**	**8.40**	**7.20**
Freese and Nichols, Inc.	**82.00**	**24.00**	**24.00**	**16.80**	**9.60**	**7.60**
Kittelson & Associates	**82.00**	**24.00**	**25.20**	**16.80**	**7.60**	**8.40**
Burns & McDonnell Engineering	**81.20**	**24.00**	**26.40**	**15.20**	**8.00**	**7.60**
CONSORTIUM ENGINEERS, PLLC	**80.80**	**25.20**	**24.00**	**16.80**	**7.20**	**7.60**
AtkinsRéalis USA Inc	**80.40**	**25.20**	**24.00**	**15.20**	**8.00**	**8.00**
Parkhill	76.80	22.80	21.60	15.20	9.20	8.00
DKS Associates	76.00	24.00	25.20	14.40	5.60	6.80
Fehr & Peers	74.80	24.00	22.80	13.60	7.60	6.80
Stanley Consultants, Inc.	74.80	22.80	22.80	16.00	5.60	7.60
Bowman Engineering & Consulting	73.20	21.60	22.80	14.40	7.60	6.80
Metric Engineering	71.60	21.60	21.60	15.20	6.00	7.20
T J K M	71.60	22.80	22.80	12.80	6.00	7.20

Exhibit 2

RFQ 8962 - Evaluation Sheet for Transportation Engineering Services

Approved Firms with a score above 80 are highlighted

Traffic Engineering Services						
Supplier	**Score**	**Overall Experience and Qualifications of the Firm - 30 %**	**Past Performance and experience on projects of this magnitude and complexity - 30%**	**Proposed Staff and team Members (experience and availability) - 20%**	**Local office presence/understanding and knowledge of DFW Regions - 10%**	**Ability to meet Schedule - 10%**
Kimley-Horn and Associates, Inc.	**96.40**	**30.00**	**27.60**	**19.20**	**10.00**	**9.60**
HDR Engineering, Inc.	**89.20**	**27.60**	**26.40**	**16.80**	**9.20**	**9.20**
LJA Engineering, Inc.	**89.20**	**27.60**	**26.40**	**17.60**	**8.80**	**8.80**
WSP USA	**86.00**	**26.40**	**25.20**	**16.80**	**8.80**	**8.80**
Quiddity Engineering, LLC	**84.00**	**26.40**	**24.00**	**16.80**	**8.40**	**8.40**
Olsson, Inc.	**83.60**	**25.20**	**25.20**	**16.80**	**8.40**	**8.00**
Westwood Professional Services	**83.60**	**25.20**	**24.00**	**16.80**	**9.20**	**8.40**
Kittelson & Associates	**82.40**	**24.00**	**25.20**	**17.60**	**7.20**	**8.40**
Freese and Nichols, Inc.	**82.00**	**25.20**	**24.00**	**16.00**	**8.80**	**8.00**
Halff Associates, Inc.	**82.00**	**24.00**	**25.20**	**15.20**	**9.60**	**8.00**
Lee Engineering	**82.00**	**24.00**	**25.20**	**16.80**	**8.40**	**7.60**
HNTB Corporation	**80.80**	**25.20**	**22.80**	**15.20**	**9.60**	**8.00**
IEA, Inc.	**80.80**	**24.00**	**24.00**	**15.20**	**9.20**	**8.40**
Lamb-Star Engineering	**80.80**	**24.00**	**24.00**	**16.00**	**8.40**	**8.40**
Burns & McDonnell Engineering	**80.40**	**25.20**	**25.20**	**15.20**	**8.00**	**6.80**
AtkinsRéalis USA Inc	77.60	24.00	22.80	15.20	7.60	8.00
Teague Nall and Perkins, Inc.	77.60	24.00	22.80	14.40	8.80	7.60
DeShazo Group, Inc.	76.80	25.20	22.80	13.60	8.40	6.80
Maldonado-Burkett Intelligent	76.40	24.00	22.80	14.40	8.40	6.80
DKS Associates	76.00	24.00	22.80	16.00	6.00	7.20
Consor North America, Inc.	75.60	22.80	22.80	14.40	8.00	7.60
WSB & Associates	75.60	22.80	22.80	14.40	8.80	6.80
Bridgefarmer & Associates, Inc.	75.20	22.80	21.60	15.20	8.40	7.20
Parkhill	74.40	22.80	22.80	13.60	8.00	7.20
Fehr & Peers	74.00	24.00	22.80	12.80	7.20	7.20
CONSORTIUM ENGINEERS, PLLC	72.40	22.80	20.40	15.20	7.20	6.80
Stanley Consultants, Inc.	72.00	22.80	21.60	15.20	5.20	7.20
Metric Engineering	69.60	21.60	19.20	14.40	6.80	7.60
T J K M	69.60	21.60	22.80	12.80	5.60	6.80
CivTech Inc.	63.60	20.40	18.00	12.80	6.00	6.40

Exhibit 2

RFQ 8962 - Evaluation Sheet for Transportation Engineering Services

Approved Firms with a score above 80 are highlighted

Intelligent Transportation Systems (ITS)						
Supplier	**Score**	**Overall Experience and Qualifications of the Firm - 30 %**	**Past Performance and experience on projects of this magnitude and complexity - 30%**	**Proposed Staff and team Members (experience and availability) - 20%**	**Local office presence/understanding and knowledge of DFW Regions - 10%**	**Ability to meet Schedule - 10%**
Kimley-Horn and Associates, Inc.	**94.80**	**28.80**	**27.60**	**19.20**	**10.00**	**9.20**
HDR Engineering, Inc.	**90.40**	**28.80**	**26.40**	**16.80**	**9.20**	**9.20**
LJA Engineering, Inc.	**87.60**	**26.40**	**26.40**	**16.80**	**9.20**	**8.80**
HNTB Corporation	**85.20**	**26.40**	**24.00**	**16.80**	**9.20**	**8.80**
WSP USA	**84.00**	**25.20**	**25.20**	**16.80**	**8.40**	**8.40**
Olsson, Inc.	**81.20**	**24.00**	**24.00**	**16.80**	**8.40**	**8.00**
Consor North America, Inc.	**80.00**	**24.00**	**24.00**	**15.20**	**8.40**	**8.40**
Concord Engineering, Inc.	74.80	24.00	21.60	14.40	7.20	7.60
DKS Associates	73.20	22.80	22.80	14.40	6.00	7.20
Kittelson & Associates	72.80	22.80	20.40	14.40	7.60	7.60
Fehr & Peers	71.60	21.60	21.60	13.60	6.80	8.00
Metric Engineering	68.40	19.20	21.60	14.40	6.00	7.20

Exhibit 2

RFQ 8962 - Evaluation Sheet for Transportation Engineering Services

Approved Firms with a score above 80 are highlighted

Transportation Illumination						
Supplier	**Score**	**Overall Experience and Qualifications of the Firm - 30 %**	**Past Performance and experience on projects of this magnitude and complexity - 30%**	**Proposed Staff and team Members (experience and availability) - 20%**	**Local office presence/understanding and knowledge of DFW Regions - 10%**	**Ability to meet Schedule - 10%**
Kimley-Horn and Associates, Inc.	**97.20**	**30.00**	**28.80**	**18.40**	**10.00**	**10.00**
Westwood Professional Services	**90.00**	**26.40**	**27.60**	**18.40**	**8.80**	**8.80**
LJA Engineering, Inc.	**88.80**	**26.40**	**27.60**	**17.60**	**8.80**	**8.40**
WSP USA	**88.80**	**26.40**	**27.60**	**17.60**	**8.40**	**8.80**
HDR Engineering, Inc.	**88.00**	**27.60**	**25.20**	**16.80**	**8.80**	**9.60**
Freese and Nichols, Inc.	**87.60**	**27.60**	**26.40**	**16.00**	**9.20**	**8.40**
Lee Engineering	**86.80**	**26.40**	**25.20**	**17.60**	**9.20**	**8.40**
Consor North America, Inc.	**86.40**	**25.20**	**26.40**	**17.60**	**8.80**	**8.40**
HNTB Corporation	**86.40**	**27.60**	**24.00**	**16.80**	**9.20**	**8.80**
IEA, Inc.	**86.00**	**25.20**	**26.40**	**16.00**	**9.20**	**9.20**
Teague Nall and Perkins, Inc.	**86.00**	**25.20**	**25.20**	**17.60**	**9.20**	**8.80**
Olsson, Inc.	**85.20**	**25.20**	**25.20**	**17.60**	**8.80**	**8.40**
DKS Associates	**83.20**	**25.20**	**24.00**	**18.40**	**7.20**	**8.40**
Fehr & Peers	**82.40**	**26.40**	**25.20**	**15.20**	**7.20**	**8.40**
Maldonado-Burkett Intelligent	**82.40**	**25.20**	**26.40**	**15.20**	**8.40**	**7.20**
ENTRUST Solutions Group	74.00	22.80	21.60	15.20	6.80	7.60
CivTech Inc.	71.60	21.60	20.40	15.20	6.40	8.00

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO APPROVE A PRE-QUALIFIED PROFESSIONAL SERVICES LIST FOR TRAFFIC AND TRANSPORTATION RELATED SERVICES FOR VARIOUS TRANSPORTATION SERVICES, TRAFFIC ENGINEERING AND PLANNING, TRAFFIC SIGNAL, INTELLIGENT TRANSPORTATION SYSTEMS, ROADWAY DESIGN, ILLUMINATION, AND CAPITAL IMPROVEMENT PROJECTS WITHIN THE CITY OF DENTON FOR THE TRAFFIC DEPARTMENT; AND PROVIDING AN EFFECTIVE DATE (RFQ 8962 – FOR A TWO (2) YEAR, WITH THE OPTION FOR ONE (1) ADDITIONAL ONE (1) YEAR EXTENSION, IN THE TOTAL THREE (3) YEAR TERM).

WHEREAS, the City of Denton, Texas (the "City") desires to have a pool of professional firms ready to serve as contractors to provide the City with consulting services on a continuing contract basis; and

WHEREAS, on November 21, 2025, the City issued a *Request for Qualifications No. 8962, Pre-qualification for Transportation Engineering Services* ("RFQ") for a pre-qualified professional services for list traffic and transportation related services for various transportation services, traffic engineering and planning, traffic signal, intelligent transportation systems, roadway design, illumination, and capital improvement projects within the City of Denton, as detailed in the RFQ; and

WHEREAS, in response to the RFQ, which was in accordance with the provisions of Texas Government Code, Chapter 2254, the City evaluated each submission in accordance with selection criteria in order to determine the most qualified firms to provide the services; and

WHEREAS, the City staff has prepared a list attached as Exhibit "A" representing those firms whose qualifications and references demonstrated to be the most advantageous to the City; and

WHEREAS, awards to a professional firm on the list, which exceed the City Manager's delegation authority, will be brought to the City Council in compliance with all procurement statutes and local ordinances, considering the importance of price and other evaluation factors in the RFQ; and

WHEREAS, this procurement was undertaken as part of the City's governmental function; and

WHEREAS, the City Council finds that the selection of firms for the provision of services, pursuant to the terms, conditions, and specifications contained in the RFQ, should be approved and is in the best interest of the citizens of the City of Denton; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Council of the City of Denton, Texas, hereby approves the selection of professional contractors, which pre-qualified list is attached hereto as Exhibit "A" and incorporated by reference herein, for the provision of social services on a continuing contract basis with the City of Denton, and pursuant to the *Request for Qualifications No. 8962, Pre-qualification for Transportation Engineering Services.*

SECTION 2. Any formal written agreement as a result of the acceptance, approval, and awarding of the proposals from the RFQ must be done in accordance with the procurement statutes and local ordinances; provided that, the City Manager, or their designee, may take any actions that may be required or permitted to be performed within their previously delegated authority.

SECTION 3. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____. The ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Leah Bush

EXHIBIT A

RFQ 8962 - Pre-qualification for Transportation Engineering

Transportation Services	Score
Kimley-Horn and Associates, Inc.	97.60
HDR Engineering, Inc.	91.60
LJA Engineering, Inc.	89.60
HNTB Corporation	86.40
Westwood Professional Services	86.40
Teague Nall and Perkins, Inc.	85.20
Halff Associates, Inc.	83.60
Olsson, Inc.	83.60
Bridgefarmer & Associates, Inc.	82.00
Freese and Nichols, Inc.	82.00
Kittelson & Associates	82.00
Burns & McDonnell Engineering	81.20
CONSORTIUM ENGINEERS, PLLC	80.80
AtkinsRéalis USA Inc	80.40

Traffic Engineering Services	Score
Kimley-Horn and Associates, Inc.	96.40
HDR Engineering, Inc.	89.20
LJA Engineering, Inc.	89.20
WSP USA	86.00
Quiddity Engineering, LLC	84.00
Olsson, Inc.	83.60
Westwood Professional Services	83.60
Kittelson & Associates	82.40
Freese and Nichols, Inc.	82.00
Halff Associates, Inc.	82.00
Lee Engineering	82.00
HNTB Corporation	80.80
IEA, Inc.	80.80
Lamb-Star Engineering	80.80
Burns & McDonnell Engineering	80.40

Intelligent Transportation Systems (ITS)	Score
Kimley-Horn and Associates, Inc.	94.80
HDR Engineering, Inc.	90.40
LJA Engineering, Inc.	87.60
HNTB Corporation	85.20
WSP USA	84.00
Olsson, Inc.	81.20
Consor North America, Inc.	80.00

Transportation Illumination Services	Score
Kimley-Horn and Associates, Inc.	97.20
Westwood Professional Services	90.00
LJA Engineering, Inc.	88.80
WSP USA	88.80
HDR Engineering, Inc.	88.00
Freese and Nichols, Inc.	87.60
Lee Engineering	86.80
Consor North America, Inc.	86.40
HNTB Corporation	86.40
IEA, Inc.	86.00
Teague Nall and Perkins, Inc.	86.00
Olsson, Inc.	85.20
DKS Associates	83.20
Fehr & Peers	82.40
Maldonado-Burkett, LLP	82.40

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: June 2, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to approve a pre-qualified professional services list for project management services for various vertical construction projects within the City of Denton for the Capital Projects Department; and providing an effective date (RFQ 9002 – for one (1) year, with the option for two (2) additional one (1) year extensions, in the total three (3) year term).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

INFORMATION/BACKGROUND

The purpose of this pre-qualified list is to establish a pool of well-qualified resources to provide listed services specific to vertical construction in support of the City of Denton Capital Projects project management staff. The Capital Projects delivery team is responsible for the delivery of both vertical and horizontal construction projects for the City of Denton. This amounts to over one billion dollars of projects in design and construction. Staff will use this pre-qualified list to provide supplemental support to current project management staff. As new projects are identified, leadership will determine the project workload of current staff, identify specific project needs, and utilize these pre-qualified firms as necessary.

This list of pre-qualified firms will be accessed when the need arises to complete professional vertical construction project management services. Any qualified firm that submitted under this RFQ will be eligible to receive contracts for professional services that would go through the normal negotiation and Council award process. It is intended that this method of qualifying professional and engineering services required to deliver current and future project delivery will be repeated every three (3) years. A ranking of the pre-qualified vendors in the respective project category will be performed for every project using the pre-qualified list. The City will then negotiate scope and price with the highest-ranked firm. If the City and the firm cannot agree on the overall amount, the City moves on to the next-ranked firm to gain the best possible contract for the City and the project. Contracts over $100,000 will require Council approval.

Request for Qualifications (RFQ) for professional project management services was sent to 1,770 prospective firms, including 50 Denton firms. In addition, the RFQ was placed on the Procurement website for prospective respondents to download and advertised in the local newspaper. Twenty (20) statements of qualifications (SOQ) were received. The SOQs were evaluated based on published criteria, including past performance, experience and qualifications of the firm, and experience and availability of the proposed

personnel. All firms scoring 75 or higher in a given category were placed on the pre-qualified list for that respective category. The evaluation team is recommending the approval of these firms for each category: project/program management, financial management, construction management, and on-site quality assurance.

NIGP Code Used for Solicitation:	918, 925, & 958
Notifications sent for Solicitation sent in IonWave:	1,770
Number of Suppliers that viewed Solicitation in IonWave:	100
HUB-Historically Underutilized Business Invitations sent out:	288
SBE-Small Business Enterprise Invitations sent out:	644
Responses from Solicitation:	20

RECOMMENDATION

Recommend approval of a pre-qualified professional services list for project management services for various vertical construction projects within the City of Denton for the Capital Projects Department, as reviewed and qualified by City staff.

ESTIMATED SCHEDULE OF PROJECT

This is an initial one (1) year contract with options to extend the contract for two (2) additional one (1) year periods, with all terms and conditions remaining the same.

FISCAL INFORMATION

No funds are requested or required to be spent as part of this approval. Individual contracts will be negotiated with each firm, and purchasing orders will be issued as needed.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Evaluation Sheet
Exhibit 3: Ordinance

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Aaron Skinner, 940-465-8167.

Legal point of contact: Leah Bush at 940-349-8333.

Exhibit 2

RFQ 9002 - Evaluation Sheet for Prequalification for Vertical Project Management Services

Approved Firms with a score above 75 are highlighted

Project/Program Management					
Supplier	**Rank**	**Score**	**Experience and Qualifications of the Responding Firm - 30%**	**Past Performance and Experience on Projects - 40%**	**Proposed Personnel & Workload/Availability - 30%**
AECOM Technical Services, Inc.	**1**	**86.00**	**27.00**	**32.00**	**27.00**
Hoar Program Management, LLC	**2**	**86.00**	**28.50**	**32.00**	**25.50**
Project Advocates, LLC	**3**	**85.00**	**25.50**	**34.00**	**25.50**
Westwood Professional Services, Inc.	**4**	**78.50**	**22.50**	**32.00**	**24.00**
Freese and Nichols, Inc.	**5**	**76.50**	**22.50**	**30.00**	**24.00**
JMT Inc.	**6**	**76.50**	**22.50**	**30.00**	**24.00**
Broaddus & Associates	**7**	**75.00**	**21.00**	**30.00**	**24.00**
Kitchell_CEM, Inc.	8	69.50	21.00	26.00	22.50
LJA Engineering, Inc.	9	65.00	19.50	26.00	19.50
Skanska USA Building Inc.	10	63.00	21.00	24.00	18.00
Stanley Consultants, Inc.	11	62.00	21.00	26.00	15.00
Schmoldt Construction Management	12	60.00	18.00	24.00	18.00
Surespan USA, Inc.	13	52.00	16.50	22.00	13.50
P MCGOWAN CONSULTING GROUP LLC	14	48.50	13.50	20.00	15.00
Vidaurri Management Group	15	46.00	16.50	16.00	13.50
CONEXIG, LLC	16	34.50	10.50	12.00	12.00

Exhibit 2

RFQ 9002 - Evaluation Sheet for Prequalification for Vertical Project Management Services

Approved Firms with a score above 75 are highlighted

Construction Management					
Supplier	**Rank**	**Score**	**Experience and Qualifications of the Responding Firm - 30%**	**Past Performance and Experience on Projects - 40%**	**Proposed Personnel & Workload/Availability - 30%**
JMT Inc.	**1**	**81.50**	**22.50**	**32.00**	**27.00**
Westwood Professional Services, Inc.	**2**	**81.50**	**24.00**	**32.00**	**25.50**
Project Advocates, LLC	**3**	**80.50**	**24.00**	**34.00**	**22.50**
AECOM Technical Services, Inc.	**4**	**77.50**	**24.00**	**28.00**	**25.50**
LJA Engineering, Inc.	**5**	**77.00**	**22.50**	**32.00**	**22.50**
Freese and Nichols, Inc.	**6**	**76.00**	**22.50**	**28.00**	**25.50**
Kitchell_CEM, Inc.	7	73.00	21.00	28.00	24.00
Moran Consultants, LLC	8	69.50	22.50	26.00	21.00
Stanley Consultants, Inc.	9	65.00	19.50	26.00	19.50
Schmoldt Construction Management	10	63.50	19.50	26.00	18.00
Skanska USA Building Inc.	11	62.50	22.50	22.00	18.00
Greenville Enterprises LLC	12	55.00	18.00	22.00	15.00
Surespan USA, Inc.	13	55.00	18.00	22.00	15.00
P MCGOWAN CONSULTING GROUP LLC	14	50.50	13.50	22.00	15.00
Vidaurri Management Group	15	49.50	16.50	18.00	15.00

Exhibit 2

RFQ 9002 - Evaluation Sheet for Prequalification for Vertical Project Management Services

Approved Firms with a score above 75 are highlighted

Financial Management					
Supplier	**Rank**	**Score**	**Experience and Qualifications of the Responding Firm - 30%**	**Past Performance and Experience on Projects - 40%**	**Proposed Personnel & Workload/Availability - 30%**
OCMI, Inc.	**1**	**83.50**	**25.50**	**34.00**	**24.00**
AECOM Technical Services, Inc.	**2**	**83.00**	**25.50**	**32.00**	**25.50**
Project Advocates, LLC	**3**	**79.00**	**24.00**	**34.00**	**21.00**
Stanley Consultants, Inc.	4	66.50	22.50	26.00	18.00
Surespan USA, Inc.	5	63.50	21.00	26.00	16.50
Sunland Group, Inc.	6	63.00	19.50	24.00	19.50
Skanska USA Building Inc.	7	61.50	19.50	24.00	18.00
Schmoldt Construction Management	8	60.00	16.50	24.00	19.50
Vidaurri Management Group	9	51.50	16.50	20.00	15.00
P McGowan Consulting Group LLC	10	50.00	15.00	20.00	15.00

Exhibit 2

RFQ 9002 - Evaluation Sheet for Prequalification for Vertical Project Management Services

Approved Firms with a score above 75 are highlighted

On-site Quality Assurance					
Supplier	**Rank**	**Score**	**Experience and Qualifications of the Responding Firm - 30%**	**Past Performance and Experience on Projects - 40%**	**Proposed Personnel & Workload/Availability - 30%**
JMT Inc.	**1**	**84.50**	**25.50**	**32.00**	**27.00**
AECOM Technical Services, Inc.	**2**	**82.50**	**25.50**	**30.00**	**27.00**
OCMI, Inc.	**3**	**80.00**	**25.50**	**32.00**	**22.50**
Freese and Nichols, Inc.	**4**	**79.50**	**24.00**	**30.00**	**25.50**
Westwood Professional Services	5	71.00	21.00	26.00	24.00
Skanska USA Building Inc.	6	69.50	24.00	26.00	19.50
Schmoldt Construction Management	7	68.00	21.00	26.00	21.00
Stanley Consultants, Inc.	8	65.50	22.50	22.00	21.00
project advocates	9	65.00	19.50	26.00	19.50
Vidaurri Management Group	10	60.00	18.00	24.00	18.00
Greenville Enterprises LLC	11	56.00	18.00	20.00	18.00
Surespan USA, Inc.	12	53.00	18.00	20.00	15.00
P McGowan Consulting Group LLC	13	51.50	15.00	20.00	16.50

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO APPROVE A PRE-QUALIFIED PROFESSIONAL SERVICES LIST FOR PROJECT MANAGEMENT SERVICES FOR VARIOUS VERTICAL CONSTRUCTION PROJECTS WITHIN THE CITY OF DENTON FOR THE CAPITAL PROJECTS DEPARTMENT; AND PROVIDING AN EFFECTIVE DATE (RFQ 9002 – FOR ONE (1) YEAR, WITH THE OPTION FOR TWO (2) ADDITIONAL ONE (1) YEAR EXTENSIONS, IN THE TOTAL THREE (3) YEAR TERM).

WHEREAS, the City of Denton, Texas (the "City") desires to have a pool of professional firms ready to serve as contractors to provide the City with project management services on a continuing contract basis; and

WHEREAS, on January 30, 2026, the City issued a *Request for Qualifications No. 9002, Pre-Qualified Professional Services for Vertical Project Management Services* ("RFQ") for a pre-qualified professional services list for project management services for various vertical construction projects within the City of Denton for the Capital Projects Department, as detailed in the RFQ; and

WHEREAS, in response to the RFQ, which was in accordance with the provisions of Texas Government Code, Chapter 2254, the City evaluated each submission in accordance with selection criteria in order to determine the most qualified firms to provide the services; and

WHEREAS, the City staff has prepared a list attached as Exhibit "A" representing those firms whose qualifications and references demonstrated to be the most advantageous to the City; and

WHEREAS, awards to a professional firm on the list, which exceed the City Manager's delegation authority, will be brought to the City Council in compliance with all procurement statutes and local ordinances, considering the importance of price and other evaluation factors in the RFQ; and

WHEREAS, this procurement was undertaken as part of the City's governmental function; and

WHEREAS, the City Council finds that the selection of firms for the provision of services, pursuant to the terms, conditions, and specifications contained in the RFQ, should be approved and is in the best interest of the citizens of the City of Denton; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Council of the City of Denton, Texas, hereby approves the selection of professional contractors, which pre-qualified list is attached hereto as Exhibit "A" and incorporated by reference herein, for the provision of social services on a continuing contract basis

with the City of Denton, and pursuant to the *Request for Qualifications No. 9002, Pre-Qualified Professional Services for Vertical Project Management Services.*

SECTION 2. Any formal written agreement as a result of the acceptance, approval, and awarding of the proposals from the RFQ must be done in accordance with the procurement statutes and local ordinances; provided that, the City Manager, or their designee, may take any actions that may be required or permitted to be performed within their previously delegated authority.

SECTION 3. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____. The ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Leah Bush

RFQ 9002 - Prequalification for Vertical Project Management Services

Project/Program Management

Supplier	Rank	Score
AECOM Technical Services, Inc.	1	86.0
Hoar Program Management, LLC	2	86.0
Project Advocates	3	85.0
Westwood Professional Services	4	78.5
Freese and Nichols, Inc.	5	76.5
JMT Inc.	6	76.5
Broaddus & Associates	7	75.0

Financial Management

Supplier	Rank	Score
OCMI, Inc.	1	83.50
AECOM Technical Services, Inc.	2	83.00
Project Advocates	3	79.00

Construction Management

Supplier	Rank	Score
JMT Inc.	1	81.50
Westwood Professional Services	2	81.50
Project Advocates	3	80.50
AECOM Technical Services, Inc.	4	77.50
LJA Engineering, Inc.	5	77.00
Freese and Nichols, Inc.	6	76.00

On-site Quality Assurance

Supplier	Rank	Score
JMT Inc.	1	84.50
AECOM Technical Services, Inc.	2	82.50
OCMI, Inc.	3	80.00
Freese and Nichols, Inc.	4	79.50

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: June 2, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Hilltop Securities Asset Management, LLC, for investment advisory services for the City through the Finance Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 9020 – awarded to Hilltop Securities Asset Management, LLC, for two (2) years, with the option for one (1) additional two (2) year extension, in the total four (4) year not-to-exceed amount of $300,000.00).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Pursue Organizational Excellence and Collaborative and Respectful Leadership.

INFORMATION/BACKGROUND

The City's Finance Department is tasked with managing the City's investment portfolio with an external investment advisor. The investment process and the advisory contract are guided by the Public Funds Investment Act (PFIA), which allows a contract term no longer than two years and requires City Council approval to renew an additional two-year term. The current contract with Hilltop Securities Asset Management, LLC (HSAM) expired on May 16, 2026. Hilltop Securities Asset Management, LLC are investment advisors who are registered with the Securities and Exchange Commission and the Texas State Securities Board to provide non-discretionary portfolio management services.

Annual Amount (4 years x 68,000)	$272,000
Contingency	28,0000
Total Contract	**$300,000**

Request for Proposals was sent to 675 prospective suppliers, including 16 Denton firms. In addition, specifications were placed on the Procurement website for prospective suppliers to download and advertised in the local newspaper. Three (3) proposals were received, references were checked, and proposals were evaluated based upon published criteria, including compliance with specifications, key personnel, and price. Best and Final Offers (BAFO) were requested from the top firm. Based upon this evaluation, Hilltop Securities Asset Management, LLC was ranked the highest and determined to be the best value for the City.

NIGP Code Used for Solicitation:	946, 949, 958
Notifications sent for Solicitation sent in IonWave:	675
Number of Suppliers that viewed Solicitation in IonWave:	22
HUB-Historically Underutilized Business Invitations sent out:	112
SBE-Small Business Enterprise Invitations sent out:	234
Responses from Solicitation:	3

RECOMMENDATION

Award a contract with Hilltop Securities Asset Management, LLC, for investment advisory services for the City through the Finance Department, in a two (2) year, with the option for one (1) additional two (2) year extension, in the total four (4) year not-to-exceed amount of $300,000.

PRINCIPAL PLACE OF BUSINESS

Hilltop Securities Asset Management, LLC
Dallas, TX

ESTIMATED SCHEDULE OF PROJECT

This is an initial two (2) year contract with options to extend the contract for one (1) additional two (2) year period, with all terms and conditions remaining the same.

FISCAL INFORMATION

These services will be funded from the Treasury Contracts account 160099.7878. Requisition #175458 has been entered into the Purchasing software system in the amount of $35,000. The fiscal year budgeted amount for this item is $68,000 and will be budgeted in future fiscal years to align with the contract terms and expenditures.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Pricing Evaluation
Exhibit 3: Ordinance and Contract

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Randee Klingele, 940-349-8206.

Legal point of contact: Leah Bush at 940-349-8333.

Exhibit 2
RFP 9020 - Pricing Evaluation for Investment Advisory Services

				Respondent's Business Name:		Hilltop Securities Southwest Asset Management, LLC		Valley View Consulting, L.L.C.		Meeder Public Funds, Inc	
				Principal Place of Business (City and State):		Dallas, TX		Huddleston, VA		Austin, TX	
Line #	**Description**	**QTY**	**UOM**			**Unit**	**Extended**	**Unit**	**Extended**	**Unit**	**Extended**
1	Advisory Services	4	Quarterly			**$17,000.00**	**$68,000.00**		$75,000.00		$120,000.00
2	Monthly Reporting (included in Advisory Services)	12	Monthly			**0**	**Fee Waived**		$3,000.00		Included
3	Quarterly Reporting (included in Advisory Services)	4	Quarterly			**0**	**Included in Monthly Fee**		$2,000.00		Included

Evaluation

Item #	**Standard Criteria**	**Hilltop Securities Southwest Asset Management, LLC**	Valley View Consulting, L.L.C.	Meeder Public Funds, Inc
1	Key Project Personnel - 45%	**45.00**	36.00	30.00
2	Compliance with Specifications - 25%	**25.00**	20.00	15.00
3	Price, Total Cost of Ownership - 30%	**30.00**	25.50	17.00
	Total Score:	**100.00**	81.50	62.00

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH HILLTOP SECURITIES ASSET MANAGEMENT, LLC, FOR INVESTMENT ADVISORY SERVICES FOR THE CITY THROUGH THE FINANCE DEPARTMENT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFP 9020 – AWARDED TO HILLTOP SECURITIES ASSET MANAGEMENT, LLC, FOR TWO (2) YEARS, WITH THE OPTION FOR ONE (1) ADDITIONAL TWO (2) YEAR EXTENSION, IN THE TOTAL FOUR (4) YEAR NOT-TO-EXCEED AMOUNT OF $300,000.00).

WHEREAS, the City has solicited, received, and evaluated competitive proposals for investment advisory services for the City through the Finance Department; and

WHEREAS, the City Manager, or a designated employee, has received, reviewed, and recommended that the herein described proposals are the most advantageous to the City considering the relative importance of price and the other evaluation factors included in the request for proposals; and

WHEREAS, this procurement was undertaken as part of the City's governmental function; and

WHEREAS, the City Council has provided in the City Budget for the appropriation of funds to be used for the purchase of the materials, equipment, supplies, or services approved and accepted herein; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The items in the following numbered request for proposal for materials, equipment, supplies, or services shown in the "Request Proposals" on file in the office of the Purchasing Agent, are hereby accepted and approved as being the most advantageous to the City considering the relative importance of price and the other evaluation factors included in the request for proposals.

RFP NUMBER	CONTRACTOR	AMOUNT
9020	Hilltop Securities Asset Management, LLC	$300,000.00

SECTION 2. That by the acceptance and approval of the above numbered items of the submitted proposals, the City accepts the offer of the persons submitting the proposals for such items and agrees to purchase the materials, equipment, supplies, or services in accordance with the terms, specifications, standards, quantities, and for the specified sums contained in the Proposal Invitations, Proposals, and related documents.

SECTION 3. That should the City and person submitting approved and accepted items wish to enter into a formal written agreement as a result of the acceptance, approval, and awarding of the proposals, the City Manager, or their designated representative, is hereby authorized to execute the written contract which shall be attached hereto; provided that the written contract is in accordance with the terms, conditions, specifications, standards, quantities, and specified sums contained in the Proposal and related documents herein approved and accepted.

SECTION 4. The City Council of the City of Denton hereby expressly delegates the authority to take any actions that may be required or permitted to be performed by the City of Denton under this ordinance to the City Manager of the City of Denton, or their designee.

SECTION 5. By the acceptance and approval of the above enumerated bids, the City Council hereby authorizes the expenditure of funds therefor in the amount and in accordance with the approved bids.

SECTION 6. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____. The ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

Susan Keller
Digitally signed by Susan Keller
Date: 2026.05.21 15:37:47 -05'00'

BY: _____

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Docusign City Council Transmittal Coversheet

RFP	9020
File Name	Investment Advisory Services
Purchasing Contact	Christina Dormady
City Council Target Date	
Piggy Back Option	Yes
Contract Expiration	
Ordinance	

Initial
LH

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PROFESSIONAL SERVICES AGREEMENT
FOR CONSULTING SERVICES
FILE 9020

STATE OF TEXAS §

COUNTY OF DENTON §

THIS AGREEMENT (the "Agreement") is made and entered into on _____, by and between the City of Denton, Texas, a Texas municipal corporation, with its principal office at 215 East McKinney Street, Denton, Denton County, Texas 76201, hereinafter called "OWNER" and Hilltop Securities Asset Management, LLC, with its corporate office at 717 N. Harwood St. Ste 3400 Dallas, TX 75201, hereinafter called "CONSULTANT," acting herein, by and through their duly authorized representatives.

WITNESSETH, that in consideration of the covenants and agreements herein contained, the parties hereto do mutually agree as follows:

ARTICLE I
CONSULTANT AS INDEPENDENT CONTRACTOR

The OWNER has selected CONSULTANT on the basis of demonstrated competence and qualifications to perform the services herein described for a fair and reasonable price pursuant to Chapter 2254 of the Texas Government Code. The OWNER hereby contracts with the CONSULTANT as an independent contractor and not as an employee, and as such, the OWNER will not assert control over the day-to-day operations of the CONSULTANT. The CONSULTANT is customarily engaged to provide services as described herein independently and on a nonexclusive basis in the course of its business. This Agreement does not in any way constitute a joint venture between OWNER and CONSULTANT. The CONSULTANT hereby agrees to perform the services described herein based on the skills required for the scope of work in connection with the Project as stated in the sections to follow, with diligence and in accordance with the highest professional standards customarily obtained for such services in the State of Texas. The professional services set out herein are in connection with the following described project:

The Project shall include, without limitation, Investment Advisory Services, as described in **Exhibit A**, which is on file at the purchasing office and incorporated herein (the "Project").

ARTICLE II
SCOPE OF BASIC SERVICES

The CONSULTANT shall perform the following services in a professional manner:

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A. The CONSULTANT shall perform all those services as necessary and as described in the OWNER's RFP 9020 – Investment Advisory Services, which is on file at the purchasing office and made a part hereof as **Exhibit A** as if written word for word herein.

B. To perform all those services set forth in CONSULTANT's proposal, which proposal is attached hereto and made a part hereof as **Exhibit B** as if written word for word herein.

C. CONSULTANT shall perform all those services set forth in individual task orders, as described in **Exhibit B**, which shall be attached to this Agreement and made a part hereof.

D. If there is any conflict between the terms of this Agreement and the exhibits attached to this Agreement, the terms and conditions of this Agreement will control over the terms and conditions of the attached exhibits or task orders.

ARTICLE III
ADDITIONAL SERVICES

Additional services to be performed by the CONSULTANT, if authorized by the OWNER, which are not included in the above-described Basic Services, may be negotiated as needed, per rates included in **Exhibit C**.

A. Assisting OWNER in the defense or prosecution of litigation in connection with or in addition to those services contemplated by this AGREEMENT. Such services, if any, shall be furnished by CONSULTANT on a fee basis negotiated by the respective parties outside of and in addition to this AGREEMENT.

B. Visits to the site in excess of the number of trips included in **Exhibit B**.

C. Preparing statements for invoicing or other documentation for billing other than for the standard invoice for services attached to this professional services agreement.

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ARTICLE IV
TIME OF COMPLETION

CONSULTANT is authorized to commence work under this contract upon execution of this AGREEMENT. CONSULTANT shall perform and complete its obligations herein in a prompt and continuous manner, so as to not delay the completion of the Project in accordance with the schedules as described in **Exhibit B**. The contract shall remain effective for a two (2) year period with the option to renew for an additional two (2) year period upon council approval. At the sole option of the City of Denton, the Contract may be further extended as needed, not to exceed a total of six (6) months.

Scope of Investment Decisions.
In performing the services listed in Section II. A above, the CONSULTANT shall not have discretionary authority and, accordingly, shall obtain approval from the OWNER for the purchase or sale of securities prior to execution. The OWNER hereby represents and acknowledges that its written investment policy and investment strategy includes its investment objectives and all portfolio limitations and restrictions, including, without limitation, acceptable levels of investment risk. The OWNER also agrees to notify the CONSULTANT in writing ten (10) business days in advance of the implementation of any changes in the OWNER'S investment objectives, investment limitations, and/or financial condition.

Return on the Portfolio.
The OWNER expressly affirms and acknowledges that the CONSULTANT not promised or guaranteed any stated or specified return on, or performance of, the Investor's investment portfolio. The CONSULTANT may rely upon all information regarding cashflow schedules or other information pertaining to the Portfolio as provided by the OWNER as being true and accurate. The OWNER recognizes that there may be loss or depreciation of the current liquidation, immediate and ongoing value of any investment due to the fluctuation of market values. The OWNER represents that no party to this Agreement has made any guarantee, either oral or written, that the OWNER'S investment objectives will be achieved. The CONSULTANT shall not be liable for any error in judgment and/or for any investment losses in the Portfolio in the absence of willful malfeasance, gross negligence, or violation of applicable law.

Nothing in this Agreement shall constitute a waiver or limitation of any rights that the OWNER may have under applicable state or federal law including without limitation, the state and federal securities laws.

ARTICLE V
COMPENSATION

A. COMPENSATION TERMS:

1. "Subcontract Expense" is defined as expenses incurred by the CONSULTANT in employment of others in outside firms for services related to this agreement.

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2. "Direct Non-Labor Expense" is defined as that expense for any assignment incurred by the CONSULTANT for supplies, transportation and equipment, travel, communications, subsistence, and lodging away from home, and similar incidental expenses in connection with that assignment.

B. BILLING AND PAYMENT: For and in consideration of the professional services to be performed by the CONSULTANT herein, the OWNER agrees to pay, based on the cost estimate detail at rate shown in **Exhibit C** which is attached hereto and made a part of this Agreement as if written word for word herein, a total fee, including reimbursement for direct non-labor expenses not to exceed $300,000.

Partial payments to the CONSULTANT will be made on the basis of detailed monthly statements rendered to and approved by the OWNER through its City Manager or his designee; however, under no circumstances shall any monthly statement for services exceed the value of the work performed at the time a statement is rendered.

Nothing contained in this Article shall require the OWNER to pay for any work which is unsatisfactory, as reasonably determined by the City Manager or his designee, or which is not submitted in compliance with the terms of this Agreement. The OWNER shall not be required to make any payments to the CONSULTANT when the CONSULTANT is in default under this Agreement.

It is specifically understood and agreed that the CONSULTANT shall not be authorized to undertake any work pursuant to this Agreement which would require additional payments by the OWNER for any charge, expense, or reimbursement above the maximum not to exceed fee as stated, without first having obtained written authorization from the OWNER. The CONSULTANT shall not proceed to perform the services listed in Article III "Additional Services," without obtaining prior written authorization from the OWNER.

C. ADDITIONAL SERVICES: For additional services authorized in writing by the OWNER in Article III, the CONSULTANT shall be paid based on the Schedule of Charges at rate shown in **Exhibit C**. Payments for additional services shall be due and payable upon submission by the CONSULTANT and approval by the City staff, and shall be in accordance with subsection B hereof. Statements shall not be submitted more frequently than monthly.

D. PAYMENT: If the OWNER fails to make payments due the CONSULTANT for services and expenses within thirty (30) days after receipt of the CONSULTANT's undisputed statement thereof, the amounts due the CONSULTANT will be paid interest in accordance with the Texas Government Code 2251.025. Additionally, the CONSULTANT may, after giving seven (7) days' written notice to the OWNER, suspend services under this Agreement until the CONSULTANT has been paid in full all amounts due for services, expenses, and charges. Nothing herein shall require the OWNER to pay the late charge if the OWNER reasonably determines that the work is unsatisfactory, in accordance with this Article V, "Compensation," there is a bona fide

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dispute concerning the amount due, or the invoice was not mailed to the address or in the form as described in this Agreement. The OWNER will notify CONSULTANT of any disputes within twenty-one (21) days of receipt of the invoice.

E. **Invoices** shall be sent directly to the City of Denton Accounts Payable Department, 215 E McKinney St, Denton, TX, 76201-4299. A pro-forma invoice shall be sent to the contract administrator. It is the intention of the City of Denton to make payment on completed orders within thirty days after receipt of invoice or items; whichever is later, unless unusual circumstances arise. **Invoices must be fully documented as to labor, materials, and equipment provided, if applicable, and must reference the City of Denton Purchase Order Number in order to be processed. No payments shall be made on invoices not listing a Purchase Order Number.**

ARTICLE VI
OBSERVATION AND REVIEW OF THE WORK

The CONSULTANT will exercise reasonable care and due diligence in discovering and promptly reporting to the OWNER any defects or deficiencies in the work of the CONSULTANT or any subcontractors or subconsultants.

ARTICLE VII
OWNERSHIP OF DOCUMENTS

All documents prepared or furnished by the CONSULTANT (and CONSULTANT's subcontractors or subconsultants) pursuant to this Agreement are instruments of service, and shall become the property of the OWNER upon the termination of this Agreement. The CONSULTANT is entitled to retain copies of all such documents. The documents prepared and furnished by the CONSULTANT are intended only to be applicable to this Project, and OWNER's use of these documents in other projects shall be at OWNER's sole risk and expense. In the event the OWNER uses any of the information or materials developed pursuant to this Agreement in another project or for other purposes than specified herein, CONSULTANT is released from any and all liability relating to their use in that project.

ARTICLE VIII
INDEMNITY AGREEMENT

THE CONSULTANT SHALL INDEMNIFY AND SAVE AND HOLD HARMLESS THE OWNER AND ITS OFFICERS, OFFICIALS, AGENTS, AND EMPLOYEES FROM AND AGAINST ANY AND ALL LIABILITY, CLAIMS, DEMANDS, DAMAGES, LOSSES, AND EXPENSES, INCLUDING, BUT NOT LIMITED TO COURT COSTS AND REASONABLE ATTORNEY FEES ASSERTED AGAINST OR INCURRED BY THE OWNER, AND INCLUDING, WITHOUT LIMITATION, DAMAGES FOR BODILY AND PERSONAL INJURY, DEATH AND PROPERTY DAMAGE, RESULTING FROM THE NEGLIGENT ACTS OR OMISSIONS OF THE CONSULTANT OR ITS OFFICERS, SHAREHOLDERS, AGENTS, OR EMPLOYEES

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INCIDENTAL TO, RELATED TO, AND IN THE EXECUTION, OPERATION, OR PERFORMANCE OF THIS AGREEMENT.

Nothing in this Agreement shall be construed to create a liability to any person who is not a party to this Agreement, and nothing herein shall waive any of the parties' defenses, both at law or equity, to any claim, cause of action, or litigation filed by anyone not a party to this Agreement, including the defense of governmental immunity, which defenses are hereby expressly reserved.

ARTICLE IX
INSURANCE

During the performance of the services under this Agreement, CONSULTANT shall maintain insurance in compliance with the requirements of **Exhibit D** which is attached hereto and made a part of this Agreement as if written word for word herein.

ARTICLE X
ALTERNATIVE DISPUTE RESOLUTION

The parties may agree to settle any disputes under this Agreement by submitting the dispute to mediation with each party bearing its own costs of mediation. No mediation arising out of or relating to this Agreement, involving one party's disagreement may include the other party to the disagreement without the other's approval. Mediation will not be a condition precedent to suit.

ARTICLE XI
TERMINATION OF AGREEMENT

A. Notwithstanding any other provision of this Agreement, either party may terminate by giving thirty (30) days' advance written notice to the other party.

B. This Agreement may be terminated in whole or in part in the event of either party substantially failing to fulfill its obligations under this Agreement. No such termination will be affected unless the other party is given (1) written notice (delivered by certified mail, return receipt requested) of intent to terminate and setting forth the reasons specifying the non-performance, and not less than fifteen (15) calendar days to cure the failure; and (2) an opportunity for consultation with the terminating party prior to termination.

C. If the Agreement is terminated prior to completion of the services to be provided hereunder, CONSULTANT shall immediately cease all services and shall render a final bill for services to the OWNER within thirty (30) days after the date of termination. The OWNER shall pay CONSULTANT for all services properly rendered and satisfactorily performed and for reimbursable expenses to termination incurred prior to the date of termination, in accordance with Article V "Compensation." Should the OWNER subsequently contract with a new consultant for the continuation of services on the

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Project, CONSULTANT shall cooperate in providing information. The CONSULTANT shall turn over all documents prepared or furnished by CONSULTANT pursuant to this Agreement to the OWNER on or before the date of termination, but may maintain copies of such documents for its use.

ARTICLE XII
RESPONSIBILITY FOR CLAIMS AND LIABILITIES

Approval by the OWNER shall not constitute, nor be deemed a release of the responsibility and liability of the CONSULTANT, its employees, associates, agents, subcontractors, and subconsultants for the accuracy and competency of their designs or other work; nor shall such approval be deemed to be an assumption of such responsibility by the OWNER for any defect in the design or other work prepared by the CONSULTANT, its employees, subcontractors, agents, and consultants.

ARTICLE XIII
NOTICES

All notices, communications, and reports required or permitted under this Agreement shall be personally delivered or mailed to the respective parties by depositing same in the United States mail to the address shown below, certified mail, return receipt requested, unless otherwise specified herein. Mailed notices shall be deemed communicated as of three (3) days' mailing:

To CONSULTANT:	To OWNER:
Hilltop Securities Asset Management, LLC Scott McIntyre 717 N. Harwood St. Ste 3400, Dallas, TX 75201	City of Denton Purchasing Manager –File 9020 901B Texas Street Denton, Texas 76201

All notices shall be deemed effective upon receipt by the party to whom such notice is given, or within three (3) days' mailing.

ARTICLE XIV
ENTIRE AGREEMENT

This Agreement and related exhibits constitute the complete and final expression of this Agreement of the parties, and is intended as a complete and exclusive statement of the terms of their agreements, and supersedes all prior contemporaneous offers, promises, representations, negotiations, discussions, communications, and agreements which may have been made in connection with the subject matter hereof.

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ARTICLE XV
SEVERABILITY

If any provision of this Agreement is found or deemed by a court of competent jurisdiction to be invalid or unenforceable, it shall be considered severable from the remainder of this Agreement and shall not cause the remainder to be invalid or unenforceable. In such event, the parties shall reform this Agreement to replace such stricken provision with a valid and enforceable provision which comes as close as possible to expressing the intention of the stricken provision.

ARTICLE XVI
COMPLIANCE WITH LAWS

The CONSULTANT shall comply with all federal, state, and local laws, rules, regulations, and ordinances applicable to the work covered hereunder as those laws may now read or hereinafter be amended.

ARTICLE XVII
DISCRIMINATION PROHIBITED

In performing the services required hereunder, the CONSULTANT shall not discriminate against any person on the basis of race, color, religion, sex, sexual orientation, national origin or ancestry, age, or physical handicap.

ARTICLE XVIII
PERSONNEL

A. The CONSULTANT represents that it has or will secure, at its own expense, all personnel required to perform all the services required under this Agreement. Such personnel shall not be employees or officers of, or have any contractual relations with the OWNER. CONSULTANT shall inform the OWNER of any conflict of interest or potential conflict of interest that may arise during the term of this Agreement.

B. All services required hereunder will be performed by the CONSULTANT or under its supervision. All personnel engaged in work shall be qualified, and shall be authorized and permitted under state and local laws to perform such services.

ARTICLE XIX
ASSIGNABILITY

The CONSULTANT acknowledges that this Agreement is based on the demonstrated competence and specific qualifications of the CONSULTANT and is therefore personal as to the CONSULTANT. Therefore, the CONSULTANT shall not assign any interest in this Agreement, and shall not transfer any interest in this Agreement (whether by assignment, novation, or otherwise) without the prior written consent of the OWNER.

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ARTICLE XX
MODIFICATION

No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the party to be charged therewith, and no evidence of any waiver or modification shall be offered or received in evidence in any proceeding arising between the parties hereto out of or affecting this Agreement, or the rights or obligations of the parties hereunder, and unless such waiver or modification is in writing and duly executed; and the parties further agree that the provisions of this section will not be waived unless as set forth herein.

ARTICLE XXI
MISCELLANEOUS

A. The following exhibits are attached to and made a part of this Agreement:

Exhibit A – RFP 9020 – Assessment of Organization Structure Related to Capital Projects for the City of Denton (on file at the purchasing office)
Exhibit B – Consultant's Proposal
Exhibit C – Consultant's Compensation Rate Sheet
Exhibit D – Consultant's Insurance Requirements

What is called for by one exhibit shall be as binding as if called for by all. In the event of an inconsistency or conflict in this Agreement and any of the provisions of the exhibits, the inconsistency or conflict shall be resolved by giving precedence first to this Agreement then to the exhibits in the order in which they are listed above.

B. This Agreement shall be governed by, construed, and enforced in accordance with, and subject to, the laws of the State of Texas or federal law, where applicable, without regard to the conflict of law principles of any jurisdiction. In the event there shall be any dispute arising out of the terms and conditions of, or in connection with, this Agreement, the party seeking relief shall submit such dispute to the District Courts of Denton County or if federal diversity or subject matter jurisdiction exists, to the United States District Court for the Eastern District of Texas-Sherman Division.

C. For the purpose of this Agreement, the key persons who will perform most of the work hereunder shall be Scott McIntyre. However, nothing herein shall limit CONSULTANT from using other equally qualified and competent members of its firm to perform the services required herein.

D. CONSULTANT shall commence, carry on, and complete any and all projects with all applicable dispatch, in a sound, economical, and efficient manner and in accordance with the provisions hereof. In accomplishing the projects, CONSULTANT shall take such

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steps as are appropriate to ensure that the work involved is properly coordinated with related work being carried on by the OWNER.

E. The OWNER shall assist the CONSULTANT by placing at the CONSULTANT's disposal all available information pertinent to the Project, including previous reports, any other data relative to the Project, and arranging for the access thereto, and make all provisions for the CONSULTANT to enter in or upon public and private property as required for the CONSULTANT to perform services under this Agreement.

F. The captions of this Agreement are for informational purposes only, and shall not in any way affect the substantive terms or conditions of this Agreement.

G. The parties agree to transact business electronically. Any statutory requirements that certain terms be in writing will be satisfied using electronic documents and signing. Electronic signing of this document will be deemed an original for all legal purposes.

ARTICLE XXII
INDEPENDENT CONTRACTOR

CONSULTANT shall provide services to OWNER as an independent contractor, not as an employee of the OWNER. CONSULTANT shall not have or claim any right arising from employee status.

ARTICLE XXIII
RIGHT TO AUDIT

The OWNER shall have the right to audit and make copies of the books, records and computations pertaining to this agreement. The CONTRACTOR shall retain such books, records, documents and other evidence pertaining to this agreement during the contract period and five years thereafter, except if an audit is in progress or audit findings are yet unresolved, in which case records shall be kept until all audit tasks are completed and resolved. These books, records, documents and other evidence shall be available, within 10 business days of written request. Further, the CONTRACTOR shall also require all Subcontractors, material suppliers, and other payees to retain all books, records, documents and other evidence pertaining to this agreement, and to allow the OWNER similar access to those documents. All books and records will be made available within a 50 mile radius of the City of Denton. The cost of the audit will be borne by the OWNER unless the audit reveals an overpayment of 1% or greater. If an overpayment of 1% or greater occurs, the reasonable cost of the audit, including any travel costs, must be borne by the CONTRACTOR which must be payable within five business days of receipt of an invoice.

Failure to comply with the provisions of this section shall be a material breach of this contract and shall constitute, in the OWNER'S sole discretion, grounds for termination thereof. Each of the terms "books", "records", "documents" and "other evidence", as used above, shall be construed to include drafts and electronic files, even if such drafts or electronic files are subsequently used to generate or prepare a final printed document.

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ARTICLE XXIV
PROHIBITION ON CONTRACTS WITH COMPANIES BOYCOTTING ISRAEL

Contractor acknowledges that in accordance with Chapter 2271 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services 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 terms "boycott Israel" and "company" shall have the meanings ascribed to those terms in Section 808.001 of the Texas Government Code. ***By signing this agreement, Contractor certifies that Contractor's signature provides written verification to the City that Contractor: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the agreement.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

ARTICLE XXV
PROHIBITION ON CONTRACTS WITH COMPANIES DOING BUSINESS WITH IRAN, SUDAN, OR A FOREIGN TERRORIST ORGANIZATION

Sections 2252 and 2270 of the Texas Government Code restricts CITY from contracting with companies that do business with Iran, Sudan, or a foreign terrorist organization. ***By signing this agreement, Contractor certifies that Contractor's signature provides written verification to the City that Contractor, pursuant to Chapters 2252 and 2270, is not ineligible to enter into this agreement and will not become ineligible to receive payments under this agreement by doing business with Iran, Sudan, or a foreign terrorist organization***. Failure to meet or maintain the requirements under this provision will be considered a material breach.

ARTICLE XXVI
PROHIBITION ON CONTRACTS WITH COMPANIES BOYCOTTING CERTAIN ENERGY COMPANIES

Contractor acknowledges that in accordance with Chapter 2274 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains written verification from the company that it (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the contract. The terms "boycott energy company" and "company" shall have the meanings ascribed to those terms in Section 809.001 of the Texas Government Code. ***By signing this agreement, Contractor certifies that Contractor's signature provides written verification to the City that Contractor: (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the agreement.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

ARTICLE XXVII
PROHIBITION ON CONTRACTS WITH COMPANIES BOYCOTTING CERTAIN FIREARM ENTITIES AND FIREARM TRADE ASSOCIATIONS

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Contractor acknowledges that in accordance with Chapter 2274 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains written verification from the company that it (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 terms "discriminate against a firearm entity or firearm trade association," "firearm entity" and "firearm trade association" shall have the meanings ascribed to those terms in Chapter 2274 of the Texas Government Code. ***By signing this agreement, Contractor certifies that Contractor's signature provides written verification to the City that Contractor: (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*.** Failure to meet or maintain the requirements under this provision will be considered a material breach.

ARTICLE XXVIII
TERMINATION RIGHT FOR CONTRACTS WITH COMPANIES DOING BUSINESS WITH CERTAIN FOREIGN-OWNED COMPANIES

The City of Denton may terminate this Contract immediately without any further liability if the City of Denton determines, in its sole judgment, that this Contract meets the requirements under Chapter 2274, and Contractor is, or will be in the future, (i) owned by or the majority of stock or other ownership interest of the company is held or controlled by individuals who are citizens of China, Iran, North Korea, Russia, or other designated country (ii) directly controlled by the Government of China, Iran, North Korea, Russia, or other designated country, or (iii) is headquartered in China, Iran, North Korea, Russia, or other designated country.

ARTICLE XXIX
CERTIFICATE OF INTERESTED PARTIES ELECTRONIC FILING

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that the City may not enter into this contract unless the Consultant submits a disclosure of interested parties (Form 1295) to the City at the time the Consultant submits the signed contract. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Commission.

Consultant will be required to furnish a Certificate of Interest Parties before the contract is awarded, in accordance with Government Code 2252.908.

The consultant shall:

1. Log onto the State Ethics Commission Website at : https://www.ethics.state.tx.us/filinginfo/1295/
2. Register utilizing the tutorial provided by the State
3. Print a copy of the completed Form 1295
4. Enter the Certificate Number on page 2 of this contract.

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5. Complete and sign the Form 1295
6. Email the form to purchasing@cityofdenton.com with the contract number in the subject line. (EX: Contract 1234 – Form 1295)

The OWNER must acknowledge the receipt of the filed Form 1295 not later than the 30th day after Council award. Once a Form 1295 is acknowledged, it will be posted to the Texas Ethics Commission's website within seven business days.

ARTICLE XXX
PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS

No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation as defined in the City's Ethic Ordinance 23-1165 and in the City Charter chapter 2 article XI(Ethics). Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City. The Consultant shall complete and submit the City's Conflict of Interest Questionnaire.

The parties agree to transact business electronically. Any statutory requirements that certain terms be in writing will be satisfied using electronic documents and signing. Electronic signing of this document will be deemed an original for all legal purposes.

IN WITNESS HEREOF, the City of Denton, Texas has caused this Agreement to be executed by its duly authorized City Manager, and CONSULTANT has executed this Agreement through its duly authorized undersigned officer on this date_____.

BY:
CONSULTANT
HILLTOP SECURITIES ASSET MANAGEMENT, LLC

DocuSigned by:
Scott McIntyre
D111FD0F12FC49F...

Managing Director
Authorized Agent, Title

Full Name: Scott McIntyre

Exempt
TEXAS ETHICS COMMISSION CERTIFICATE NUMBER

Docusign Envelope ID: 8A4773D8-1844-4BDF-8EAE-1D71CFA85087

BY:
CITY OF DENTON, TEXAS

_____
Cassey Ogden, Interim City Manager

ATTEST:

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

Signed by:
BY: Leah Bush
3A6254145BDA469...

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

Signed by:
M. Hamilton
AF4297EA105A42F...
SIGNATURE

Chief Financial Officer
TITLE

Finance
DEPARTMENT

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Exhibit A
RFP - 9020 – Investment Advisory Services
(on file in the purchasing office)

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Exhibit B

Proposal to Provide Investment Advisory Services RFP 9020

City of Denton, Texas

March 25, 2026

CONTACT:

Scott D. McIntyre, Managing Director

scott.mcintyre@hilltopsecurities.com

2700 Via Fortuna, Suite 410, Austin, Texas 78746

Office Phone: 512.481.2009, Fax: 512.481.2020

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March 25, 2026

Submitted via portal upload Ionwave
Ms. Christina Dormady
Purchasing
City of Denton
901B Texas Street
Denton, TX 76209

Dear Ms. Dormady:

On behalf of HilltopSecurities Asset Management, LLC ("HSAM"), I appreciate the opportunity to submit our proposal to continue providing investment advisory services to the City of Denton, Texas (the "City"). HSAM believes our long history of helping public entities meet their financial goals highly qualifies our firm to assist the City in the range of investment services it seeks. We hope the City will consider HSAM for the following reasons:

Trust. HSAM has been providing quality financial services and *peace of mind* to its local government clients since 1988. As conservative investment managers who carefully adhere to requirements of state governing law as well as individual client policies, we consider safety to be paramount. *Having experienced HSAM professionals in your corner adds peace of mind.*

Public Funds Knowledge. HSAM has been working *exclusively* with conservative local government clients since its inception. As of December 31, 2025, HSAM actively managed $37.7 billion for dozens of local governments. In addition, we served as the investment advisor for an additional $13.11 billion, participating in strategy development, market and economic analysis, and selection of prudent security alternatives.

Personal Attention and Service. HSAM's advisory clients are highly important to us, and we are committed to our responsibilities. Because we manage a select number of accounts, we are able to take the time to understand each client's individual needs and objectives. Through frequent communication of relevant market news, interest rates, and specific securities, we can offer each person on the City's staff the opportunity to continually develop his or her own investment skills.

Proper Staffing. We pride ourselves on being responsive. This means we have five experienced investment professionals and two dedicated reporting experts working on your behalf, *all with accounting backgrounds*. In addition, there are three compliance officers on staff and dozens of analysts, market specialists and IT personnel ready to assist as needed. Professionals throughout the company act as resources, assuring that client objectives are met. *HSAM's engagement for the City will be led by* ***Scott McIntyre****, Managing Director and Senior Portfolio Manager,* who will coordinate all services from HSAM's Austin, Texas office (2700 Via Fortuna, Suite 410, Austin, TX 78746). Some services and support may be provided from Hilltop Securities Inc.'s corporate headquarters in Dallas, Texas (717 N. Harwood Street, Suite 3400, Dallas, TX 75201).

Cash Management Expertise. HSAM's service extends far beyond assisting in the management of funds. As Certified Treasury Professionals, we are able to lend valuable experience in the formulation of prudent investment policies as well as effective strategies in changing market conditions. In addition, several members of our management team have investment accounting backgrounds, a useful resource when linking earnings to ledgers.

Exceptional Reporting Capabilities. HSAM produces timely and comprehensive reports, *with online access*, allowing the City to quickly understand and assess its portfolio position, if it chooses the reporting option. We also provide

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regular market and economic updates as well as a bi-weekly investment strategy conference call to inform our clients of news and events that affect investment earnings.

Scope of Services. In addition to investment management services, HSAM offers in-house arbitrage rebate calculations and its affiliate, Hilltop Securities Inc., offers continuing disclosure and financial advisory services. The firm also offers a full range of structured financial products and services designed to meet the balance sheet management needs of its clients. The knowledge and experience of the entire firm is available as a resource to the City's staff.

Commitment. HSAM specializes in providing prudent advice and management of public funds. Our commitment is to consistently maintain the highest level of integrity in the financial industry, while seeking above average investment returns based on the safety and security of principal. By design, we provide services to a carefully controlled number of accounts, allowing us to work with our clients on an individual basis and ensure their investment needs are met. With this high level of service and commitment, we are able to maximize the objectives of our valued clients.

HSAM genuinely appreciates the opportunity to assist the City with its investments. If you have any questions during the selection process or need additional information, please do not hesitate to call me at 512.481.2009, or e-mail scott.mcintyre@hilltopsecurities.com.

We would be honored to continue and strengthen our relationship with the City.

Sincerely yours,

Scott D. McIntyre, CFA
Managing Director

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Appendix A Hilltop Securities Asset Management, LLC Form ADV Part II

Appendix B Sample Report

Appendix C Sample Commentary

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1. MINIMUM SERVICE REQUIREMENTS

Proven Experience

As of December 31, 2025, HSAM managed a total of $37.7 billion in assets for 60 public sector clients, **including 20 Texas cities with over $9.6 billion under management**. Overall, individual client assets range from a low of $8.8 million, to a high of $3.5 billion. The average per client is $628 million while the median client portfolio is $454 million. The average client tenure is just over eleven years. In addition, we served in an advisory capacity (no trade execution) for another $13.1 billion, bringing the total of assets under management or advisory services to over $50 billion.

Our exclusive focus is on fixed income securities as allowed by the PFIA. All of our assets under management are considered non-discretionary, requiring client approval prior to all transactions. HSAM's entire program was developed and refined to meet the needs of local governments, and our report set was designed to adhere to PFIA requirements. The City of Denton would be an ideal fit.

HSAM focuses solely on the management of local government funds with over 90% of its client base in the state of Texas. We work with a number of large cities in the DFW area including Coppell, Denton, Frisco, Richardson and Southlake as well as the Tarrant County Hospital District (JPS Health).

The similarity of accounts allows us to gain significant economies of scale and leverage solutions to questions common to local governments. We frequently share this information both one-on-one with our clients and in workshops and classes. Our two senior managers have been with the firm for over 25 years and regularly provide investment training to governmental entities through the North Central Texas Council of Governments and partner organizations such as GTOT and GFOAT. In addition, HSAM provides 10 hours of annual PFIA-compliant investment training, with CPE credits.

The following graph summarizes our assets by year for the past five years, broken down by category of services. Advisory assets are a consulting arrangement where the client retains the responsibility for executing transactions. Management assets represent those where HSAM executes transactions (on a non-discretionary basis).

The following graphs summarize the composition of portfolios currently under management and reflect the breakdown of assets under management by client type and security type:

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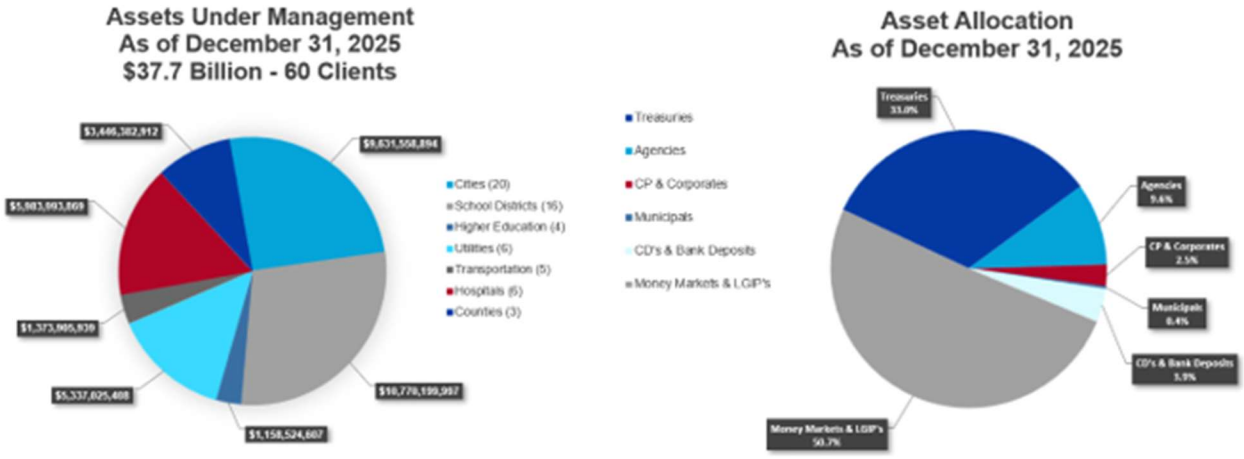

HilltopSecurities Asset Management, LLC ("HSAM") meets all of the minimum service requirements and is committed to providing the services outlined below. We have served as the City's investment advisor for many years and have demonstrated our ability to meet the City's requirements.

a. Be a registered Investment Advisor as defined and regulated by the Securities and Exchange Commission and be registered with the Texas State Securities Board.

HSAM is a federally registered Investment Advisor and is registered in the State of Texas via a notice filing. A copy of the firm's Form ADV part II filed with SEC, which includes evidence of the firm's registration with the State of Texas, is attached as ***Appendix A.***

b. Be either completely independent of any financial institution or securities brokerage firm; or fully and continuously disclose any relationships with such financial institution(s) and/or securities brokerage firm(s), and further disclose any commissions, bonuses, or soft-dollar payments resulting from the firm's relationship with the City.

As a registered investment advisor, HSAM does not act as a broker or a dealer in securities. Our affiliate, Hilltop Securities Inc., serves as broker in securities for investments made by some local government clients. However, to maintain our independence, and prevent conflicts of interest, HSAM does not solicit bids or purchase any investments from our affiliate. All investment transactions made for our investment management clients are performed on a competitive, best execution basis with non-affiliated brokers/dealers. There are no other business affiliations that will affect our investment management or performance. We will not pay any finders' fees or share any revenues with other firms. HSAM does not receive any soft-dollar compensation.

c. Take no possession of City monies or investment securities, nor have access to or control over such monies and/or securities, unless said firm has a securities clearing operation to buy and sell financial instruments on behalf of its customers. If the latter is the case, the advisor will be required to remit random broker/dealer tickets for review by the City on a quarterly basis.

HSAM never takes possession of the City's funds or securities and it never has access to or control over the City's monies or other securities.

d. Comply with City's Investment Policy, the Public Funds Investment Act (Texas Government Code, Chapter 2256) and the Collateral Act for Public Funds (Texas Government Code, Chapter 2257).

We are well-versed in the laws and regulations that govern public funds investment in the state and the City's investment policy.

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e. Review and recommend changes to the City's Investment Policy and ensure compliance.

HSAM will review and recommend changes to the City's investment policy.

f. Assist in developing and implementing investment strategies that will enhance portfolio performance under current and anticipated changes in market conditions within the parameters of established investment policies and cash flow needs.

Strategy will be cashflow appropriate, adjusted as market conditions warrant, and transparent. If need be, strategy will be presented to the investment committee for approval.

g. Provide non-discretionary management of the investment portfolio by acting solely in an advisory and administrative capacity within the guidelines of the City's Investment Policy.

All HSAM transactions are conducted on a non-discretionary basis, subject to client approval.

h. Provide daily, timely assessments of the market as well as a sample broker/dealer inventory pricing sheet for varying types of securities (e.g., commercial paper, U.S. federal agencies, U.S. Treasuries, taxable & tax-exempt municipals, and investment pools) at different maturity levels to aid City staff in planning purchases/sales.

As an HSAM client, the City will receive regular market updates, a daily relative value report, and periodic economic e-mails presented in layman's terms that summarize key economic data and market reactions. The City will also be invited to join our bi-weekly economic recap and investment strategy conference calls.

i. Execute securities purchases/sales upon verbal instructions from authorized investment officers. After a trade is executed, the advisor must confirm to the City by email all details of the trade, including the three most competitive offers/bids received. All security purchases and sales for the City must be conducted on a competitive basis. An official trade confirmation must be emailed or accessible on a web-based portal within 5 days of the transaction. The City is responsible for instructing the Custodian to either accept or deliver securities transacted through the advisor.

HSAM will execute all trades, provide an immediate trade ticket, written documentation and assistance in security clearance.

j. Advise the City on current conditions and other general information.

As an HSAM client, the City will receive regular market updates, a daily relative value report, and periodic economic e-mails presented in layman's terms that summarize key economic data and market reactions. The City will also be invited to join our bi-weekly economic recap and investment strategy conference calls.

k. Attend quarterly investment committee meetings in person or via teleconference to discuss portfolio performance, the economic environment, and market conditions. Attendance may be required, from time to time, by other governing or committee bodies of the City when the subject of investments is to be discussed.

An HSAM portfolio manager will attend quarterly meetings, and other required meetings, *as requested* by the City.

l. Provide bank collateral pricing and review when necessary.

HSAM will provide collateral pricing for the City upon request.

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2. INVESTMENT MANAGEMENT APPROACH

a) Outline steps that would be taken to ensure the City's objectives of safety, liquidity, and yield as well as to follow the parameters of the City's Investment Policy.

Most of the accounts we manage are driven by known cashflows such that funds flow in during a specific period of the year and are expected to be spent over a known period of time. In addition, the vast majority of our clients are subject to the Texas Public Investment Act. The City is no exception. Thus, both the first step in the investment approach *and the overriding philosophy is to ensure safety and provide adequate liquidity to fund expenditures*. This mirrors the primary investment objectives of the City and is provided for in the Texas Public Funds Investment Act. Ensuring safety, liquidity, and yield is part of our DNA.

The City's stated objective of ensuring safety of principal has always been a fundamental objective of HSAM. We're not advocates of chasing yield. There are opportunities to invest in select higher yielding investments, but with few exceptions, these present more principal risk than we feel is appropriate for a local government investor.

Our investment philosophy is ***conservative in nature***, but we believe a thorough discussion and understanding of the risk profile unique to each client is an important step in determining the asset mix of any portfolio. After this, we determine only those market sectors that adhere to written policy and best meet the City's primary safety goals.

Yield is a function of the total process including investment strategy, security selection, and market conditions to name a few. By carefully managing the entire process, the City's final objective of obtaining a market rate of yield will be met.

While the underlying philosophy and adherence to safety remain constant, we must be mindful of an ever changing environment. Global financial conditions, a virtual non-factor ten years ago, now play a prominent role in domestic financial markets and exert a great deal of influence on investment decisions. The recent global pandemic and the subsequent government response has rewritten the economic and interest rate landscape, while record federal budget deficits will limit future support.

In this type of environment, it's even more important that local governments refrain from taking undue risks. This means diversifying maturities to balance current earnings with market risk.

Because we independently manage each portfolio, methods of adding value differ among clients. We aim to discuss policy, risk tolerance, and expected cash flow before recommending specific strategies. In the current economic environment, following rate cuts in 2024 and 2025 and evolving expectations for additional easing, subject to inflation and geopolitical developments, we generally seek to extend durations to lock in earnings for longer periods.

For clients with investment policies that allow for a wide range of authorized investments, HSAM is able to select the best offerings from among a large number of premier financial sources. Each morning, our portfolio managers review current Treasury, agency and municipal investment offerings from dozens of broker/dealer firms. We perform the review daily, regardless of whether our clients purchase securities. This exercise gives us a necessary historical perspective on the bond market, as we monitor spreads on agencies as well as historical changes in Treasury yields.

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Because this is an ongoing process, we are able to recognize quickly when a particular issue becomes cheap relative to where it has been trading. This "relative value" approach is our most consistently employed strategy. To that end, we can add great value if the City's cash flows allow us to take advantage of such pricing opportunities.

When cash flows are restrictive or when a policy is more conservative, HSAM relies more on our ability to access the market. Although not considered a strategy, we do see security products at more advantageous prices because of the volume of business our firm conducts as a whole. We are able to pass on this "volume discount" to all of our clients, regardless of portfolio size.

Due to the cyclical nature of public funds cash flow, a conservative strategy that is prevalent in all portfolio construction is to "ladder" portfolio maturities so that they correspond to known expense payment dates. This is particularly effective when large payroll or debt service payments can be forecasted easily. Oftentimes, it may be advantageous to position laddered securities to mature prior to the actual dates with the expectation of reinvesting in a higher yielding market in the future.

Funds that are not tied to specific cash flows are generally invested in a laddered structure as well. However, the length of that ladder can be shortened or lengthened as market conditions change and strategy adapts.

Although as much a safeguard as a strategy, diversification is a critical element in the value equation. We believe the most important aspect of diversification is determining the proper allocation between variable rate and fixed rate investments. HSAM will help the City to better diversify by:

- Suggesting the optimal percentage of funds to be invested out along the curve in any given rate environment;
- Establishing value in each maturity range;
- Purchasing securities with the highest relative value within each range; and
- Rebalancing the portfolio as securities mature.

Generally, by diversifying the portfolio, the City achieves its final stated objective of earning a competitive market rate of return. Because we work closely with our clients, the strategies we ultimately employ are those that our clients both are comfortable with and fully understand.

Although it's quite common for investment managers to talk about a team approach in managing funds, the HSAM group does indeed combine all of its parts into a whole. The four investment managers spend significant time evaluating the economy, financial markets, specific securities and individual portfolios. We share trade ideas amongst ourselves and discuss securities as they are being shown. Although discussion with clients may happen frequently during high trade volume periods, we strive to have regular conversations even when trading is light.

Research is freely traded on the desk in the same manner. Conversations between portfolio managers are ongoing throughout the day.

b) Since the City occasionally invests in commercial paper, explain safeguards and procedures that are employed regarding investment selection, any issuer due diligence performed, and ongoing credit monitoring.

Since all of our clients are public entities, safety of principal is the over-riding objective in everything we do. Since most portfolios are invested primarily in government obligations the burden of credit review and

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monitoring greatly reduced. For those clients investing in instruments with credit risk, such as commercial paper, corporate or municipal obligations we invest only in top tier investment grade instruments. Credit ratings and credit reports from the rating agencies are reviewed regularly.

All commercial paper issuers are carefully analyzed before being considered for inclusion on the HSAM approved list. Internal summaries of corporate CP issues are available for review. All CP must meet PFIA standards and policy requirements. To ensure these standards are met, credit profiles are checked prior to purchase, and a Bloomberg-fed macro is run weekly on all approved issuers. As the City can attest, we have never purchased a non-compliant issue, nor had to liquidate a downgraded bond.

Additionally, we monitor issuer concentrations and limit the amount of the portfolio that may be invested in any single issuer. All investment portfolios have now been fully converted to our investment portfolio tracking and accounting system, which provides enhanced tools for monitoring investment allocations, credit exposure, and ongoing compliance with the City's Investment Policy. This system strengthens oversight, improves transparency, and supports real-time compliance monitoring. Additional detail on the system and its reporting capabilities is provided later in this proposal.

Mr. McIntyre will have primary responsibility for monitoring security credits in the City's portfolio, but will assign additional credit research to other experts within the firm if needed. Formal credit ratings, as assigned by Standard & Poor's, Moody's and Fitch are verified individually prior to purchase on each municipal or commercial paper offering. Credit monitoring and notifications will be enabled on Bloomberg and MSRB's EMMA (Electronic Municipal Market Access) systems so that we will be notified in the event of credit downgrades. HSAM maintains an approved list of domestic CP issuers that are subject to ongoing due diligence from our portfolio managers. Mr. McIntyre will administer the approval process.

The firm maintains a municipal trading operation with analysts specific to that sector. Although we do not purchase municipal securities from our affiliated broker-dealer Hilltop Securities Inc., we are able to seek advice and obtain important information related to the market. In addition, HSAM conducts effective credit research through the formal ratings process whereby only top-tier credits are considered for inclusion in the portfolio. As we've done in the past, we'll exercise a conservative approach to credit authorization with principal preservation being the most important condition.

We continue to advocate a more conservative approach to credit even today. We currently plan to limit purchases to domestic issuers, and will be nimble as military and trade conflicts unfold.

c) Explain the number and type of broker/dealers (primary, regional, minority or veteran-owned enterprise) your advisory firm works with.

HSAM will provide its list of independent broker/dealers to the City on no less than an annual basis as part of our compliance package.

The dealer selection process, which has evolved over the years, requires a dealer questionnaire, financials, account rep bios, contact information, references and delivery instructions. Our 2026 list totals 28 firms, with 10 primary dealers, large regional broker/dealers and a number of historically underutilized businesses, including veteran-owned businesses. Our goal is to find financial institutions that offer value, by either holding

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large product inventories, being knowledgeable and responsive in the fixed income arena, or having local preference and/or minority status.

HSAM does not open individual accounts for its clients. All trades are conducted on a delivery-vs-payment basis and securities will all be delivered from the Hilltop Clearing Group. HSAM will sign the PFIA certification, stating that we've read the policy and have procedures in place to preclude the purchase of unapproved or improper investments.

d) Describe the primary strategies for adding value and return to investment portfolios.

Because we independently manage each portfolio, methods of adding value differ among clients. For clients with investment policies that allow for a wide range of authorized investments, HSAM is able to select the best offerings from among a large number of premier financial sources. Each morning, our portfolio managers review current Treasury, agency and municipal investment offerings from dozens of broker/dealer firms. We perform the review daily, regardless of whether our clients purchase securities. This exercise gives us a necessary historical perspective on the bond market, as we monitor spreads on agencies as well as historical changes in Treasury yields. Because this is an ongoing process, we are able to recognize quickly when a particular issue becomes cheap relative to where it has been trading. This "relative value" approach is our most consistently employed strategy. To that end, we can add great value if the City's cash flows allow us to take advantage of such pricing opportunities.

When cash flows are restrictive or when a policy is more conservative, HSAM relies more on our ability to access the market. Although not considered a strategy, we do see security products at more advantageous prices because of the volume of business our firm conducts as a whole. We are able to pass on this "volume discount" to all of our clients, regardless of portfolio size.

Due to the cyclical nature of public funds cash flow, a conservative strategy that is prevalent in all portfolio construction is to "ladder" portfolio maturities so that they correspond to known expense payment dates. This is particularly effective when large payroll or debt service payments can be forecasted easily. Oftentimes, it may be advantageous to position laddered securities to mature prior to the actual dates with the expectation of reinvesting in a higher yielding market in the future.

Although as much a safeguard as a strategy, diversification is a critical element in the value equation. We believe the most important aspect of diversification is determining the proper allocation between variable rate and fixed rate investments. HSAM will help the City to better diversify by:

- Suggesting the optimal percentage of funds to be invested out along the curve in any given rate environment;
- Establishing value in each maturity range;
- Purchasing securities with the highest relative value within each range; and
- Rebalancing the portfolio as securities mature.

Generally, by diversifying the portfolio, the City achieves its final stated objective of earning a competitive market rate of return. Because we work closely with our clients, the strategies we ultimately employ are those that our clients both are comfortable with and fully understand.

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Although it's quite common for investment managers to talk about a team approach in managing funds, the HSAM group does indeed combine all of its parts into a whole. The four investment managers spend significant time evaluating the economy, financial markets, specific securities and individual portfolios. We share trade ideas amongst ourselves and discuss securities as they are being shown. Although discussion with clients may happen frequently during high trade volume periods, we strive to have regular conversations even when trading is light. Research is freely traded on the desk in the same manner. Conversations between portfolio managers are ongoing throughout the day.

Our team will be well-versed in the investment objectives and constraints of the City. Furthermore, since all of our public sector clients operate under similar policy constraints, an active and conservative approach is a guiding HSAM principle.

On an ongoing basis, all trades are subject to internal compliance review from an independent department of HilltopSecurities. In total, these procedures ensure that the City's best interests are served.

e) Describe your access to timely market data, broker/dealer inventories, and availability to Bloomberg terminals, as well as client contact procedures. Is daily market and security pricing information provided?

HSAM professionals have access to a total of 14 multifunction Bloomberg screens. These are the primary access points to broker/dealer inventories and up-to-the-second market data. Procedures and contact information for the City's account are well known and housed in desk-top files. Investment information for the City is input on trade date into the software system and backed up-daily.

A daily market snapshot (the RV report) is provided to HSAM clients every morning. Much of our client contact is handled by e-mail, but we are available by phone and Microsoft Teams as well. Our communications protocols with the City of Denton are well established thanks to our long partnership with the City.

Currently, all security portfolios are priced daily using an independent pricing source through our investment portfolio tracking and accounting system. This provides timely, accurate market valuation, enhances transparency, and supports ongoing compliance monitoring and reporting.

f) From time to time, the City requires assistance with projects such as collateral valuation, money market fund/pool comparisons, investment accounting questions, U.S. agency security and commercial paper issuer research, as well as investment policy modifications . What other special projects and assistance could your firm provide?

HSAM is able to provide professional collateral valuation, money market fund/pool comparisons, respond to investment accounting questions, conduct U.S. agency security and commercial paper issuer research, and provide investment policy modifications as well as bank credit reviews.

In addition, we'll evaluate new investment products and services on behalf of the City, conduct market research, both on state and national level and provide custom graphs and reports as needed. We have worked with numerous banks around the state on placing client funds into secured CD's and can assist the City in this endeavor as opportunities arise.

HSAM can call upon the vast resources of our Hilltop Securities family. With experts in arbitrage rebate, continuing disclosures, structured products, interest rates swaps, commodities hedging, municipal underwriting and advisory, there is almost no limit to the assistance we can muster.

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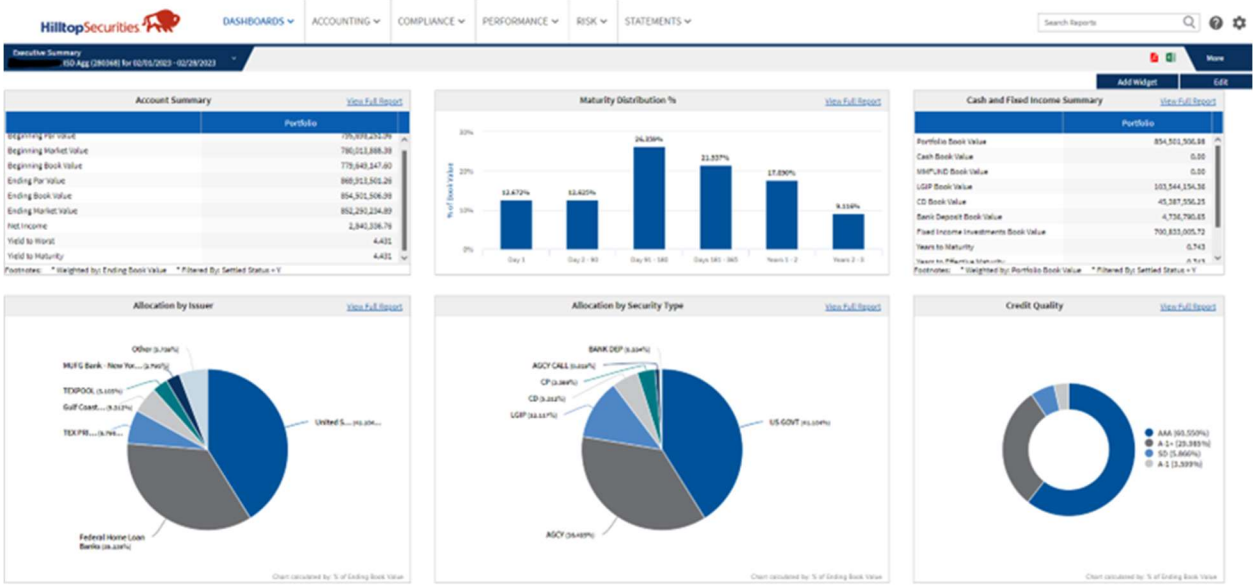
3. REPORTING (Separate Bid Option)

Provide a detailed monthly report, in a format acceptable to the City, which includes a summary of portfolio activity and performance for the reporting period, comparisons to the prior reporting period(s), and the following information on each security: par, book, and market value, as well as yield to maturity/call/worst information, etc. Total return figures for the portfolio are less relevant since the City is primarily a buy-and-hold investor with unrealized security gains and losses unlikely to be realized. Performance should be measured against an appropriate benchmark. See attached monthly report (Exhibit B). This option is to be priced separately on the bid.

HSAM has partnered with Clearwater Analytics® to become the new solutions provider for our investment accounting and reporting services. Clearwater Analytics is a leading provider of web-based investment portfolio accounting, reporting, and reconciliation services for investment data and currently has more than 300 municipal entities on its platform. Clearwater aggregates, validates, reconciles, and reports on more than $5.6 trillion in assets across thousands of accounts daily.

HSAM's partnership with Clearwater has significantly enhanced HSAM's investment accounting and reporting capabilities. HSAM clients benefit from online access to their portfolio data, the ability to download data to spreadsheets, an automated reconciliation of investment reports to custodial data, and a comprehensive report set.

Clearwater's system provides integrated accounting, compliance, performance, and risk reporting designed to increase accuracy and efficiency while vastly reducing manual processes for investment reporting. If supported by the City's custodial bank, Clearwater will establish a data connection with the bank so that investment transaction and position data are transmitted to Clearwater nightly. This custodial data will be reconciled against HSAM trade data to ensure our records match the custodial holdings. Investment reports, prepared in accordance with GASB and GAAP standards will be provided both monthly and quarterly.



HSAM will provide monthly and quarterly reports in full compliance with both Texas PFIA reporting requirements and GASB standards.

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HSAM prepares both monthly and quarterly investment reports that are identical in form and annual reports are available upon request. Samples of Clearwater's report set have been included in ***Appendix B***. In addition, standard reports are available via the online portal and can be filtered, sorted, and customized in many different ways. These reports can be exported to Adobe PDF and Microsoft Excel.

Clearwater's system also provides an investment policy compliance tool. The City's investment policy will be "translated" into a set of logic-based rules so that the portfolio's compliance can be measured, tested, and reported.

Clearwater provides an innovative web-based solution, easily accessed anywhere, at any time, with nothing more than an internet connection. There is no software installation or maintenance required. The City will have inquiry only access to a full range of investment analysis, accounting, performance, and compliance reporting, most of which can be downloaded to Microsoft Excel.

Preliminary reports, which include all data on investment positions held at the City's custodian, are generally available on the online portal by the second business day following the end of the month. Positions held away from the custodian, such as those held at local government investments pools, must be entered manually by HSAM personnel. This is generally completed within two to three business days after receiving the data from the City. We strive to complete the final reports within three or four business days of receiving complete data.

Yields are calculated using industry standard conventions. In order to make transparent and fair comparisons, HSAM reports present a number of basic measurements. HSAM generally reports yields at cost, but current yields (at market) are available on Clearwater as well. We prefer weighted-average yields instead of rate of return measures to ensure our clients, and the boards and/or committees tasked with oversight of investments, understand exactly what the investment portfolio is earning. The formula for yield calculations is shown here:

Definitions:

D = Book Yield Date. equiv. Calculation (Calc) Date, Evaluation (Eval) Date

D_i = Date of the i^{th} cash flow (CF)

$CF_i = P_i + I_i$ = The i^{th} cash flow, occurs on date D_i, where
P_i = Principal payment
I_i = Interest payment

$$f = \text{Compounding Frequency} = \begin{cases} 2 & \text{for mortgage-related yield calculations} \\ \text{Coupon Frequency} & \text{otherwise} \end{cases}$$

$$\tau_i = \text{Time (in periods) to } i^{th} \text{ cash flow} = \begin{cases} \frac{\text{DayCountDays}(D, D_i)}{\text{DayCountDaysPerYear}} \times f & \text{for i=1} \\ \tau_{i-1} + 1 & \text{for i > 1} \end{cases}$$

pf = Principal Factor on calc date

A = Accrued Interest on calc date

PV = Present Value of future cashflows

$DP = \frac{PV}{pf}$ = Dirty Price (includes accrued interest on calc date)

$BP = DP - A$ = Book Price, this is a Clean Price (does not include accrued interest)

Y = Book Yield

Book Yield Y is the number satisfying the equation:

$$PV = \sum_{i=1}^{n} \frac{CF_i}{\left(1 + \frac{Y}{f}\right)^{\tau_i}}$$

Then Present Value relates to Book Price via:

$$BP = \frac{PV}{pf} - A$$

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Market Commentary: Our most senior portfolio managers, Scott McIntyre and Greg Warner have been writing market and economic commentary for more than twenty-five years. These are generally published following important economic data releases or market moving news and events. The commentary is distributed by e-mail and is posted to our website at:

https://www.hilltopsecurities.com/public-finance/economic-commentary/

In addition, the monthly investment reports contain a brief summary and an in-depth review is published in a quarterly newsletter.

Please see samples of recent commentary and updates included in ***Appendix C.***

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4. KEY PROJECT PERSONNEL

Individuals proposed by the Offeror who are critical to delivering Investment Advisory Services, including those responsible for portfolio management, research, client service, compliance, and day-to-day account oversight. Evaluation will consider their qualifications, relevant investment experience, assigned roles, and availability to ensure they can effectively support the advisory services required under the contract.

HSAM's investment advisory group has decades of fixed income investment experience, focusing on Texas local governments. In addition to those in our investment group, the firm employs more than 200 registered representatives of the Financial Industry Regulatory Authority (FINRA) who engage in annual continuing education related to the securities industry. Many of the professionals firm wide have in excess of 30 years each in the industry. Because the HilltopSecurities family serves its clients using a team approach, we call upon the expertise of any professional within the firm as necessary.

HSAM's team of experienced and skilled professionals is the most valuable resource we have to offer the City. The investment management division consists of *nine* professionals, all of whom are dedicated to the public sector. We follow a team approach that allows us to fully utilize the expertise and knowledge of each professional and to provide a wealth of firsthand experience to our clients.

Our hands-on approach fosters a high level of service and commitment, enabling us to maximize the objectives of our valued clients. Although we Scott and Greg will be the City's primary contacts while **Dan Grant** will continue serving as the City's portfolio manager, every member of our team will be directly accessible to the City. Our goal is to be *highly responsive,* providing the best possible experience for our clients.

Managing Director and *Co-Head of our Investment Management Services Grou*p, **Scott D. McIntyre, CFA,** serves the most active role in the administration and management of the Investment Management department. He is located in Austin, Texas, where the majority of HSAM's investment advisory services are performed.

As with Mr. McIntyre, *Managing Director and Co-Head of our Investment Management Services Group*, **Greg Warner, CTP**, will be the City's primary contact on the portfolio management desk and manage duties such as analyzing the portfolio, assessing market conditions, evaluating investment opportunities, and preparing all documentation related to the account. HSAM's newest team member, Senior Portfolio Advisor **Matt Harris, CFA**, will leverage his background in bank portfolio and asset/liability management to assist with investment strategy and portfolio analysis.

Senior Portfolio Managers **Daniel Grant** and **Andrea Cash** have primary responsibility for transaction execution and trade documentation. Portfolio Managers **Alexis Correa** and **Matthew Gomez** will provide trade and analytical support. Reporting Analyst **Rikki Ramirez** and Reporting Specialist **Jess Salas** will provide comprehensive investment reporting and other support functions. The following table identifies the key investment personnel who will work with the City.

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Proposed Investment Advisory Team for the City		
Senior Portfolio Managers		
Scott McIntyre CFA Co-Head of Investment Management Years with HSAM – 28 Investment Experience - 39 **PRIMARY CONTACT**	**Greg Warner, CTP** Co-Head of Investment Management Years with HSAM – 28 Investment Experience - 33 **PRIMARY CONTACT**	**Matt Harris CFA** Senior Portfolio Advisor Years with HSAM - 2 Investment Experience - 18 **SECONDARY CONTACT**
Project Support		
Dan Grant Senior Portfolio Manager Years with HSAM –14 Investment Experience - 34	**Andrea Cash** Senior Portfolio Manager Years with HSAM – 12 Investment Experience - 12	
Alexis Correa Portfolio Manager Years with HSAM – 3 Investment Experience - 6	**Matthew Gomez** Portfolio Manager Years with HSAM – 3 Investment Experience - 10	
Rikki Ramirez Reporting Analyst Years with HSAM – 2 Investment Experience - 24	**Jess Salas** Reporting Specialist Years with HSAM – 3 Investment Experience - 2	

Résumés

Scott D. McIntyre, CFA
Managing Director and
Co-Head of Investment Management

2700 Via Fortuna, Suite 410
Austin, Texas 78746

Telephone: 800.575.3792
scott.mcintyre@hilltopsecurities.com

Areas of Focus

Specializes in investment consulting and portfolio management for local governments

Profile

- Joined HSAM/HilltopSecurities in 1998 as Senior Portfolio Manager
- Is the primary manager of HSAM's Investment Management Division and oversees the daily operations of the group
- Develops economic and interest rate outlook
- Determines appropriate investment policies and strategies for fixed income clients.
- Reviews client revenue and expense cash flows
- Analyzes investment alternatives and calculates relative value of individual securities
- Presents various investment options to clients
- Purchases investment securities on a competitive basis
- Reviews monthly and quarterly reports
- Evaluates policy compliance and account performance
- Past experience includes market and securities analysis, management of the mortgage-backed securities portfolio and active trading of short Treasury positions

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Education

- Bachelor of Science in Management, Texas State University

Current and Former Affiliations

- CFA Institute
- Austin Society of Financial Analysts
- Government Treasurers Organization of Texas
- Government Finance Officers Association of Texas
- Two-term advisor to the national GFOA Treasury and Investment Management (TIM) Committee

Licenses and Designations

- Chartered Financial Analyst (CFA) designation from the CFA Institute
- Registered Representative of the Financial Industry Regulatory Authority (FINRA)
  - General Securities Principal, Series 24
  - General Securities Representative, Series 7
  - Uniform Securities Agent, Series 63
  - Uniform Investment Adviser, Series 65

Greg Warner, CTP
Managing Director and
Co-Head of Investment Management

2700 Via Fortuna, Suite 410
Austin, Texas 78746

Telephone: 512.481.2012
greg.warner@hilltopsecurities.com

Areas of Focus

Specializes in investment management services

Profile

- Joined HSAM/HilltopSecurities in 1998
- Responsibilities include analyzing portfolios, evaluating securities, coordinating the reinvestment of upcoming security maturities, executing trades, reviewing investment policies and investment strategies, monitoring broker-dealer relationships and valuing investment portfolios
- Works closely with clients to create and implement appropriate investment strategies
- Oversees client account documentation and supervises the investment reporting function
- Frequent presenter on investment topics at industry conferences
- Began his career in the banking industry, working in the accounting and investment management divisions of banks in Chicago, Illinois and Austin, Texas
- Work experience includes portfolio management, asset/liability management, investment accounting, mortgage banking, and extensive analysis and reporting on fixed income investment portfolios

Education

- Bachelor of Business Administration, The University of Texas at Austin

Current Affiliations

- Certified Treasury Professional (CTP) designation from the Association for Financial Professionals
- Government Treasurer's Organization of Texas
- Texas Association of Counties, County Investment Officer Advisory Committee

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Licenses Held

- Registered Representative of the Financial Industry Regulatory Authority (FINRA)
  - General Securities Representative, Series 7
  - Uniform Securities Agent, Series 63
  - Uniform Investment Adviser, Series 65

Matt Harris CFA
Senior Portfolio Advisor

2700 Via Fortuna, Suite 410
Austin, Texas 78746

Telephone: 512.340.1845
matt.harris@hilltopsecurities.com

Areas of Focus

Specializes in investment management services

Profile

- Joined HSAM in 2025, previously with Hilltop Securities Bank Solutions Team
- Responsibilities include analyzing portfolios, evaluating securities, coordinating the reinvestment of upcoming security maturities, executing trades, reviewing investment policies and investment strategies, monitoring broker-dealer relationships and valuing investment portfolios
- Works closely with clients to create and implement appropriate investment strategies
- Oversees client account documentation and supervises the investment reporting function
- Frequent presenter on investment topics at industry conferences
- Began his career in the banking industry, providing balance sheet management and fixed income strategy
- Work experience includes bank portfolio management, asset/liability management, investment accounting, and extensive analysis and reporting on fixed income investment portfolios

Education

- Bachelor of Arts, The University of Texas at Austin

Current Affiliations

- Chartered Financial Analyst Designation
- Government Treasurer's Organization of Texas, Texas Bankers Association

Licenses Held

- Registered Representative of the Financial Industry Regulatory Authority (FINRA)
  - General Securities Representative, Series 7

Dan Grant
Sr. Vice President and
Sr. Portfolio Manager

2700 Via Fortuna, Suite 410
Austin, Texas 78746

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dan.grant@hilltopsecurities.com

Areas of Focus

Specializes in investment management services

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Profile

- Joined HSAM/HilltopSecurities in 2011
- Responsibilities include trade execution, trade documentation, coordinating the reinvestment of upcoming security maturities, analysis of investment securities and fund data, monitoring call status, collateral review, economic research, and other special projects.
- Prior experience includes 18 years at Fidelity Investments with the most recent role being Corporate Bond Trader for both institutional and retail customers. Other securities traded include equity and index options, equities and mutual funds.

Education

- Bachelor of Science – Finance, Bentley University

Licenses Held

- Registered Representative of the Financial Industry Regulatory Authority (FINRA)
  - General Securities Representative, Series 7
  - Uniform Securities Agent, Series 63
  - Uniform Combined Securities Agent and Investment Advisor Representative, Series 66
  - Registered Options Principal, Series 4
  - Equity Trader Limited Representative, Series 55

Andrea L. Cash
Sr. Vice President and
Sr. Portfolio Manager

2700 Via Fortuna, Suite 410
Austin, Texas, 78746

Telephone: 512.481.2019
andrea.cash@hilltopsecurities.com

Area of Focus

Specializes in investment management services

Profile

- Joined HSAM/HilltopSecurities in 2013
- Responsibilities include trade execution, trade documentation, coordinating the reinvestment of upcoming security maturities, monitoring call status, generating monthly and quarterly reports for investment management clients, and other special projects.
- Prior experience includes over 20 years in administrative, development and marketing management positions.

Education

- Bachelor of Arts, University of Washington

Licenses Held

- Registered Representative of the Financial Industry Regulatory Authority (FINRA)
  - General Securities Representative, Series 7
  - Municipal Securities Representative, Series 52
  - Uniform Investment Adviser, Series 66

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Alexis Correa
Portfolio Manager

2700 Via Fortuna, Suite 410
Austin, Texas, 78746

Telephone: 512.481.2074
alexis.correa@hilltopsecurities.com

Area of Focus

Specializes in investment and economic analysis services

Profile

- Joined HilltopSecurities in 2022 as Investment Analyst
- Responsibilities include development of investment analysis and economic models, due diligence and credit analysis on municipal and corporate issuers, analyzing portfolios, trade execution, trade documentation, and other special projects.
- Over four years of investment experience. Started career as a registered representative for Vanguard. Processed mutual fund, stock, bond, and ETF trades for retail clients. Left role at Vanguard for a leadership position with Make-A-Wish Arizona as its Finance & HR Manager. Administered its 401(k) and 457(b) retirement plans, and helped management select investment options for the plans. Returned to Texas for position as a Financial Analyst for the City of Austin's Treasury Department. Assisted the City with investments, debt issuance and cash management.

Education

- Bachelor of Business Administration in Finance, Texas State University

Licenses Held

- Registered Representative of the Financial Industry Regulatory Authority (FINRA)
  - Securities Industry Essentials
  - General Securities Representative, Series 7
  - Municipal Securities Representative, Series 52
  - Uniform Investment Adviser, Series 66

Matthew Gomez
Portfolio Manager

2700 Via Fortuna, Suite 410
Austin, Texas, 78746

Telephone: 512.481.2005
matthew.gomez@hilltopsecurities.com

Area of Focus

Specializes in investment management services

Profile

- Joined HSAM/HilltopSecurities in 2022
- Responsibilities include market and economic research, securities and fund analysis, trends data, and other special projects.
- Prior experience includes over 8 years at financial services firms serving retail clients. At Charles Schwab as a trader and client service representative and 7 years at Rodgers Capital/Intrua Financial as the Chief Investment Officer for Rodgers Capital and Client Services Representative. Experience in retail space includes stocks, ETFs, mutual funds, retirement plans, bonds, variable and fixed annuities, non-traded products, retirement plans. In addition, 15 years of customer service experience in the retail environment/client services.

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Education

- Bachelor of Arts – Government, University of Texas at Austin
- Bachelor of Arts – Economics, University of Texas at San Antonio

Licenses Held

- Registered Representative of the Financial Industry Regulatory Authority (FINRA)
  - General Securities Representative, Series 7
  - Municipal Securities Representative, Series 52
  - Uniform Securities Agent, Series 63
  - Uniform Investment Adviser, Series 66

Rikki Ramirez
Investment Reporting Analyst

2700 Via Fortuna, Suite 410
Austin, Texas, 78746

Telephone: 512.481.2002
rikki.ramirez@hilltopsecurities.com

Area of Focus

Specializes in reporting for investment management

Profile

- Joined HSAM/Hilltop Securities in 2024
- Manages and maintains client accounts through Clearwater Analytics investment accounting and portfolio system
- Responsibilities include generating monthly and quarterly reports for all investment management clients and assisting in setting up new client accounts
- Assists in the creation of custom client reports, investment-related projects and other special assignments
- Twenty- three years of experience as Senior Investment Portfolio Analyst at Patterson & Associates (merged with Meeder Investment Management in May 2021- Dublin, Ohio), an Investment Management firm in Austin
- Past employment includes experience in accounting, reporting, compliance, entering trade information and assisting in trade settlement

Education

- Bachelor of Arts in Mathematics, The University of Texas at Austin

Jess Salas
Investment Reporting Specialist

2700 Via Fortuna, Suite 410
Austin, Texas, 78746

Telephone: 512.481.2008
jess.salas@hilltopsecurities.com

Area of Focus

Specializes in investment reporting for investment management

Profile

- Joined Hilltop Securities Asset Management in February 2024
- Responsible for the investment reporting process and end-to-end production of investment reports, ensuring timely and accurate investment reports
- Collaborates closely with portfolio managers and assists with the creation of investment reports on a monthly, quarterly, or annual basis

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- Coordinates with clients for information requests, reviews the client data to ensure data accuracy, and analyzes investment portfolios for reporting purposes
- Utilizes Clearwater Analytics as our investment software for reporting and data reconciliation
- Supports the Asset Management team through ad-hoc requests as needed
- Previously worked at J.P. Morgan Chase in a variety of roles with nearly 10 years of experience in the finance and banking industry

Affiliations

- Women in Public Finance and Association of Latino Professionals for America

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5. FEES

City prefers a fixed fee structure pricing. If Respondent offers both fixed and asset-based fee structures, both must be provided on Exhibit C "Fee Schedule". Respondents must use this exhibit to provide fees and, if appropriate, identify other services not listed with their associated costs. Any service not appearing, or which does not have a fee indicated on Exhibit C, will be considered free of charge. Once selected as the City's investment advisor, no additional or increased fees for services in the fee schedule (Exhibit C) may be charged to the City during the contract term. New services may be added, with pricing for such services to be negotiated at that time.

HSAM has uploaded the required Fee Schedule as a separate document.

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City of Denton, Texas

Appendix A

Hilltop Securities Asset Management, LLC Form ADV II

Appendix A

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Hilltop Securities Asset Management, LLC

717 N. Harwood Street, Suite 3400
Dallas, TX 75201
214-953-4000
www.hilltopsecurities.com

Form ADV Part 2A – Disclosure Brochure
Investment Management & Related Services for Public Entities
March 24, 2025

This Brochure provides information about the qualifications and business practices of Hilltop Securities Asset Management, LLC ("HSAM"). If you have questions about the contents of this Brochure, please contact us at 214-953-4000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

HSAM is a registered investment adviser. Registration of an Investment Adviser does not imply any particular level of skill or training. Additional information about HSAM is also available on the SEC's website at www.advisorinfo.sec.gov.

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Item 2 – Material Changes

This Item is intended to discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes since our last update of our brochure which was March 26, 2024.

Mary Ann Dunda was named President of Hilltop Securities Asset Management, LLC in October, 2024.

A new Brochure will be provided and/or made available to you as necessary based on changes or new information, without charge.

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Item 4 – Advisory Business

Firm Overview

HSAM is a Delaware limited liability company that was formed in 1991 and is a registered Investment Adviser with the United States Securities and Exchange Commission ('SEC"), pursuant to the Investment Advisors Act of 1940. Hilltop Holdings Inc. ("HTH") has a 100% membership interest in Hilltop Securities Holdings, LLC, which operates through its wholly owned subsidiaries, Hilltop Securities Inc., Momentum Independent Network Inc., and Hilltop Securities Asset Management, LLC. HTH is a public company listed on the New York Stock Exchange ("NYSE") under the symbol "HTH".

HSAM currently provides investment advisory services in addition to professional and administrative services.

Investment Advisory Services

HSAM's Investment Advisory Services specialize in providing cash flow-based investment strategies to municipal entity clients, including but not limited to cities, counties, school districts, public colleges, hospitals, utilities, and transportation authorities, nationwide. Investment strategies are tailored to each individual client following a review of their cash flow projections and recommending an appropriate strategy based on the client's cash flow requirements. The securities invested in adhere to the client's investment objectives, specific maturity limitations, maximum allocation percentages, credit restrictions, including, without limitation acceptable levels of risk provided within each client's individual Investment Policy Statement ("IPS"). All provisions governing HSAM's authority are documented in the Agreement for Investment Advisory Services by and between Investor and Hilltop Securities Asset Management, LLC. The Investment Advisor Services agreement may be tailored to accommodate specific requests of the client.

HSAM assists the client in creating monthly and/or quarterly investment reports for clients as required by the IPS, stated procedures and/or state law.

Generally, HSAM does not maintain discretionary authority and unless specifically instructed otherwise by a client, shall obtain approval from the client for the purchase or sales of securities prior to the execution of any order.

Arbitrage Rebate Compliance Services

The Arbitrage Rebate Compliance Services program provides professional services to an Issuer, in connection with the sale and delivery of certain bonds, notes, certificates, or other tax exempt obligations ("Obligations") to determine to what extent, if any, the Issuer will be required to rebate certain investment earnings (amount of rebate referred to as "Arbitrage Amount") from the proceeds of the Obligations to the United States of America pursuant to the provisions of Section 148(f)(2) of the Internal Revenue Code of 1986 ("Code").

HSAM works with the Issuer to review the schedule of investments made by the Issuer to determine proceeds from the Obligations subject to the rebate requirements of the Code. HSAM will perform these services, consistent with Code and the regulations promulgated thereunder,

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to determine the Arbitrage Amount under Section 148 (f)2 of the Code. HSAM provides a report to the Issuer specifying the Arbitrage Amount based on the investment schedule, the calculations of the bond yield and investment yield, and other information deemed relevant by HSAM. HSAM does not assume any responsibility for record retention requirements the Issuer may have under the Code or other applicable laws; the Issuer remains responsible for any record retention requirements.

All provisions governing HSAM's authority are documented in the Agreement for Arbitrage Rebate Compliance Services (the "Agreement") between the Issuer and Hilltop Securities Asset Management, LLC. The Agreement shall apply only to Obligations, to the extent that the Obligations do not qualify for exceptions to the rebate requirements in accordance with Section 148 of the Code and related Treasury regulations.

Bidding Agent Services

HSAM provides bidding agent services for the investment of bond or loan proceeds and other legally available funds on municipal and corporate debt transactions throughout the United States.

HSAM's services include preparation of bid solicitation documentation and specifications, establishing a target group of qualified potential investment providers, assisting in the selection of the investment provider, and working with the Issuer, bond counsel and the winning investment provider to review and negotiate satisfactory documentation.

The firm's clients are municipal and corporate debt issuers whose permitted investments are governed by the resolution or indenture authorizing each bond transaction, local investment policy and in some cases, state law.

Local Government Investment Cooperative

Local Government Investment Cooperative ("LOGIC") is duly organized and existing under the laws of the State of Texas as a business trust in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code ("ICA"), and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code ("PFIA") and operates as a local government investment pool for authorized eligible governmental entities to invest their funds. The ICA and PFIA provide for the creation of public funds investment pools (including LOGIC) and authorize eligible governmental entities ("Participants") to invest their public funds and funds under their control through the investment pools. Only eligible local governments, agencies of the State of Texas and nonprofit corporations acting on behalf of a local government or state agency may become Participants. Eligible local governments include any municipality, school district, county, special district, hospital district, junior college district, political subdivision, authority, public corporation, body politic, or instrumentality of the State of Texas and any nonprofit corporation acting on behalf of any of those entities.

LOGIC is overseen by its Board of Trustees. The Board has retained Hilltop Securities Inc., ("HTS"), Hilltop Securities Asset Management, LLC ("HSAM"), and J.P. Morgan Investment Management, LLC ("JPMIM") collectively referred to as the "Administrators," to assist the Board of Trustees in managing the pool. LOGIC was established in 1994 for the collective investment of funds by participating governments in one or more portfolios of securities or other assets.

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As prescribed in the Seventh Amended and Restated Agreement for Investment Management and Related Services (the "Agreement"); JPMIM shall provide investment advice to LOGIC, HTS shall market and distribute LOGIC and provide advice to the Board of Trustees with respect to whether and how to issue units of LOGIC and concerning the structure, timing, terms, and other similar matters concerning the issuance of units in LOGIC, and HSAM shall provide participant and administrative services to LOGIC.

Responsibilities for LOGIC to be performed by HSAM and/or its affiliates and/or their sub contactors (as permitted in the Agreement)(together, the "HSAM Service Providers") are general administrative responsibilities for LOGIC which include Enrollment, Servicing and Support of Participants; Participant Relations; Board Relations and Ongoing Organizational Maintenance, all items detailed within the Agreement.

For the avoidance of doubt, the services provided by HSAM, and its employees hereunder are not intended to and shall not include engaging in municipal advisory activities as that term is defined in Rule 15Bal-1(e) of the Securities Exchange Act of 1934. HSAM shall not be required or requested to undertake a solicitation of a municipal entity or obligated person on behalf of any entity or be required or requested to undertake any activity that would not fall within the general information exclusion above.

Employees of HSAM may serve on LOGIC's governing board, advisory boards, or committees. For the avoidance of doubt, in-the-event that employees of HSAM serve on LOGIC's governing board, advisory boards, or committees, they will provide advice to LOGIC in accordance with the terms of the Agreement only to the extent that they may rely upon an exclusion or exemption from the definition of municipal advisor under Rule 15-Ba-1-1(d)(2) or (3) of the Exchange Act.

Texas Short Term Asset Reserve Program

Texas Short Term Asset Reserve Program ("TexSTAR") Cash Reserve Fund ("TexSTAR Cash Reserve" or the "Fund") was organized on April 8, 2002, to conform with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code ("ICA") and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code ("PFIA"). The ICA and the PFIA provide for the creation of public funds investment pools (including TexSTAR) and authorize eligible governmental entities ("Participants") to invest their public funds and funds under their control through the investment pools. Only eligible local governments, agencies of the State of Texas and nonprofit corporations acting on behalf of a local government or state agency may become Participants. Eligible local governments include any municipality, school district, county, special district, hospital district, junior college district, political subdivision, authority, public corporation, body politic, or instrumentality of the State of Texas and any nonprofit corporation acting on behalf of any of those entities.

The Texas Short Term Asset Reserve Program ("TexSTAR") is overseen by its Board of Directors (the "Board"). The Board has retained J.P. Morgan Investment Management Inc. ("JPMIM'), Hilltop Securities Inc. ("HTS"), and Hilltop Securities Asset Management, LLC ("HSAM"), collectively referred to as the "Administrators") to operate and manage the TexSTAR local government investment pool.

Each Administrator agrees to provide services under the Amended and Restated Agreement for Investment Management and Related Services (the "Agreement") in accordance with TexSTAR's Terms of Participation and Bylaws, Investment Policy, and Operating Procedures. JPMIM shall

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provide investment advice to TexSTAR, HTS shall market and distribute TexSTAR and in addition, shall provide advice to the Board with respect to whether and how to issue units of TexSTAR and concerning the structure, timing, terms, and other similar matters concerning the issuance of units in TexSTAR and HSAM shall provide participant and administrative services to TexSTAR.

HSAM will assume general administrative responsibilities for TexSTAR which include Enrollment, Servicing and Support of Participants; Participant Relations; Board Relations and Ongoing Organizational Maintenance, all items detailed within the Agreement.

For the avoidance of doubt, the services provided by HSAM and its employees hereunder are not intended to and shall not include engaging in municipal advisory activities as that term is defined in Rule 15Bal-1(e) of the Securities Exchange Act of 1934. HSAM shall not be required or requested to undertake a solicitation of a municipal entity or obligated person on behalf of any entity or be required or requested to undertake any activity that would not fall within the general information exclusion above.

Employees of HSAM may serve on TexSTAR's governing board, advisory boards, or committees. For the avoidance of doubt, in-the-event that employees of HSAM serve on TexSTAR's governing board, advisory boards, or committees, they will provide advice to TexSTAR in accordance with the terms of the Agreement only to the extent that they may rely upon an exclusion or exemption from the definition of municipal advisor under Rule 15-Ba-1-1(d)(2) or (3) of the Exchange Act.

Florida Short Term Asset Reserve Program

By execution of an Interlocal Agreement and Trust Instrument (as amended and restated, the "Interlocal Agreement"), City of Ocoee, Florida and Haines City, Florida established an intergovernmental investment pool pursuant to Section 163.01, Florida Statutes to be known as the Florida Short Term Asset Reserve ("FLSTAR") for the collective investment of funds by participating units of local government (each a "Participant").

FLSTAR is governed by a Board of Trustees (the "Board") which has retained the services of J.P. Morgan Investment Management Inc. ("JPMIM'), Hilltop Securities Inc. ("HTS"), and Hilltop Securities Asset Management, LLC ("HSAM"), collectively referred to as the "Administrators," to operate and manage the FLSTAR local government investment pool pursuant to the terms and conditions set forth in the Amended and Restated Agreement for Investment Management and Related Services (the "Agreement").

JPMIM shall provide investment advice to FLSTAR, HTS shall market and distribute FLSTAR and provide advice to the Board with respect to whether and how to issue units of FLSTAR and concerning timing, terms and other similar matters concerning the issuance of units of FLSTAR, and HSAM shall provide participant and administrative services to FLSTAR.

HSAM will assume general administrative responsibilities for FLSTAR which include Enrollment, Servicing and Support of Participants; Participant Relations; Board Relations and Ongoing Organizational Maintenance, all items detailed within the Agreement.

For the avoidance of doubt, the services provided by HSAM and its employees hereunder are not intended to and shall not include engaging in municipal advisory activities as that term is defined in Rule 15Bal-1(e) of the Securities Exchange Act of 1934. HSAM shall not be required

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or requested to undertake a solicitation of a municipal entity or obligated person on behalf of any entity or be required or requested to undertake any activity that would not fall within the general information exclusion above.

Notwithstanding the forgoing, employees of HSAM may serve on FLSTAR's advisory boards, or committees. For avoidance of doubt, in-the-event that employees of HSAM serve on FLSTAR's advisory board, or committees, they will provide advice to FLSTAR in accordance with the terms of the Agreement only to the extent that they may upon rely upon an exclusion or exemption from the definition of municipal advisor under Rule 15-Ba-1-1(d)(2) or (3) of the Exchange Act.

Item 5 – Fees & Compensation

Investment Advisory Services

HSAM offers four types of fee structures tailored to fit the specific needs of each client; all are negotiable on a case-by-case basis and all fees are billed in arrears.

- Fixed and/or sliding scale percentage fee based on assets under management, assessed quarterly.
- Fixed annual fee billed in monthly or quarterly increments.
- A transaction-based fee based on the size and maturity of each investment and a contractual basis point fee schedule.
- An hourly charge or other fixed fee for a particular service(s), which is typically utilized for consulting services.

Asset based fees are negotiated using the following Fee Schedule as a guideline:

Assets Under Management

Less than $25 million	0.25%
$25 million to $50 million	0.20%
$50,000,001 to $100 million	0.15%
$100,000,001 to $250 million	0.10%
$250,000,001 to $500 million	0.06%
Over $500 million	0.04%

Clients may incur certain administrative and custodial charges imposed by their custodians and/or depository institution. Mutual fund and public fund investment pools charge internal management fees disclosed in a fund's prospectus or information statement.

Arbitrage Rebate Compliance Services

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

HSAM's fees are payable upon delivery of the report. The first report will be made following one Calculation Period from the date of delivery of the Obligation and on each Calculation Date

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thereafter during the term of the Agreement. The fees for computations of the Arbitrage Amount which encompass more, or less, than on Calculation Period shall be prorated to reflect the longer, or shorter, period of work performed during that period.

The fee for each of the Obligations included in the Agreement shall be based on the table below. Additionally, due to significant time saving efficiencies realized when investment information is submitted in an electronic format, HSAM passes the saving to its clients by offering a 10% reduction in fees if information is provided in a spreadsheet or electronic text file format.

Description	**Fee**
Annual/IRS Computation Date Fee	*$ or See Note Below*
Comprehensive Arbitrage Compliance Services Include:	
➢ Commingled Funds Analysis & Calculations ➢ Spending Exception Analysis & Calculations ➢ Yield Restriction Analysis & Calculations (for yield restricted Project Funds, Reserve Funds Escrow Funds, etc.) ➢ Parity Reserve Fund Allocations ➢ Transferred Proceeds Calculations ➢ Universal Cap Calculations ➢ Debt Service Fund Calculations (including earnings test when required) ➢ Preparation of all Required IRS Paperwork for Making a Rebate Payment/Yield Reduction Payment ➢ Retention of Records Provided for Arbitrage Computations ➢ IRS Audit Assistance ➢ Delivery of Rebate Calculations Each Year That Meets the Timing Requirements of the Audit Schedule ➢ On-site Meetings, as Appropriate, to Discuss Calculation Results/Subsequent Planning Items	*Included*
Other Services Available:	
IRS Refund Request – Update calculation, prepare refund request package, and assist Borrower as necessary in responding to subsequent IRS Information Services.	*$750.00*

Bidding Agent Services

HSAM abides by U.S. Treasury regulation § 1.148-5(e)(2)(iii)(B)(1) regarding fees charged for serving as bidding agent for the investment of tax-exempt debt proceeds. For Bidding Agent Services for tax-exempt proceeds, the fee amount is the lesser of (i) $50,000 or (ii) 0.2 percent of the initial amount invested. In addition, we may charge fees in excess of the stated fees when performing bidding agent services for funds that are not restricted by the U.S. Treasury regulations.

Local Government Investment Cooperative

The Administrators fee hereunder for LOGIC shall be accrued daily and paid monthly at an annual rate of 9.75 basis points (0.0975%), based on the total of all participants' balances in LOGIC at the end of each day.

Texas Short Term Asset Reserve Program

The Administrators' fee hereunder for TexSTAR shall be accrued daily and paid monthly at an annual rate of 12 basis points (0.12%) based on the total of all participants' balances in

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TexSTAR at the end of the day. The allocation of such fees shall be determined pursuant to a separate agreement among the Administrators.

Florida Short Term Asset Reserve Program

The Administrators' fee hereunder shall equal the sum of the Administrators' fees due and payable by each Portfolio of FLSTAR.

The Administrators' fee from the Government Fund shall be accrued daily and paid monthly at an annual rate of 10 basis points (0.10%), based on the total of all participants' balance in the Government Fund at the end of each day.

The Administrators' fee from the Prime Fund shall be accrued daily and paid monthly at an annual rate of 13 basis points (0.13%), based on the total of all participants' balance in the Prime Fund at the end of each day.

Item 6 – Performance Based Fees & Side by Side Management

HSAM's advisory services do not incorporate performance-based fees; side-by-side management does not apply to those services currently provided by the Firm.

Item 7 – Types of Clients

HSAM provides investment services to institutional investors, corporate and municipal entity clients, including but not limited to cities, counties, school districts, public colleges, hospitals, utilities, transportation authorities, private colleges, non-profit entities, and for-profit developers.

Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss

Methods of Analysis & Investment Strategies for Investment Advisor Services

HSAM reviews the investor's Investment Policy Statement, cash and investment positions, and cash flow projections. HSAM will recommend appropriate investment strategies based on these and other determining factors. HSAM will advise the client on current market conditions, analyze risk/return relationships between various investment alternatives and attend meetings of the governing body of the client where investments are discussed. HSAM will assist in the selection of investment securities, advise on the overall portfolio, all in a manner consistent with the client's Investment Policy Statement ("IPS") and execute the transactions as directed by the client.

Risk of Loss for Investment Advisor Services

There can be no assurance that our investment strategy will be successful, that any client will achieve its investment goals and objectives or that losses will not occur. Any investment in securities can involve significant risks and it is often not possible to mitigate all risks. Certain risks may arise with the investment including but not limited to the following:

Market Risk – Risk that investments will lose value as-a-result-of a decline in the overall market.

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Credit Risk – Risk of default or decline in security value due to conditions outside of investors control (e.g., bankruptcy, rating downgrades, regulatory changes).

Interest Rate Risk – The risk that changes in interest rates may reduce or increase the market value of a bond.

Issuer Risk – The risk that the Bond issuer could default on its obligations to pay coupons or repay the principal on the bond.

Liquidity Risk – Risk an investment cannot be sold at or near fair market price.

Reinvestment Risk – The possibility that an investor will be unable to reinvest cash flows received from an investment, such as coupon payments or interest, at a rate comparable to their current rate of return.

Event Risk – The possibility that an unforeseen event will negatively affect a company, industry, or security.

Cybersecurity Risk – The loss of confidentiality, integrity, or availability of information, data, or information or control of systems and reflect potential adverse impacts to organizational operations and assets and client information.

Item 9 – Disciplinary Information

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events deemed material to your evaluation of HSAM or our management personnel. HSAM and its management personnel do not have any reportable disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

HSAM is a wholly owned subsidiary of First Southwest Holdings LLC, which is a wholly owned subsidiary of Hilltop Securities Holdings, LLC, ultimately, a wholly owned subsidiary of Hilltop Holdings Inc.

HSAM is affiliated with Hilltop Securities, Inc. a broker-dealer subsidiary registered with the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA") and a member of the New York Stock Exchange ("NYSE"). Momentum Independent Network is an introducing broker-dealer subsidiary also registered with the SEC and FINRA. Hilltop Securities and Momentum Independent Network are both registered with the Commodity Futures Trading Commission ("CFTC") and are members of the National Futures Association ("NFA"). Additionally, Hilltop Securities and Momentum Independent Network are investment advisers registered with the SEC under the Investment Advisors Act of 1940.

In addition, HSAM maintains affiliations with other financial services companies wholly owned by Hilltop Securities Holdings, LLC.

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Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

HSAM has adopted a Code of Ethics under Rule 204A-1 of the Advisers Act expressing HSAM's commitment to ethical conduct in addition to other policies and procedures outlining our practices surrounding personnel securities transactions, insider trading and general employee policies. HSAM's Code of Ethics describes its fiduciary duties and obligations to its clients, and sets forth, among other things, HSAM's practice of monitoring the personal securities transactions of access persons, defined as those who provide investment advice or have access to certain related information.

Under HSAM's Code of Ethics, all access persons have a duty to act in the best interest of our clients and all potential conflicts and violations of the Code of Ethics must be reported to HSAM's Chief Compliance Officer ("CCO") or the Compliance Department. All access persons are required to provide written acknowledgement of the Code of Ethics annually, or as amended.

HSAM clients or prospective clients can obtain a copy of our Code of Ethics by contacting the Compliance Department at:

Hilltop Securities Asset Management, LLC
Attn: Compliance Department
717 Harwood Street
Suite 3400
Dallas, TX 75201

Participation or Interest in Client Transactions and Personal Trading

HSAM requires all access persons to report all their personal securities holdings for accounts they control or in which they have a material interest, to the Compliance Department no later than 10 days after being deemed an access person, annually thereafter, and to report all personal securities transactions quarterly including any new accounts opened during that time frame. HSAM does not allow participation directly or indirectly in initial public offerings or limited offerings. Compliance will periodically review each statement provided by an access person to identify improper trades or trade patterns.

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Item 12 – Brokerage Practices

Selection of Brokers

When HSAM places orders for the execution of transactions for the Portfolio (other than situations where the Investor specifically instructs otherwise in writing), HSAM may allocate transactions to brokers and dealers for execution on markets, at prices that in the judgment of HSAM will be in the best interests of the Investor, taking into consideration, the selection of brokers and dealers, the available prices and rates of brokerage commissions and other relevant factors, without having to demonstrate that factors are of a direct benefit to the Investor. Subject to the foregoing, HSAM will arrange for the execution of securities transactions for the Portfolio through brokers or dealers that HSAM reasonably believes will provide best execution.

Best Execution

As an Investment Advisor, HSAM has a fiduciary duty to seek best execution for client transactions, under the circumstances of the specific transaction. HSAM seeks best execution through established policies and procedures in addition to evaluating certain factors such as opportunity for a better price than quoted, market conditions, speed of execution and likelihood of trade execution.

Research and Soft Dollar Benefits

HSAM does not engage in any soft dollar arrangements.

Directed Brokerage Arrangements

HSAM does not have any direct brokerage arrangements.

Aggregation of Orders

Transactions for each Investor account will generally be executed independently unless HSAM decides to purchase or sell securities at approximately the same time (“block trade”). HSAM may, but is not obligated to, aggregate such orders to achieve lower overall execution costs and commission rates typically associated with larger orders. Transactions will be average priced and allocated among investors included in the block trade in proportion to the purchase or sale placed for each Investor in the block.

Item 13 – Review of Accounts

Portfolio managers perform daily and on-going oversight of client trades and investment reports through our investment management and order entry systems. HSAM clients receive an investment report no less than quarterly providing market commentary, portfolio overview, asset allocation, credit rating summary, benchmark comparison, fund overview, detail of security holdings, earned income, investment transactions, investment transaction totals, amortization and accretion, projected cash flows and projected cash flow totals. HSAM portfolio managers will meet to review the investment report at the predetermined need of each client. In addition, HSAM portfolio managers will attend client board meetings at the entity’s request

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to provide portfolio updates or insight on investment decisions applicable with the entity's investment policy statement.

Client investment reporting is generated through Clearwater Analytics investment accounting and reporting software. Investment policy compliance is monitored through Clearwater Analytics compliance system. Each client's investment policy statement is modeled in Clearwater and is monitored by HSAM personnel to verify the portfolio holdings comply with the investment policy statement.

Item 14 – Client Referrals and Other Compensation

HSAM does not have any formal referral arrangements with our affiliated broker-dealer or any other party.

Item 15 – Custody

HSAM does not maintain or accept custody of client funds or securities. Clients will receive account statements from their respective custodians. Clients should carefully review their statements and contact their custodian regarding any questions or discrepancies.

Item 16 – Investment Discretion

Generally, HSAM does not maintain discretionary authority and unless specifically instructed otherwise by a client, shall obtain approval from the client for the purchase or sales of securities prior to the execution of any order.

Item 17 – Voting Client Securities

As a matter of Firm policy, HSAM does not vote proxies on behalf of clients.

Item 18 – Financial Information

HSAM does not require or solicit prepayment of more than $1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. In addition, HSAM has not been the subject of any bankruptcy proceeding.

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Hilltop Securities Asset Management, LLC

717 N. Harwood Street, Suite 3400
Dallas, TX 75201
214-953-4000
www.hilltopsecurities.com

Form ADV Part 2B – Brochure Supplement
January 12, 2026

This Brochure supplement provides information about the employees that supplements Hilltop Securities Asset Management, LLC ("HSAM") Form ADV Part 2A. You should have received a copy of that brochure. Please contact Hilltop Securities Asset Management, LLC Compliance Department at 214-953-4000 if you did not receive Hilltop Securities Asset Management, LLC brochure or if you have questions about the contents of this Brochure.

Additional information about the above-referenced individuals is available on the SEC's website at www.advisorinfo.sec.gov.

The HSAM employees referenced below work at the following locations:

- *Jim Towne – Managing Director, Investment Advisor*
  777 S. HWY 101, Suite 104
  Solana Beach, CA 92075
  619-618-3635
- *Scott McIntyre, CFA – Managing Director, Co-Head of Investment Management*
- *T. Gregory 'Greg' Warner, CTP – Managing Director, Co-Head of Investment Management*
- *Matthew 'Matt' Harris, CFA – Senior Vice President, Senior Portfolio Advisor*
- *Andrea Cash – Senior Vice President, Senior Portfolio Manager*
- *Alexis Correa – Assistant Vice President, Portfolio Manager*
- *Matthew Gomez – Assistant Vice President, Portfolio Manager*
  2700 Via Fortuna
  Suite 410
  Austin, TX 78746
  1-800-575-3792
- *Daniel Grant III – Senior Vice President, Senior Portfolio Manager*
  123 Brendans Way
  Wells, ME 04090
  512-481-2016

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Item 2 – Educational Background and Business Experience

Name: *Mary Ann Dunda*

Year Born: *1967*

Education: Texas A&M University – B.B.A., Finance

Business Experience:

Hilltop Securities Asset Management, LLC

- *President, Hilltop Securities Asset Management*
  October 2024 - Present
- *Senior Managing Director, Head of Governmental Services*
  August 2023 – October 2024
- *Senior Managing Director, Co-Head of Governmental Services*
  March 2023 – August 2023

Hilltop Securities Inc.

- *Senior Managing Director, Head of Governmental Services*
  August 2023 - Present
- *Senior Managing Director, Co-Head of Governmental Services*
  March 2023 – August 2023
- *Managing Director, Head of Fund Administration & Distribution*
  April 2021 – March 2023
- *Managing Director, Government Investment Pools*
  August 2016 – April 2021

Item 3 – Disciplinary Information

Ms. Dunda does not have any legal, civil, criminal, regulatory or disciplinary history to report.

Item 4 & 5 – Other Business Activity and Additional Compensation

Ms. Dunda is dually employed with Hilltop Securities, Inc. an affiliated Broker/Dealer as a Senior Managing Director, Head of Governmental Services. She does not receive any additional compensation.

Item 6 – Supervision

David Medanich, Co-Head of Public Finance, serves as supervisor for Ms. Dunda and can be reached at 214-953-4000.

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Item 2 – Educational Background and Business Experience

Name: *Scott McIntyre, CFA*

Year Born: *1962*

Education: *Southwest Texas State University – B.S., Business Management*

Business Experience:

Hilltop Securities Asset Management, LLC

- *Managing Director, Co-Head of Investment Management*
  July 2022 - Present
- *Managing Director, Senior Portfolio Manager*
  August 2016 – July 2022

Hilltop Securities Inc.

- *January 2016 – Present*

Item 3 – Disciplinary Information

Mr. McIntyre does not have any legal, civil, criminal, regulatory or disciplinary history to report.

Item 4 & 5 – Other Business Activity and Additional Compensation

Mr. McIntyre is dually employed with Hilltop Securities, Inc. an affiliated Broker/Dealer. He does not receive any additional compensation.

Item 6 – Supervision

Mary Ann Dunda serves as supervisor for Mr. McIntyre and can be reached at 214-953-4086.

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Item 2 – Educational Background and Business Experience

Name: *T. Gregory 'Greg' Warner, CTP*

Year Born: *1966*

Education: *University of Texas, Austin – B.A.A., Finance*

Business Experience:

Hilltop Securities Asset Management, LLC

- *Managing Director, Co-Head of Investment Management*
  July 2022 - Present
- *Senior Vice President, Senior Portfolio Manager*
  August 2016 – July 2022

Hilltop Securities Inc.

- *January 2016 – Present*

Item 3 – Disciplinary Information

Mr. Warner does not have any legal, civil, criminal, regulatory or disciplinary history to report.

Item 4 & 5 – Other Business Activity and Additional Compensation

Mr. Warner is dually employed with Hilltop Securities, Inc. an affiliated Broker/Dealer. He does not receive any additional compensation.

Item 6 – Supervision

Mary Ann Dunda serves as supervisor for Mr. Warner and can be reached at 214-953-4086.

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Item 2 – Educational Background and Business Experience

Name: *Daniel Grant III*

Year Born: *1967*

Education: *Bentley College – B.S., Finance*

Business Experience:

Hilltop Securities Asset Management, LLC

- *Senior Vice President, Senior Portfolio Manager*
  February 2025 - Present
- *Vice President, Portfolio Manager*
  August 2016 – February 2025

Hilltop Securities Inc.

- *January 2016 – Present*

Item 3 – Disciplinary Information

Mr. Grant does not have any legal, civil, criminal, regulatory or disciplinary history to report.

Item 4 & 5 – Other Business Activity and Additional Compensation

Mr. Grant is dually employed with Hilltop Securities, Inc. an affiliated Broker/Dealer. He does not receive any additional compensation.

Item 6 – Supervision

Scott McIntyre serves as supervisor for Mr. Grant and can be reached at 512-481-2009.

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Item 2 – Educational Background and Business Experience

Name: *Andrea Cash*

Year Born: *1966*

Education: *University of Washington – B.A., Sociology*

Business Experience:

Hilltop Securities Asset Management, LLC

- *Senior Vice President, Senior Portfolio Manager*
  February 2025 - Present
- *Vice President, Portfolio Manager*
  April 2021 – February 2025
- *Assistant Vice President, Portfolio Manager*
  August 2016 – April 2021

Hilltop Securities Inc.

- *January 2016 – Present*

Item 3 – Disciplinary Information

Ms. Cash does not have any legal, civil, criminal, regulatory or disciplinary history to report.

Item 4 & 5 – Other Business Activity and Additional Compensation

Ms. Cash is dually employed with Hilltop Securities, Inc. an affiliated Broker/Dealer. She does not receive any additional compensation.

Item 6 – Supervision

Scott McIntyre serves as supervisor for Ms. Cash and can be reached at 512-481-2009.

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Item 2 – Educational Background and Business Experience

Name: *Alexis Correa*

Year Born: *1996*

Education: *Texas State - B.B.A., Finance*

Business Experience:

Hilltop Securities Asset Management, LLC
- *Assistant Vice President, Portfolio Manager*
  February 2025 - Present
- *Investment Analyst*
  May 2022 – February 2025

Hilltop Securities Inc.
- *May 2022 - Present*

City of Austin Treasury Department
- *Financial Analyst II*
  April 2021 – May 2022

Make-A-Wish Arizona
- *Finance & Human Resources Manager*
  January 2019 – April 2021

Item 3 – Disciplinary Information

Mr. Correa does not have any legal, civil, criminal, regulatory or disciplinary history to report.

Item 4 & 5 – Other Business Activity and Additional Compensation

Mr. Correa is dually employed with Hilltop Securities, Inc. an affiliated Broker/Dealer. He does not receive any additional compensation.

Item 6 – Supervision

Scott McIntyre serves as supervisor for Mr. Correa and can be reached at 512-481-2009.

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Item 2 – Educational Background and Business Experience

Name: *Matthew Gomez*

Year Born: *1986*

Education: *University of Texas, Austin – B.A., Government*
University of Texas, San Antonio – B.A., Economics
University of Texas, Permian Basin – M.B.A., Finance

Business Experience:

Hilltop Securities Asset Management, LLC
- *Assistant Vice President, Portfolio Manager*
  February 2025 - Present
- *Investment Analyst*
  August 2022 – February 2025

Hilltop Securities Inc.
- *August 2022 – Present*

Unemployed – Parental Obligation
- *December 2021 – August 2022*

Intrua Financial
- *Client Service Associate*
  May 2020 – December 2021

Item 3 – Disciplinary Information

Mr. Gomez does not have any legal, civil, criminal, regulatory or disciplinary history to report.

Item 4 & 5 – Other Business Activity and Additional Compensation

Mr. Gomez is dually employed with Hilltop Securities, Inc. an affiliated Broker/Dealer. He does not receive any additional compensation.

Item 6 – Supervision

Scott McIntyre serves as supervisor for Mr. Gomez and can be reached at 512-481-2009.

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Item 2 – Educational Background and Business Experience

Name: *Jim Towne*

Year Born: *1965*

Education: *St. Cloud State University - B.S., Finance*
University of Minnesota – M.B.A., Finance

Business Experience:

Hilltop Securities Asset Management, LLC
- *Managing Director, Investment Advisor*
  August 2023 – Present

Hilltop Securities Inc.
- *Managing Director, Head of Hedging and Reinvestment*
  February 2023 to Present

Caldwell Sutter Capital, Inc.
- *Managing Director, Debt Capital Markets*
  June 2021 – February 2023

Alpine Valley Advisors, LLC
- *President & Owner*
  March 2017 – June 2021

Item 3 – Disciplinary Information

Mr. Towne does not have any legal, civil, criminal, regulatory or disciplinary history to report.

Item 4 & 5 – Other Business Activity and Additional Compensation

Mr. Towne is dually employed with Hilltop Securities, Inc. an affiliated Broker/Dealer as a Managing Director, Head of DCM Structuring. He does not receive any additional compensation.

Item 6 – Supervision

Mary Ann Dunda serves as supervisor for Mr. Towne and can be reached at 214-953-4086.

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Item 2 – Educational Background and Business Experience

Name: *Lance Flores*

Year Born: *1990*

Education: *University of North Texas – B.A. Economics*

Business Experience:

Hilltop Securities Asset Management, LLC
- *Asset Management Sales*
  January 2024 - Present

Hilltop Securities Inc.
- *Asset Management Sales*
  July 2022 – Present

Merrill Lynch, Pierce, Fenner & Smith Incorporated
- *Financial Advisor*
  May 2018 – July 2022

Item 3 – Disciplinary Information

Mr. Flores does not have any legal, civil, criminal, regulatory or disciplinary history to report.

Item 4 & 5 – Other Business Activity and Additional Compensation

Mr. Flores is dually employed with Hilltop Securities, Inc. an affiliated Broker/Dealer as Asset Management Sales for Governmental Services. He does not receive any additional compensation.

Item 6 – Supervision

Mary Ann Dunda serves as supervisor for Mr. Flores and can be reached at 214-953-4086.

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Item 2 – Educational Background and Business Experience

Name: *Mica Owens-Weary*

Year Born: *1972*

Education: *Paul Quinn College*
Attended: August 1992 – March 1993
Degree: Not obtained
Major: Psychology

Business Experience:

Hilltop Securities Asset Management, LLC
- *Asset Management Sales*
  March 2024 - Present

Hilltop Securities Inc.
- *Asset Management Sales*
  January 2016 – Present

Item 3 – Disciplinary Information

Ms. Owens-Weary does not have any legal, civil, criminal, regulatory or disciplinary history to report.

Item 4 & 5 – Other Business Activity and Additional Compensation

Ms. Owens-Weary is dually employed with Hilltop Securities, Inc. an affiliated Broker/Dealer as Asset Management Sales for Governmental Services. She does not receive any additional compensation.

Item 6 – Supervision

Mary Ann Dunda serves as supervisor for Ms. Owens-Weary and can be reached at 214-953-4086.

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Item 2 – Educational Background and Business Experience

Name: *Matthew 'Matt' Alan Harris, CFA*

Year Born: *1985*

Education: *University of Texas, Austin – B.A., Government*

Business Experience:

Hilltop Securities Asset Management, LLC
- *Senior Vice President, Senior Portfolio Advisor*
  March 2025 - Present

Hilltop Securities Inc.
- *March 2025 – Present*

- *Senior Vice President, Fixed Income Strategist*
  January 2024 – March 2025

The Baker Group, LP
- *Associate Partner, Financial Strategies Group*
  February 2007 – December 2023

Item 3 – Disciplinary Information

Mr. Harris does not have any legal, civil, criminal, regulatory or disciplinary history to report.

Item 4 & 5 – Other Business Activity and Additional Compensation

Mr. Harris is dually employed with Hilltop Securities, Inc. an affiliated Broker/Dealer. He does not receive any additional compensation.

Item 6 – Supervision

Scott McIntyre serves as supervisor for Mr. Harris and can be reached at 512-481-2009.

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Item 2 – Educational Background and Business Experience

Name: *Charles McCormick*

Year Born: *2001*

Education: *University of Kansas – B.A., Finance*

Business Experience:

Hilltop Securities Asset Management, LLC
- *Hedging and Reinvestment Advisor*
  March 2025 – Present

Hilltop Securities Inc.
- *Hedging and Reinvestment Advisor*
  June 2024 – Present

Broski Fence
- *Field Hand*
  Jan 2023 – May 2024

Undergraduate University Student
- *University of Kansas*
  August 2020 – May 2024

Item 3 – Disciplinary Information

Mr. McCormick does not have any legal, civil, criminal, regulatory or disciplinary history to report.

Item 4 & 5 – Other Business Activity and Additional Compensation

Mr. McCormick is dually employed with Hilltop Securities, Inc. an affiliated Broker/Dealer as a Hedging and Reinvestment Advisor. He does not receive any additional compensation.

Item 6 – Supervision

Jim Towne serves as supervisor for Mr. McCormick and can be reached at 651-300-9799.

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Item 2 – Educational Background and Business Experience

Name: *Jennifer Onstad*

Year Born: *1970*

Education: *Sierra College, Rocklin, CA 1994-1995*
Sacramento Community College, Sacramento, CA, 1994
Degree: Not obtained
Major: Communications

Business Experience:

Hilltop Securities Asset Management, LLC
- *Asset Management Sales*
  November 2025 - Present

Hilltop Securities Inc.
- *Asset Management Sales*
  May 2025 – Present

TCBI Securities
- *Registered Representative*
  May 2024 – May 2025

Texas Capital Bank
- *Vice President*
  October 2021 – May 2024

California Mortgage Bankers Association
- *Conference Manager*
  November 2019 – October 2021

Item 3 – Disciplinary Information

Ms. Onstad does not have any legal, civil, criminal, regulatory or disciplinary history to report.

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Item 4 & 5 – Other Business Activity and Additional Compensation

Ms. Onstad is dually employed with Hilltop Securities Inc. an affiliated Broker/Dealer as Asset Management Sales for Governmental Services. She does not receive any additional compensation.

Ms. Onstad owns a condominium property in TX, which she rents and receives rental income. Additionally, she serves on the condominium board as secretary. This activity does not conflict with her duties and responsibilities as an employee of Hilltop Securities Asset Management, LLC.

Item 6 – Supervision

Mary Ann Dunda serves as supervisor for Ms. Onstad and can be reached at 214-953-4086.

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City of Denton, Texas

Appendix B

Sample Report

Appendix B

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INVESTMENT REPORT

City of Denton

October 1 to December 31, 2025

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HilltopSecurities

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Market Recap

December saw the return of official government data following the 43 day shutdown. After two months of relying on private sources, financial markets finally received delayed October and November readings on inflation, the labor market, economic growth, and consumer sentiment.

Labor market data remained overwhelmingly negative throughout December. Private sector employment data showed more weakness ahead of the FOMC meeting, with the November ADP report revealing a 32k decline in payrolls, the largest monthly drop since early 2023. Small businesses shed 120k jobs, the biggest pullback since May 2020, while larger firms managed modest gains. Challenger's layoff data showed more than 1.17 million job cuts year to date, already the highest since 2020. By the time the BLS finally released its combined October–November report, the unemployment rate had jumped to 4.6%, and the underemployment rate rose sharply to 8.7%, reflecting a combination of lower survey participation, discouraged workers re entering the labor force, and softening in economic conditions. Payrolls increased a modest 64k in November after a steep 105k decline in October, and the three month average pace of job growth slowed to just 22k, down from 62k prior to the shutdown.

The weak job market has fed directly into collapsing consumer confidence. Both the University of Michigan and Conference Board measures slid toward multi decade lows, with Michigan's current conditions index hitting its lowest reading in nearly fifty years. Confidence eroded further as households continued to struggle with higher prices, slower wage gains, and a cooling job market. Retail categories tied to discretionary spending showed weakening momentum, while hiring freezes broadened across cyclically sensitive sectors such as manufacturing, transportation, information services, and finance.

With October CPI data never collected, the November CPI release only provided year over year changes. Even with the data disruptions, the numbers were striking, headline CPI unexpectedly fell from 3.0% to 2.7%, while core CPI softened from 3.0% to 2.6%, both reaching their lowest levels since early 2021. Shelter costs showed a questionable deceleration, posting their smallest two month increase since the early months of the pandemic. Economists warned that shutdown related distortions may unwind in the coming months, but the overall picture reinforced the idea that the Fed's restrictive stance is continuing to exert downward pressure on inflation.

The Federal Reserve delivered its third consecutive 25 basis point cut at the December 10 meeting, lowering the target range to 3.50%–3.75%. The vote was fractured, with three dissents, the most since 2019, as Chicago's Goolsbee and Kansas City's Schmid argued for no change while Governor Miran pushed for a larger 50 bp move. Chair Powell described the decision as a "close call," noting that neither inflation nor employment data made a compelling case for easing, but the committee felt "well positioned to wait and see" heading into 2026. The updated Summary of Economic Projections offered mixed signals: the 2026 GDP forecast was revised sharply higher to 2.3%, while core PCE was nudged down to 2.5%, supporting the view that tariff related inflation pressures might be fading.

Later in the month, the economy delivered another surprise when Q3 GDP was revised up to 4.3%, the strongest quarterly growth in two years and well above every major forecast. Personal consumption remained the engine of expansion, while net exports provided an unusually large boost as imports fell sharply. But the stronger growth also pushed the GDP price index up to 3.8%, and the core PCE index rose to 2.9%, complicating the Fed's inflation narrative and reinforcing the idea that rate cuts in early 2026 are assured. Strong GDP with rising unemployment will be a challenge for policymakers next year, especially in an economy increasingly shaped by rapid technological changes and investment.

As the year wraps, the economic landscape remains uncertain marked by strong top line growth but weakening labor momentum, easing inflation but distorted data, and a Fed that cut while signaling caution ahead. The path of monetary policy early in 2026 will hinge on whether the economy's apparent strength proves durable or whether the growing signs of labor market softening begin to dominate the narrative.

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Investment Officers' Certification

This report is prepared for the City of Denton (the "Entity") in accordance with Chapter 2256 of the Texas Public Funds Investment Act ("PFIA"). Section 2256.023(a) of the PFIA states that: "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of the investment transactions for all funds covered by this chapter for the preceding reporting period." This report is signed by the Entity's investment officers and includes the disclosures required in the PFIA.

The investment portfolio complied with the PFIA and the Entity's approved Investment Policy and Strategy throughout the period. All investment transactions made in the portfolio during this period were made on behalf of the Entity and were made in full compliance with the PFIA and the approved Investment Policy.

Investment Officers

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Portfolio Overview

Portfolio Summary

	Prior 30 Sep-25	Current 31 Dec-25
Par Value	1,081,068,237.76	954,255,829.94
Original Cost	1,072,248,746.06	944,893,518.08
Book Value	1,076,897,497.49	949,534,088.51
Market Value	1,079,199,917.20	952,025,028.42
Accrued Interest	7,217,098.60	7,876,129.22
Book Value Plus Accrued	1,084,114,596.09	957,410,217.73
Market Value Plus Accrued	1,086,417,015.80	959,901,157.64
Net Unrealized Gain/(Loss)	2,302,419.71	2,490,939.91

Income Summary

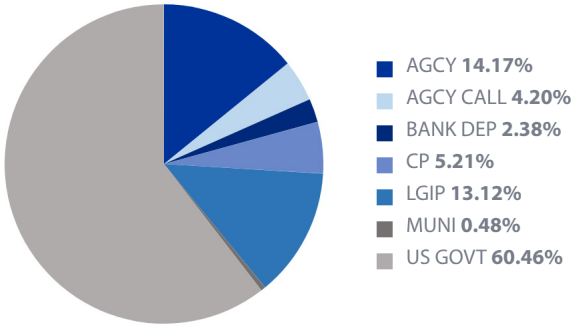
Current Period	1 Oct-25 to 31 Dec-25
Interest Income	9,305,299.33
Net Amortization/Accretion	1,447,988.17
Realized Gain/(Loss)	27,504.54
Net Income	10,780,792.05

Fiscal Year-to-Date	1 Oct-25 to 31 Dec-25
Net Income	10,780,792.05

Portfolio Characteristics

	Prior 30 Sep-25	Current 31 Dec-25
Yield to Maturity	4.207%	3.906%
Yield to Worst	4.207%	3.906%
Days to Final Maturity	248	331
Days to Effective Maturity	248	314
Duration	1.02	1.00

Asset Allocation



Transaction Summary

Transaction Type	Quantity	Principal	Interest	Total Amount	Realized Gain/Loss
Buy	195,128,727.56	(193,102,233.69)	(887,254.10)	(193,989,487.79)	0.00
Maturity	(90,000,000.00)	90,000,000.00	0.00	90,000,000.00	0.00
Call Redemption	(5,000,000.00)	5,000,000.00	0.00	5,000,000.00	27,504.54
Coupon	0.00	0.00	5,956,740.28	5,956,740.28	0.00
MMFUND Dividends	0.00	0.00	128,727.56	128,727.56	0.00

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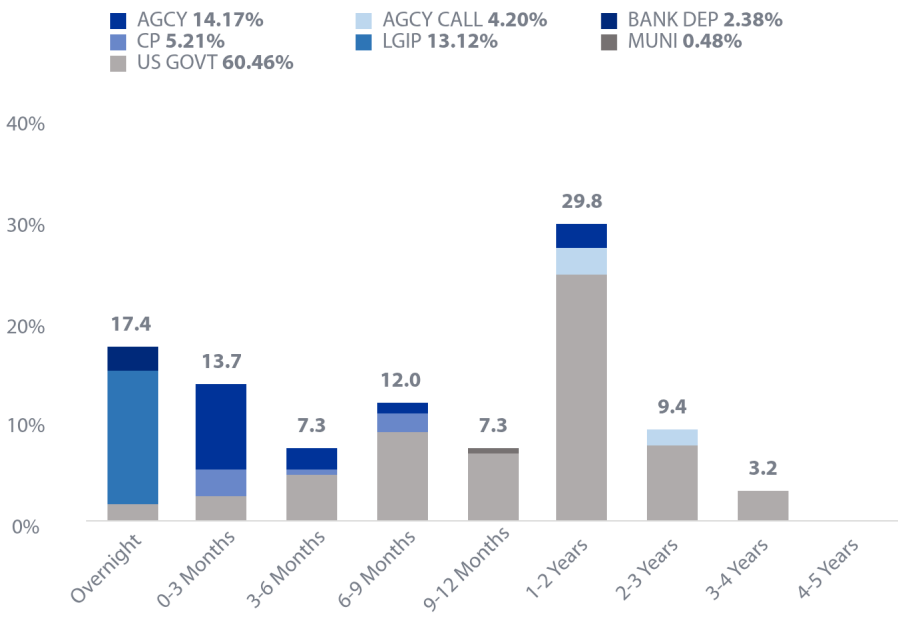
Portfolio Overview

Maturity Distribution by Security Type



Top Ten Holdings

Issuer	Allocation
United States	58.60%
TEXSTAR	13.01%
Federal Farm Credit Banks Funding Corporation	11.58%
Federal Home Loan Mortgage Corporation	3.15%
Toyota Motor Credit Corporation	2.60%
Wells Fargo	2.38%
Federal Home Loan Banks	2.11%
United States Department of The Treasury	1.86%
Federal National Mortgage Association	1.53%
Emory University	1.05%

Maturity Distribution by Security Type

Security Type	Overnight	0-3 Months	3-6 Months	6-9 Months	9-12 Months	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Portfolio Total
AGCY	--	80,000,865.98	20,014,540.41	9,855,253.84	--	24,672,054.74	--	--	--	**134,542,714.98**
AGCY CALL	--	--	--	--	--	24,948,159.46	14,926,676.22	--	--	**39,874,835.68**
BANK DEP	22,573,423.07	--	--	--	--	--	--	--	--	**22,573,423.07**
CP	--	24,953,175.00	4,921,659.72	19,552,200.00	--	--	--	--	--	**49,427,034.72**
LGIP	124,539,227.77	--	--	--	--	--	--	--	--	**124,539,227.77**
MUNI	--	--	--	--	4,516,511.97	--	--	--	--	**4,516,511.97**
US GOVT	17,643,179.10	24,974,559.07	44,819,742.96	84,486,299.33	64,933,955.24	233,137,916.40	74,096,780.57	29,967,907.65	--	**574,060,340.32**
Total	**164,755,829.94**	**129,928,600.06**	**69,755,943.09**	**113,893,753.17**	**69,450,467.22**	**282,758,130.60**	**89,023,456.79**	**29,967,907.65**	**–**	**949,534,088.51**

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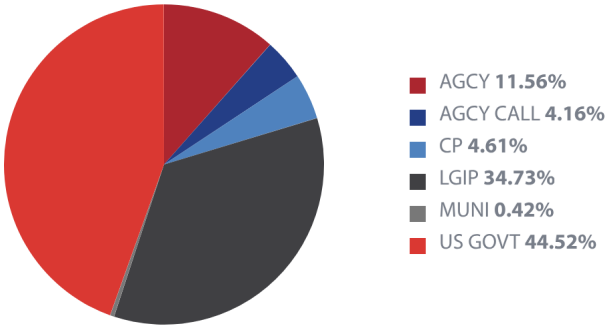
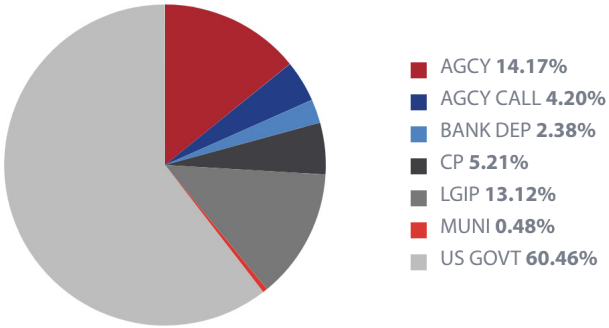
Asset Allocation

Asset Allocation by Security Type as of 30-Sep-2025



Asset Allocation by Security Type as of 31-Dec-2025



Book Value Basis Security Distribution

Security Type	Prior Balance 30-Sep-25	Prior Allocation 30-Sep-25	Change in Allocation	Current Balance 31-Dec-25	Current Allocation 31-Dec-25	Yield to Maturity
AGCY	124,473,716.39	11.56%	2.61%	134,542,714.98	14.17%	4.437%
AGCY CALL	44,829,300.52	4.16%	0.04%	39,874,835.68	4.20%	4.068%
BANK DEP	0.00	0.00%	2.38%	22,573,423.07	2.38%	0.600%
CP	49,600,444.45	4.61%	0.60%	49,427,034.72	5.21%	4.019%
LGIP	374,053,786.22	34.73%	(21.62%)	124,539,227.77	13.12%	3.825%
MUNI	4,522,014.18	0.42%	0.06%	4,516,511.97	0.48%	4.494%
US GOVT	479,418,235.74	44.52%	15.94%	574,060,340.32	60.46%	3.904%
Portfolio Total	**1,076,897,497.49**	**100.00%**		**949,534,088.51**	**100.00%**	**3.906%**

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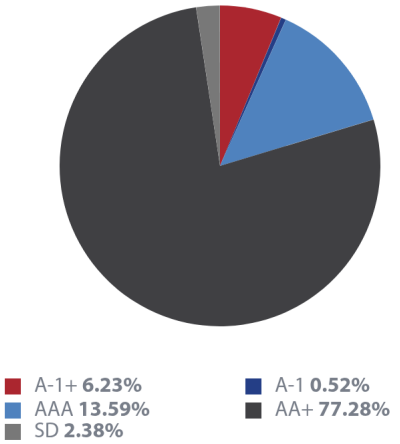
Credit Rating Summary

Rating Distribution

	Book Value	Portfolio Allocation
Secured Deposits (Insured or Collateralized)		
Demand Deposits	22,573,423.07	2.38%
Total Secured Deposits	**22,573,423.07**	**2.38%**
Local Government Investment Pools & Money Market Funds		
AAA	124,539,227.77	13.12%
Total Local Government Investment Pools & Money Market Funds	**124,539,227.77**	**13.12%**
Short Term Rating Distribution		
A-1+	59,165,743.85	6.23%
A-1	4,921,659.72	0.52%
Total Short Term Rating Distribution	**64,087,403.57**	**6.75%**
Long Term Rating Distribution		
AAA	4,516,511.97	0.48%
AA+	733,817,522.13	77.28%
Total Long Term Rating Distribution	**738,334,034.10**	**77.76%**
Portfolio Total	**949,534,088.51**	**100.00%**

Allocation by Rating



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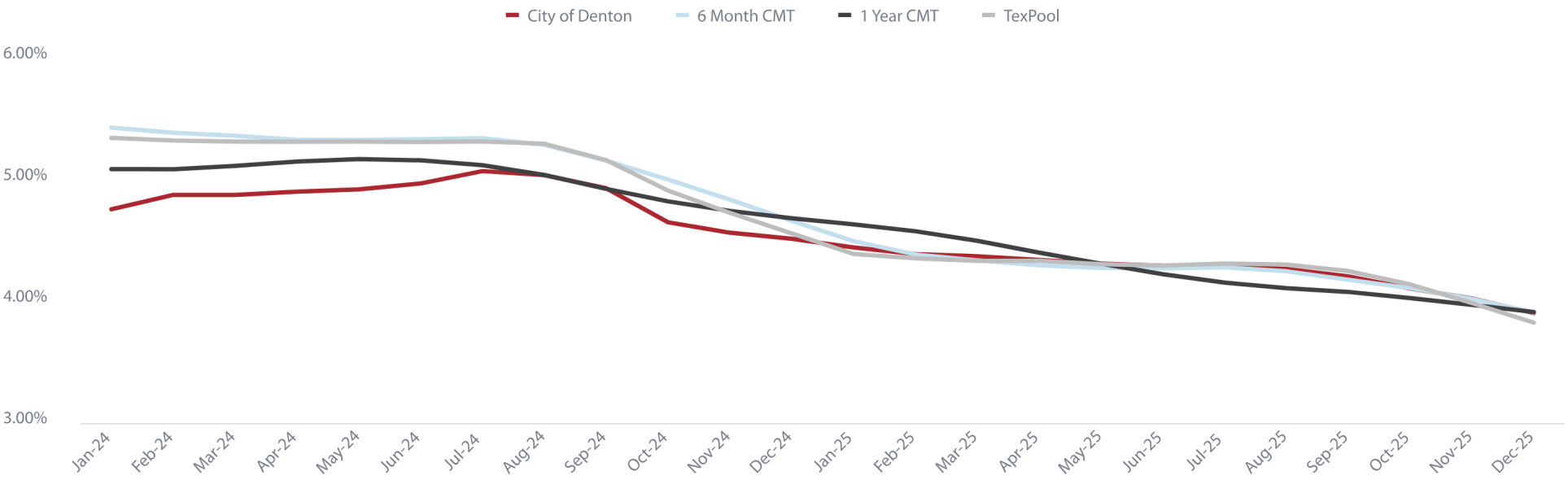
Benchmark Comparison



Yield Overview

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
City of Denton	**4.76**	**4.88**	**4.88**	**4.90**	**4.92**	**4.97**	**5.07**	**5.04**	**4.93**	**4.65**	**4.57**	**4.52**	**4.45**	**4.39**	**4.37**	**4.34**	**4.31**	**4.30**	**4.29**	**4.27**	**4.21**	**4.11**	**4.03**	**3.91**
6 Month CMT	5.43	5.39	5.36	5.33	5.33	5.34	5.34	5.29	5.16	5.00	4.84	4.66	4.50	4.39	4.34	4.30	4.28	4.27	4.28	4.25	4.18	4.11	4.02	3.91
1 Year CMT	5.09	5.09	5.12	5.15	5.17	5.16	5.12	5.04	4.93	4.82	4.75	4.69	4.64	4.58	4.50	4.40	4.31	4.23	4.16	4.11	4.08	4.03	3.97	3.91
TexPool	5.35	5.33	5.32	5.31	5.32	5.31	5.32	5.30	5.16	4.91	4.73	4.56	4.39	4.36	4.33	4.34	4.31	4.30	4.31	4.31	4.25	4.14	3.99	3.83

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Fund Overview

Fund Name	Prior Book Value	Prior Market Value	Changes to Market Value	Current Book Value	Current Market Value	Net Income	Days to Final Mty	YTM	YTW
City of Denton	1,076,897,497.49	1,079,199,917.20	(127,174,888.78)	949,534,088.51	952,025,028.42	10,780,792.05	331	3.906%	3.906%
Total	**1,076,897,497.49**	**1,079,199,917.20**	**(127,174,888.78)**	**949,534,088.51**	**952,025,028.42**	**10,780,792.05**	**331**	**3.906%**	**3.906%**

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Detail of Security Holdings

CUSIP	Settle Date	Security Type	Security Description	CPN	Maturity Date	Next Call Date	Call Type	Par Value	Purch Price	Original Cost	Book Value	Mkt Price	Market Value	Days to Mty	Days to Call	YTM	YTW	Rating
City of Denton																		
TEXPOOL		LGIP	TexPool	3.827	12/31/25			1,000,000.00	100.000	1,000,000.00	1,000,000.00	100.000	1,000,000.00	1		3.827	3.827	AAA
TEXSTAR		LGIP	TexSTAR	3.825	12/31/25			122,586,224.47	100.000	122,586,224.47	122,586,224.47	100.000	122,586,224.47	1		3.825	3.825	AAA
TEXSTAR2		LGIP	TexSTAR	3.825	12/31/25			953,003.30	100.000	953,003.30	953,003.30	100.000	953,003.30	1		3.825	3.825	AAA
USTDDSLG2		US GOVT	U.S. Treasury DD SLGS	0.000	12/31/25			8,465,455.14	100.000	8,465,455.14	8,465,455.14	100.000	8,465,455.14	1		2.850	2.850	AA+
USTDDSLGS		US GOVT	U.S. Treasury DD SLGS	0.000	12/31/25			9,177,723.96	100.000	9,177,723.96	9,177,723.96	100.000	9,177,723.96	1		2.850	2.850	AA+
WF-DNTN1		BANK DEP	Wells Fargo - Main	0.600	12/31/25			22,573,423.07	100.000	22,573,423.07	22,573,423.07	100.000	22,573,423.07	1		0.600	0.600	SD
89233HA61	04/15/25	CP	Toyota Motor Credit Corp	0.000	01/06/26			10,000,000.00	96.934	9,693,361.11	9,994,236.11	99.938	9,993,790.00	6		4.281	4.281	A-1+
29157PEH3		CP	Emory Univ Taxable CP	4.000	01/14/26			10,000,000.00	100.000	10,000,000.00	10,000,000.00	100.000	10,000,000.00	14		4.000	4.000	A-1+
91282CGE5		US GOVT	U.S. Treasury Note	3.875	01/15/26			20,000,000.00	98.414	19,682,812.50	19,992,425.79	99.988	19,997,656.20	15		4.895	4.895	AA+
3133ERMK4	07/29/24	AGCY	FFCB	4.625	01/26/26			40,000,000.00	100.011	40,004,400.00	40,000,212.97	100.055	40,021,800.00	26		4.617	4.617	AA+
3133ERCT6	04/29/24	AGCY	FFCB	5.000	01/29/26			10,000,000.00	99.847	9,984,717.70	9,999,279.69	100.089	10,008,900.00	29		5.097	5.097	AA+
3133ERNJ6	08/16/24	AGCY	FFCB	4.500	02/06/26			20,000,000.00	100.276	20,055,200.00	20,003,761.09	100.066	20,013,280.00	37		4.304	4.304	AA+
912828P46	03/01/24	US GOVT	U.S. Treasury Note	1.625	02/15/26			5,000,000.00	94.461	4,723,046.88	4,982,133.28	99.727	4,986,328.10	46		4.615	4.615	AA+
3133EP4K8	03/19/24	AGCY	FFCB	4.625	03/05/26			10,000,000.00	99.738	9,973,800.00	9,997,612.24	100.148	10,014,820.00	64		4.765	4.765	AA+
78009BCJ9	09/19/25	CP	Royal Bank of Canada	0.000	03/18/26			5,000,000.00	98.055	4,902,750.00	4,958,938.89	99.199	4,959,955.00	77		3.967	3.967	A-1+
91282CGV7		US GOVT	U.S. Treasury Note	3.750	04/15/26			20,000,000.00	99.820	19,964,062.51	19,993,739.30	100.047	20,009,375.00	105		3.862	3.862	AA+
3133ERDZ1	05/09/24	AGCY	FFCB	4.750	05/08/26			10,000,000.00	99.800	9,980,000.00	9,996,362.51	100.348	10,034,760.00	128		4.856	4.856	AA+
912828R36	06/18/24	US GOVT	U.S. Treasury Note	1.625	05/15/26			10,000,000.00	94.352	9,435,156.25	9,886,770.85	99.301	9,930,078.10	135		4.757	4.757	AA+
62479MES8	11/25/25	CP	MUFG Bank, Ltd., New York Branch	0.000	05/26/26			5,000,000.00	98.033	4,901,669.44	4,921,659.72	98.443	4,922,130.00	146		3.968	3.968	A-1
9128286X3	10/22/25	US GOVT	U.S. Treasury Note	2.125	05/31/26			10,000,000.00	99.043	9,904,296.88	9,934,964.97	99.391	9,939,062.50	151		3.733	3.733	AA+
3130B1BT3	07/29/24	AGCY	FHLB	4.875	06/12/26			10,000,000.00	100.728	10,072,800.00	10,018,177.90	100.502	10,050,170.00	163		4.457	4.457	AA+
91282CHH7	08/28/25	US GOVT	U.S. Treasury Note	4.125	06/15/26			5,000,000.00	100.145	5,007,226.56	5,004,267.84	100.266	5,013,281.25	166		3.933	3.933	AA+
89233HFW9	10/07/25	CP	Toyota Motor Credit Corp	0.000	06/30/26			5,000,000.00	97.140	4,857,025.00	4,903,250.00	98.108	4,905,385.00	181		3.984	3.984	A-1+
9128287B0	12/06/24	US GOVT	U.S. Treasury Note	1.875	06/30/26			5,000,000.00	96.508	4,825,390.63	4,943,411.48	99.195	4,959,765.60	181		4.199	4.199	AA+
91282CHM6		US GOVT	U.S. Treasury Note	4.500	07/15/26			20,000,000.00	100.718	20,143,554.69	20,053,391.55	100.512	20,102,343.80	196		3.993	3.993	AA+
78009BH54	12/19/25	CP	Royal Bank of Canada	0.000	08/05/26			5,000,000.00	97.672	4,883,591.67	4,890,200.00	97.760	4,887,975.00	217		3.747	3.747	A-1+
912797RG4	10/22/25	US GOVT	U.S. Treasury Bill	0.000	08/06/26			10,000,000.00	97.239	9,723,920.00	9,791,981.39	97.945	9,794,500.00	218		3.575	3.575	A-1+
89233HHE7	11/18/25	CP	Toyota Motor Credit Corp	0.000	08/14/26			10,000,000.00	97.116	9,711,572.22	9,758,750.00	97.650	9,765,000.00	226		3.975	3.975	A-1+
9128282A7	10/15/24	US GOVT	U.S. Treasury Note	1.500	08/15/26			25,000,000.00	95.699	23,924,804.69	24,627,220.23	98.723	24,680,664.00	227		3.953	3.953	AA+

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Detail of Security Holdings

CUSIP	Settle Date	Security Type	Security Description	CPN	Maturity Date	Next Call Date	Call Type	Par Value	Purch Price	Original Cost	Book Value	Mkt Price	Market Value	Days to Mty	Days to Call	YTM	YTW	Rating
91282CLH2	10/23/24	US GOVT	U.S. Treasury Note	3.750	08/31/26			5,000,000.00	99.395	4,969,726.56	4,989,045.26	100.105	5,005,273.45	243		4.090	4.090	AA+
91282CHY0		US GOVT	U.S. Treasury Note	4.625	09/15/26			20,000,000.00	101.082	20,216,406.26	20,081,249.42	100.723	20,144,531.20	258		4.031	4.031	AA+
3135G0Q22	08/27/24	AGCY	FNMA	1.875	09/24/26			10,000,000.00	95.964	9,596,400.00	9,855,253.84	98.708	9,870,810.00	267		3.919	3.919	AA+
882724RB5	03/07/24	MUNI	TEXAS STATE	5.000	10/01/26			4,500,000.00	101.210	4,554,450.00	4,516,511.97	101.091	4,549,084.98	274		4.494	4.494	AAA
912797SA6	10/17/25	US GOVT	U.S. Treasury Bill	0.000	10/01/26			5,000,000.00	96.635	4,831,748.07	4,868,387.46	97.435	4,871,744.45	274		3.611	3.611	A-1+
91282CJC6	09/04/25	US GOVT	U.S. Treasury Note	4.625	10/15/26			5,000,000.00	100.859	5,042,968.75	5,030,638.20	100.797	5,039,843.75	288		3.825	3.825	AA+
912828U24	10/08/24	US GOVT	U.S. Treasury Note	2.000	11/15/26			10,000,000.00	96.043	9,604,296.88	9,832,551.45	98.676	9,867,578.10	319		3.979	3.979	AA+
91282CJK8		US GOVT	U.S. Treasury Note	4.625	11/15/26			35,000,000.00	101.207	35,422,460.94	35,180,332.69	100.883	35,308,984.20	319		4.016	4.016	AA+
91282CJP7	10/29/24	US GOVT	U.S. Treasury Note	4.375	12/15/26			10,000,000.00	100.477	10,047,656.25	10,022,045.44	100.777	10,077,734.40	349		4.137	4.137	AA+
91282CJT9		US GOVT	U.S. Treasury Note	4.000	01/15/27			35,000,000.00	99.689	34,891,210.94	34,945,034.90	100.477	35,166,796.70	380		4.156	4.156	AA+
912828Z78	09/24/24	US GOVT	U.S. Treasury Note	1.500	01/31/27			20,000,000.00	95.422	19,084,375.00	19,569,663.26	97.863	19,572,656.20	396		3.547	3.547	AA+
3130B6CB0	05/09/25	AGCY CALL	FHLB	4.150	02/09/27	02/09/26	Quarterly	10,000,000.00	99.975	9,997,500.00	9,998,597.45	100.041	10,004,090.00	405	40	4.168	4.168	AA+
3133EP2T1	02/16/24	AGCY	FFCB	4.125	02/12/27			5,000,000.00	99.245	4,962,250.00	4,985,373.37	100.582	5,029,085.00	408		4.397	4.397	AA+
912828V98		US GOVT	U.S. Treasury Note	2.250	02/15/27			30,000,000.00	96.299	28,889,843.75	29,451,255.75	98.602	29,580,468.60	411		3.933	3.933	AA+
3134HBQP9	05/23/25	AGCY CALL	FHLMC	3.850	02/23/27	02/23/26	Quarterly	5,000,000.00	99.660	4,983,000.00	4,988,603.71	99.972	4,998,595.00	419	54	4.056	4.056	AA+
91282CKE0	05/14/25	US GOVT	U.S. Treasury Note	4.250	03/15/27			5,000,000.00	100.418	5,020,898.44	5,013,982.30	100.840	5,041,992.20	439		4.009	4.009	AA+
3133ET5R4	12/26/25	AGCY	FFCB	3.500	03/26/27			15,000,000.00	99.907	14,986,050.00	14,986,201.81	99.904	14,985,555.00	450		3.580	3.580	AA+
91282CEF4		US GOVT	U.S. Treasury Note	2.500	03/31/27			15,000,000.00	96.508	14,476,171.88	14,729,101.43	98.758	14,813,671.80	455		4.003	4.003	AA+
91282CKJ9	05/14/25	US GOVT	U.S. Treasury Note	4.500	04/15/27			5,000,000.00	100.891	5,044,531.25	5,030,255.27	101.227	5,061,328.10	470		4.012	4.012	AA+
91282CEN7		US GOVT	U.S. Treasury Note	2.750	04/30/27			20,000,000.00	98.820	19,764,062.50	19,791,282.25	99.020	19,803,906.20	485		3.562	3.562	AA+
912828X88	11/04/25	US GOVT	U.S. Treasury Note	2.375	05/15/27			10,000,000.00	98.133	9,813,281.25	9,832,454.98	98.477	9,847,656.20	500		3.640	3.640	AA+
91282CKR1		US GOVT	U.S. Treasury Note	4.500	05/15/27			15,000,000.00	100.665	15,099,804.69	15,062,874.96	101.320	15,198,046.80	500		4.182	4.182	AA+
91282CET4	12/02/25	US GOVT	U.S. Treasury Note	2.625	05/31/27			10,000,000.00	98.605	9,860,546.88	9,868,102.27	98.797	9,879,687.50	516		3.592	3.592	AA+
91282CNE7	11/04/25	US GOVT	U.S. Treasury Note	3.875	05/31/27			10,000,000.00	100.348	10,034,765.63	10,031,515.51	100.516	10,051,562.50	516		3.644	3.644	AA+
91282CKV2		US GOVT	U.S. Treasury Note	4.625	06/15/27			10,000,000.00	101.707	10,170,703.12	10,141,449.82	101.598	10,159,765.60	531		3.617	3.617	AA+
91282CFB2	12/10/25	US GOVT	U.S. Treasury Note	2.750	07/31/27			10,000,000.00	98.621	9,862,109.38	9,867,094.88	98.871	9,887,109.40	577		3.621	3.621	AA+
3134HBL66	09/09/25	AGCY CALL	FHLMC	3.500	09/09/27	03/09/26	Quarterly	10,000,000.00	99.539	9,953,900.00	9,960,958.30	99.693	9,969,320.00	617	68	3.741	3.741	AA+
91282CLL3		US GOVT	U.S. Treasury Note	3.375	09/15/27			15,000,000.00	99.060	14,858,984.38	14,912,256.17	99.820	14,973,046.80	623		3.732	3.732	AA+
3135G05Y5	12/07/23	AGCY	FNMA	0.750	10/08/27			5,000,000.00	87.532	4,376,600.00	4,700,479.57	95.253	4,762,665.00	646		4.311	4.311	AA+
91282CLX7		US GOVT	U.S. Treasury Note	4.125	11/15/27			15,000,000.00	99.227	14,883,984.38	14,921,765.09	101.145	15,171,679.65	684		4.419	4.419	AA+

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Detail of Security Holdings

CUSIP	Settle Date	Security Type	Security Description	CPN	Maturity Date	Next Call Date	Call Type	Par Value	Purch Price	Original Cost	Book Value	Mkt Price	Market Value	Days to Mty	Days to Call	YTM	YTW	Rating
91282CFZ9	10/16/24	US GOVT	U.S. Treasury Note	3.875	11/30/27			5,000,000.00	100.051	5,002,539.06	5,001,697.40	100.715	5,035,742.20	699		3.856	3.856	AA+
91282CGC9	12/07/23	US GOVT	U.S. Treasury Note	3.875	12/31/27			5,000,000.00	98.754	4,937,695.31	4,968,130.16	100.746	5,037,304.70	730		4.211	4.211	AA+
91282CMF5	02/13/25	US GOVT	U.S. Treasury Note	4.250	01/15/28			10,000,000.00	99.551	9,955,078.13	9,968,273.86	101.477	10,147,656.20	745		4.415	4.415	AA+
91282CGH8		US GOVT	U.S. Treasury Note	3.500	01/31/28			20,000,000.00	99.949	19,989,843.76	19,994,007.03	100.020	20,003,906.20	761		3.515	3.515	AA+
9128283W8		US GOVT	U.S. Treasury Note	2.750	02/15/28			15,000,000.00	94.888	14,233,203.13	14,504,276.88	98.492	14,773,828.05	776		4.399	4.399	AA+
3134HBQQ7	05/23/25	AGCY CALL	FHLMC	4.000	02/23/28	02/23/26	Quarterly	5,000,000.00	99.552	4,977,600.00	4,982,126.26	100.034	5,001,710.00	784	54	4.176	4.176	AA+
3134HBRM5	05/19/25	AGCY CALL	FHLMC	4.000	05/19/28	02/19/26	Quarterly	10,000,000.00	99.310	9,931,000.00	9,944,549.97	100.039	10,003,880.00	870	50	4.247	4.247	AA+
91282CCH2	10/15/24	US GOVT	U.S. Treasury Note	1.250	06/30/28			5,000,000.00	90.961	4,548,046.88	4,688,734.24	94.648	4,732,421.85	912		3.890	3.890	AA+
91282CNY3		US GOVT	U.S. Treasury Note	3.375	09/15/28			15,000,000.00	99.652	14,947,851.57	14,949,616.62	99.605	14,940,820.35	989		3.506	3.506	AA+
91282CPP0	12/22/25	US GOVT	U.S. Treasury Note	3.500	12/15/28			10,000,000.00	99.918	9,991,796.88	9,991,871.95	99.895	9,989,453.10	1,080		3.529	3.529	AA+
91282CJW2	10/17/25	US GOVT	U.S. Treasury Note	4.000	01/31/29			10,000,000.00	101.480	10,148,046.88	10,139,506.58	101.281	10,128,125.00	1,127		3.518	3.518	AA+
91282CFJ5	10/17/25	US GOVT	U.S. Treasury Note	3.125	08/31/29			10,000,000.00	98.426	9,842,578.13	9,850,622.20	98.328	9,832,812.50	1,339		3.564	3.564	AA+
91282CLN9	10/17/25	US GOVT	U.S. Treasury Note	3.500	09/30/29			10,000,000.00	99.766	9,976,562.50	9,977,778.86	99.563	9,956,250.00	1,369		3.564	3.564	AA+
Total City of Denton								**954,255,829.94**		**944,893,518.08**	**949,534,088.51**		**952,025,028.42**	**331**	**53**	**3.906**	**3.906**	
Grand Total								**954,255,829.94**		**944,893,518.08**	**949,534,088.51**		**952,025,028.42**	**331**	**53**	**3.906**	**3.906**	

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Earned Income

CUSIP	Security Type	Detailed Security Description	Beginning Accrued	Interest Earned	Interest Rec'd/ Sold/Matured	Interest Purchased	Ending Accrued	Disc Accr/Prem Amort	Net Realized Gain/Loss	Net Income
City of Denton										
89233GX68	CP	Toyota Motor Credit Corp 0.0 10/06/2025	0.00	0.00	0.00	0.00	0.00	3,034.72	0.00	3,034.72
91282CFP1	US GOVT	U.S. Treasury Note 4.25 10/15/2025	98,121.58	8,128.42	106,250.00	0.00	0.00	515.92	0.00	8,644.34
29157PEB6	CP	Emory Univ Taxable CP 4.37 10/23/2025	57,659.72	14,566.67	72,226.39	0.00	0.00	0.00	0.00	14,566.67
3133EPC37	AGCY	FFCB 4.875 11/13/2025	93,437.50	28,437.50	121,875.00	0.00	0.00	465.97	0.00	28,903.47
89233GYE0	CP	Toyota Motor Credit Corp 0.0 11/14/2025	0.00	0.00	0.00	0.00	0.00	53,411.11	0.00	53,411.11
91282CFW6	US GOVT	U.S. Treasury Note 4.5 11/15/2025	339,945.65	110,054.35	450,000.00	0.00	0.00	10,141.32	0.00	120,195.67
91282CGA3	US GOVT	U.S. Treasury Note 4.0 12/15/2025	236,065.57	163,934.43	400,000.00	0.00	0.00	36,544.50	0.00	200,478.93
78009AZK3	CP	Royal Bank of Canada 0.0 12/19/2025	0.00	0.00	0.00	0.00	0.00	45,534.72	0.00	45,534.72
78009AZP2	CP	Royal Bank of Canada 0.0 12/23/2025	0.00	0.00	0.00	0.00	0.00	94,988.89	0.00	94,988.89
9128285T3	US GOVT	U.S. Treasury Note 2.625 12/31/2025	33,169.16	32,455.84	65,625.00	0.00	0.00	14,222.96	0.00	46,678.80
TEXPOOL	LGIP	TexPool	349,478.30	1,004,630.80	1,029,072.80	0.00	325,036.30	0.00	0.00	1,004,630.80
TEXSTAR	LGIP	TexSTAR	1,014,471.32	1,802,292.48	2,393,362.88	0.00	423,400.92	0.00	0.00	1,802,292.48
TEXSTAR2	LGIP	TexSTAR	0.00	12,560.91	9,475.28	0.00	3,085.63	0.00	0.00	12,560.91
USTDDSLG2	US GOVT	U.S. Treasury DD SLGS 0.0 12/31/2025	0.00	61,765.40	61,765.40	0.00	0.00	0.00	0.00	61,765.40
USTDDSLGS	US GOVT	U.S. Treasury DD SLGS 0.0 12/31/2025	0.00	66,962.16	66,962.16	0.00	0.00	0.00	0.00	66,962.16
WF-DNTN1	BANK DEP	Wells Fargo - Main	0.00	24,949.99	16,144.01	0.00	8,805.98	0.00	0.00	24,949.99
89233HA61	CP	Toyota Motor Credit Corp 0.0 01/06/2026	0.00	0.00	0.00	0.00	0.00	106,055.56	0.00	106,055.56
29157PEH3	CP	Emory Univ Taxable CP 4.0 01/14/2026	0.00	75,000.00	0.00	(555.56)	75,555.56	0.00	0.00	75,000.00
91282CGE5	US GOVT	U.S. Treasury Note 3.875 01/15/2026	164,266.30	193,750.00	0.00	0.00	358,016.30	49,773.38	0.00	243,523.38
3133ERMK4	AGCY	FFCB 4.625 01/26/2026	334,027.78	462,500.00	0.00	0.00	796,527.78	(783.72)	0.00	461,716.28
3133ERCT6	AGCY	FFCB 5.0 01/29/2026	86,111.11	125,000.00	0.00	0.00	211,111.11	2,366.74	0.00	127,366.74
3133ERNJ6	AGCY	FFCB 4.5 02/06/2026	137,500.00	225,000.00	0.00	0.00	362,500.00	(9,611.67)	0.00	215,388.33
912828P46	US GOVT	U.S. Treasury Note 1.625 02/15/2026	10,377.04	20,312.50	0.00	0.00	30,689.54	36,527.51	0.00	56,840.01
3133EP4K8	AGCY	FFCB 4.625 03/05/2026	33,402.78	115,625.00	0.00	0.00	149,027.78	3,486.89	0.00	119,111.89
78009BCJ9	CP	Royal Bank of Canada 0.0 03/18/2026	0.00	0.00	0.00	0.00	0.00	49,705.56	0.00	49,705.56
91282CGV7	US GOVT	U.S. Treasury Note 3.75 04/15/2026	346,311.48	189,402.81	375,000.00	0.00	160,714.29	5,516.88	0.00	194,919.69
3133ERDZ1	AGCY	FFCB 4.75 05/08/2026	188,680.56	118,750.00	237,500.00	0.00	69,930.56	2,591.91	0.00	121,341.91
912828R36	US GOVT	U.S. Treasury Note 1.625 05/15/2026	61,379.08	40,968.99	81,250.00	0.00	21,098.07	76,250.51	0.00	117,219.50
62479MES8	CP	MUFG Bank, Ltd., New York Branch 0.0 05/26/2026	0.00	0.00	0.00	0.00	0.00	19,990.28	0.00	19,990.28

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Earned Income

CUSIP	Security Type	Detailed Security Description	Beginning Accrued	Interest Earned	Interest Rec'd/ Sold/Matured	Interest Purchased	Ending Accrued	Disc Accr/Prem Amort	Net Realized Gain/Loss	Net Income
9128286X3	US GOVT	U.S. Treasury Note 2.125 05/31/2026	0.00	41,324.76	106,250.00	(83,606.56)	18,681.32	30,668.09	0.00	71,992.85
3130B1BT3	AGCY	FHLB 4.875 06/12/2026	147,604.17	121,875.00	243,750.00	0.00	25,729.17	(10,103.93)	0.00	111,771.07
91282CHH7	US GOVT	U.S. Treasury Note 4.125 06/15/2026	60,860.66	51,896.90	103,125.00	0.00	9,632.55	(2,172.97)	0.00	49,723.92
89233HFW9	CP	Toyota Motor Credit Corp 0.0 06/30/2026	0.00	0.00	0.00	0.00	0.00	46,225.00	0.00	46,225.00
9128287B0	US GOVT	U.S. Treasury Note 1.875 06/30/2026	23,692.26	23,441.72	46,875.00	0.00	258.98	27,877.89	0.00	51,319.61
91282CHM6	US GOVT	U.S. Treasury Note 4.5 07/15/2026	190,760.87	225,000.00	0.00	0.00	415,760.87	(24,252.19)	0.00	200,747.81
78009BH54	CP	Royal Bank of Canada 0.0 08/05/2026	0.00	0.00	0.00	0.00	0.00	6,608.33	0.00	6,608.33
912797RG4	US GOVT	U.S. Treasury Bill 0.0 08/06/2026	0.00	0.00	0.00	0.00	0.00	68,061.39	0.00	68,061.39
89233HHE7	CP	Toyota Motor Credit Corp 0.0 08/14/2026	0.00	0.00	0.00	0.00	0.00	47,177.78	0.00	47,177.78
9128282A7	US GOVT	U.S. Treasury Note 1.5 08/15/2026	47,894.02	93,750.00	0.00	0.00	141,644.02	147,421.89	0.00	241,171.89
91282CLH2	US GOVT	U.S. Treasury Note 3.75 08/31/2026	16,056.63	47,651.93	0.00	0.00	63,708.56	4,152.57	0.00	51,804.51
91282CHY0	US GOVT	U.S. Treasury Note 4.625 09/15/2026	40,883.98	235,082.87	0.00	0.00	275,966.85	(29,012.37)	0.00	206,070.50
3135G0Q22	AGCY	FNMA 1.875 09/24/2026	3,645.83	46,875.00	0.00	0.00	50,520.83	49,959.97	0.00	96,834.97
882724RB5	MUNI	TEXAS STATE 5.0 10/01/2026	112,500.00	56,250.00	112,500.00	0.00	56,250.00	(5,502.20)	0.00	50,747.80
912797SA6	US GOVT	U.S. Treasury Bill 0.0 10/01/2026	0.00	0.00	0.00	0.00	0.00	36,639.39	0.00	36,639.39
91282CJC6	US GOVT	U.S. Treasury Note 4.625 10/15/2026	106,779.37	58,399.20	115,625.00	0.00	49,553.57	(9,646.92)	0.00	48,752.28
912828U24	US GOVT	U.S. Treasury Note 2.0 11/15/2026	75,543.48	50,423.37	100,000.00	0.00	25,966.85	47,513.40	0.00	97,936.77
91282CJK8	US GOVT	U.S. Treasury Note 4.625 11/15/2026	611,430.03	408,114.17	809,375.00	0.00	210,169.20	(51,167.44)	0.00	356,946.73
91282CJP7	US GOVT	U.S. Treasury Note 4.375 12/15/2026	129,098.36	110,084.33	218,750.00	0.00	20,432.69	(5,661.42)	0.00	104,422.91
91282CJT9	US GOVT	U.S. Treasury Note 4.0 01/15/2027	296,739.13	350,000.00	0.00	0.00	646,739.13	12,834.05	0.00	362,834.05
912828Z78	US GOVT	U.S. Treasury Note 1.5 01/31/2027	50,543.48	75,000.00	0.00	0.00	125,543.48	97,073.25	0.00	172,073.25
3130B6CB0	AGCY CALL	FHLB 4.15 02/09/2027	163,694.44	103,750.00	207,500.00	0.00	59,944.44	431.64	0.00	104,181.64
3133EP2T1	AGCY	FFCB 4.125 02/12/2027	28,072.92	51,562.50	0.00	0.00	79,635.42	3,187.04	0.00	54,749.54
912828V98	US GOVT	U.S. Treasury Note 2.25 02/15/2027	86,209.24	168,750.00	0.00	0.00	254,959.24	119,051.79	0.00	287,801.79
3134HBQP9	AGCY CALL	FHLMC 3.85 02/23/2027	20,319.44	48,125.00	0.00	0.00	68,444.44	2,425.47	0.00	50,550.47
91282CKE0	US GOVT	U.S. Treasury Note 4.25 03/15/2027	9,392.27	54,005.52	0.00	0.00	63,397.79	(2,884.52)	0.00	51,121.01
3133ET5R4	AGCY	FFCB 3.5 03/26/2027	0.00	7,291.67	0.00	0.00	7,291.67	151.81	0.00	7,443.47
91282CEF4	US GOVT	U.S. Treasury Note 2.5 03/31/2027	686.81	89,285.72	0.00	(5,837.91)	95,810.44	51,558.22	0.00	140,843.94
91282CKJ9	US GOVT	U.S. Treasury Note 4.5 04/15/2027	103,893.44	56,820.84	112,500.00	0.00	48,214.29	(5,776.43)	0.00	51,044.41
91282CEN7	US GOVT	U.S. Treasury Note 2.75 04/30/2027	0.00	97,885.77	137,500.00	(133,813.13)	94,198.90	27,219.75	0.00	125,105.51

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Earned Income

CUSIP	Security Type	Detailed Security Description	Beginning Accrued	Interest Earned	Interest Rec'd/ Sold/Matured	Interest Purchased	Ending Accrued	Disc Accr/Prem Amort	Net Realized Gain/Loss	Net Income
912828X88	US GOVT	U.S. Treasury Note 2.375 05/15/2027	0.00	37,934.82	118,750.00	(111,650.82)	30,835.64	19,173.73	0.00	57,108.55
91282CKR1	US GOVT	U.S. Treasury Note 4.5 05/15/2027	254,959.24	170,178.88	337,500.00	0.00	87,638.12	(11,165.58)	0.00	159,013.30
91282CET4	US GOVT	U.S. Treasury Note 2.625 05/31/2027	0.00	21,634.61	0.00	(1,442.31)	23,076.92	7,555.39	0.00	29,190.00
91282CNE7	US GOVT	U.S. Treasury Note 3.875 05/31/2027	0.00	61,593.25	193,750.00	(166,222.68)	34,065.93	(3,250.12)	0.00	58,343.13
91282CKV2	US GOVT	U.S. Treasury Note 4.625 06/15/2027	136,475.41	116,374.87	231,250.00	0.00	21,600.27	(23,379.81)	0.00	92,995.06
91282CFB2	US GOVT	U.S. Treasury Note 2.75 07/31/2027	0.00	16,440.22	0.00	(98,641.30)	115,081.52	4,985.50	0.00	21,425.72
3134HBL66	AGCY CALL	FHLMC 3.5 09/09/2027	21,388.89	87,500.00	0.00	0.00	108,888.89	5,696.17	0.00	93,196.17
91282CLL3	US GOVT	U.S. Treasury Note 3.375 09/15/2027	14,917.13	90,435.08	0.00	(45,683.70)	151,035.91	11,454.34	0.00	101,889.42
3135G05Y5	AGCY	FNMA 0.75 10/08/2027	18,020.83	9,375.00	18,750.00	0.00	8,645.83	41,237.60	0.00	50,612.60
91282CLX7	US GOVT	U.S. Treasury Note 4.125 11/15/2027	233,712.64	155,997.31	309,375.00	0.00	80,334.94	10,073.92	0.00	166,071.23
91282CFZ9	US GOVT	U.S. Treasury Note 3.875 11/30/2027	65,112.70	48,795.26	96,875.00	0.00	17,032.97	(214.25)	0.00	48,581.01
91282CGC9	US GOVT	U.S. Treasury Note 3.875 12/31/2027	48,963.99	48,446.23	96,875.00	0.00	535.22	3,787.12	0.00	52,233.35
91282CMF5	US GOVT	U.S. Treasury Note 4.25 01/15/2028	90,081.52	106,250.00	0.00	0.00	196,331.52	3,687.60	0.00	109,937.60
91282CGH8	US GOVT	U.S. Treasury Note 3.5 01/31/2028	117,934.78	175,000.00	0.00	0.00	292,934.78	856.18	0.00	175,856.18
9128283W8	US GOVT	U.S. Treasury Note 2.75 02/15/2028	52,683.42	103,125.00	0.00	0.00	155,808.42	55,454.99	0.00	158,579.99
3134HBQQ7	AGCY CALL	FHLMC 4.0 02/23/2028	21,111.11	50,000.00	0.00	0.00	71,111.11	1,985.42	0.00	51,985.42
3134HBRM5	AGCY CALL	FHLMC 4.0 05/19/2028	146,666.67	100,000.00	200,000.00	0.00	46,666.67	5,549.45	0.00	105,549.45
3134HBVR9	AGCY CALL	FHLMC 4.0 06/09/2028	61,111.11	37,777.78	98,888.89	0.00	0.00	1,942.47	27,504.54	67,224.79
91282CCH2	US GOVT	U.S. Treasury Note 1.25 06/30/2028	15,794.84	15,627.81	31,250.00	0.00	172.65	29,410.68	0.00	45,038.50
91282CNY3	US GOVT	U.S. Treasury Note 3.375 09/15/2028	7,458.56	52,209.95	0.00	(91,367.40)	151,035.91	1,563.93	0.00	53,773.88
91282CPP0	US GOVT	U.S. Treasury Note 3.5 12/15/2028	0.00	9,615.38	0.00	(6,730.77)	16,346.15	75.07	0.00	9,690.45
91282CJW2	US GOVT	U.S. Treasury Note 4.0 01/31/2029	0.00	82,608.69	0.00	(84,782.61)	167,391.30	(8,540.30)	0.00	74,068.40
91282CFJ5	US GOVT	U.S. Treasury Note 3.125 08/31/2029	0.00	65,607.74	0.00	(40,573.20)	106,180.94	8,044.07	0.00	73,651.81
91282CLN9	US GOVT	U.S. Treasury Note 3.5 09/30/2029	0.00	73,076.93	0.00	(16,346.15)	89,423.08	1,216.36	0.00	74,293.29
Total City of Denton			**7,217,098.60**	**9,305,299.33**	**9,533,522.81**	**(887,254.10)**	**7,876,129.22**	**1,447,988.17**	**27,504.54**	**10,780,792.05**
Grand Total			**7,217,098.60**	**9,305,299.33**	**9,533,522.81**	**(887,254.10)**	**7,876,129.22**	**1,447,988.17**	**27,504.54**	**10,780,792.05**

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Investment Transactions

CUSIP	Trade Date	Settle Date	Security Type	Security Description	Coupon	Maturity Date	Call Date	Par Value	Price	Principal Amount	Interest Purchased/ Received	Total Amount	Realized Gain/ Loss	YTM	YTW
City of Denton															
Buy															
89233HFW9	10/06/25	10/07/25	CP	Toyota Motor Credit Corp	0.000	06/30/26		5,000,000.00	97.141	4,857,025.00	0.00	4,857,025.00	0.00	3.984	3.984
91282CJW2	10/16/25	10/17/25	US GOVT	U.S. Treasury Note	4.000	01/31/29		10,000,000.00	101.480	10,148,046.88	84,782.61	10,232,829.49	0.00	3.518	3.518
91282CEF4	10/16/25	10/17/25	US GOVT	U.S. Treasury Note	2.500	03/31/27		5,000,000.00	98.551	4,927,539.06	5,837.91	4,933,376.97	0.00	3.531	3.531
91282CLN9	10/16/25	10/17/25	US GOVT	U.S. Treasury Note	3.500	09/30/29		10,000,000.00	99.766	9,976,562.50	16,346.15	9,992,908.65	0.00	3.564	3.564
91282CFJ5	10/16/25	10/17/25	US GOVT	U.S. Treasury Note	3.125	08/31/29		10,000,000.00	98.426	9,842,578.13	40,573.20	9,883,151.33	0.00	3.564	3.564
912797SA6	10/16/25	10/17/25	US GOVT	U.S. Treasury Bill	0.000	10/01/26		5,000,000.00	96.635	4,831,748.07	0.00	4,831,748.07	0.00	3.611	3.611
91282CEN7	10/21/25	10/22/25	US GOVT	U.S. Treasury Note	2.750	04/30/27		10,000,000.00	98.906	9,890,625.00	130,774.46	10,021,399.46	0.00	3.493	3.493
912797RG4	10/21/25	10/22/25	US GOVT	U.S. Treasury Bill	0.000	08/06/26		10,000,000.00	97.239	9,723,920.00	0.00	9,723,920.00	0.00	3.575	3.575
9128286X3	10/21/25	10/22/25	US GOVT	U.S. Treasury Note	2.125	05/31/26		10,000,000.00	99.043	9,904,296.88	83,606.56	9,987,903.44	0.00	3.733	3.733
29157PEH3	10/23/25	10/23/25	CP	Emory Univ Taxable CP	4.000	01/14/26		5,000,000.00	100.000	5,000,000.00	0.00	5,000,000.00	0.00	4.000	4.000
29157PEH3	10/23/25	10/24/25	CP	Emory Univ Taxable CP	4.000	01/14/26		5,000,000.00	100.000	5,000,000.00	555.56	5,000,555.56	0.00	4.000	4.000
91282CEN7	11/03/25	11/04/25	US GOVT	U.S. Treasury Note	2.750	04/30/27		10,000,000.00	98.734	9,873,437.50	3,038.67	9,876,476.17	0.00	3.631	3.631
912828X88	11/03/25	11/04/25	US GOVT	U.S. Treasury Note	2.375	05/15/27		10,000,000.00	98.133	9,813,281.25	111,650.82	9,924,932.07	0.00	3.640	3.640
91282CNE7	11/03/25	11/04/25	US GOVT	U.S. Treasury Note	3.875	05/31/27		10,000,000.00	100.348	10,034,765.63	166,222.68	10,200,988.31	0.00	3.644	3.644
89233HHE7	11/17/25	11/18/25	CP	Toyota Motor Credit Corp	0.000	08/14/26		10,000,000.00	97.116	9,711,572.22	0.00	9,711,572.22	0.00	3.975	3.975
62479MES8	11/24/25	11/25/25	CP	MUFG Bank, Ltd., New York Branch	0.000	05/26/26		5,000,000.00	98.033	4,901,669.44	0.00	4,901,669.44	0.00	3.968	3.968
USTDDSLG2	11/30/25	11/30/25	US GOVT	U.S. Treasury DD SLGS	0.000	12/31/25		61,765.40	1.000	61,765.40	0.00	61,765.40	0.00	2.947	2.947
USTDDSLGS	11/30/25	11/30/25	US GOVT	U.S. Treasury DD SLGS	0.000	12/31/25		66,962.16	1.000	66,962.16	0.00	66,962.16	0.00	2.947	2.947
91282CET4	12/01/25	12/02/25	US GOVT	U.S. Treasury Note	2.625	05/31/27		10,000,000.00	98.605	9,860,546.88	1,442.31	9,861,989.19	0.00	3.592	3.592
91282CFB2	12/09/25	12/10/25	US GOVT	U.S. Treasury Note	2.750	07/31/27		10,000,000.00	98.621	9,862,109.38	98,641.30	9,960,750.68	0.00	3.621	3.621
78009BH54	12/18/25	12/19/25	CP	Royal Bank of Canada	0.000	08/05/26		5,000,000.00	97.672	4,883,591.67	0.00	4,883,591.67	0.00	3.747	3.747
91282CLL3	12/19/25	12/22/25	US GOVT	U.S. Treasury Note	3.375	09/15/27		5,000,000.00	99.805	4,990,234.38	45,683.70	5,035,918.08	0.00	3.490	3.490
91282CNY3	12/19/25	12/22/25	US GOVT	U.S. Treasury Note	3.375	09/15/28		10,000,000.00	99.621	9,962,109.38	91,367.40	10,053,476.78	0.00	3.520	3.520
91282CPP0	12/19/25	12/22/25	US GOVT	U.S. Treasury Note	3.500	12/15/28		10,000,000.00	99.918	9,991,796.88	6,730.77	9,998,527.65	0.00	3.529	3.529
3133ET5R4	12/23/25	12/26/25	AGCY	FFCB	3.500	03/26/27		15,000,000.00	99.907	14,986,050.00	0.00	14,986,050.00	0.00	3.580	3.580
Total Buy								**195,128,727.56**		**193,102,233.69**	**887,254.10**	**193,989,487.79**	**0.00**		
Call Redemption															

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Investment Transactions

CUSIP	Trade Date	Settle Date	Security Type	Security Description	Coupon	Maturity Date	Call Date	Par Value	Price	Principal Amount	Interest Purchased/ Received	Total Amount	Realized Gain/ Loss	YTM	YTW
3134HBVR9	12/09/25	12/09/25	AGCY CALL	FHLMC	4.000	06/09/28	12/09/25	(5,000,000.00)	100.000	5,000,000.00	0.00	5,000,000.00	27,504.54	--	--
Total Call Redemption								**(5,000,000.00)**		**5,000,000.00**	**0.00**	**5,000,000.00**	**27,504.54**		
Coupon															
882724RB5	10/01/25	10/01/25	MUNI	TEXAS STATE	5.000	10/01/26		0.00		0.00	112,500.00	112,500.00	0.00	--	--
3135G05Y5	10/08/25	10/08/25	AGCY	FNMA	0.750	10/08/27		0.00		0.00	18,750.00	18,750.00	0.00	--	--
91282CFP1	10/15/25	10/15/25	US GOVT	U.S. Treasury Note	4.250	10/15/25		0.00		0.00	106,250.00	106,250.00	0.00	--	--
91282CGV7	10/15/25	10/15/25	US GOVT	U.S. Treasury Note	3.750	04/15/26		0.00		0.00	375,000.00	375,000.00	0.00	--	--
91282CKJ9	10/15/25	10/15/25	US GOVT	U.S. Treasury Note	4.500	04/15/27		0.00		0.00	112,500.00	112,500.00	0.00	--	--
91282CJC6	10/15/25	10/15/25	US GOVT	U.S. Treasury Note	4.625	10/15/26		0.00		0.00	115,625.00	115,625.00	0.00	--	--
29157PEB6	10/23/25	10/23/25	CP	Emory Univ Taxable CP	4.370	10/23/25		0.00		0.00	72,226.39	72,226.39	0.00	--	--
91282CEN7	10/31/25	10/31/25	US GOVT	U.S. Treasury Note	2.750	04/30/27		0.00		0.00	137,500.00	137,500.00	0.00	--	--
3133ERDZ1	11/08/25	11/08/25	AGCY	FFCB	4.750	05/08/26		0.00		0.00	237,500.00	237,500.00	0.00	--	--
3130B6CB0	11/09/25	11/09/25	AGCY CALL	FHLB	4.150	02/09/27	02/09/26	0.00		0.00	207,500.00	207,500.00	0.00	--	--
3133EPC37	11/13/25	11/13/25	AGCY	FFCB	4.875	11/13/25		0.00		0.00	121,875.00	121,875.00	0.00	--	--
91282CJK8	11/15/25	11/15/25	US GOVT	U.S. Treasury Note	4.625	11/15/26		0.00		0.00	809,375.00	809,375.00	0.00	--	--
91282CKR1	11/15/25	11/15/25	US GOVT	U.S. Treasury Note	4.500	05/15/27		0.00		0.00	337,500.00	337,500.00	0.00	--	--
912828R36	11/15/25	11/15/25	US GOVT	U.S. Treasury Note	1.625	05/15/26		0.00		0.00	81,250.00	81,250.00	0.00	--	--
912828U24	11/15/25	11/15/25	US GOVT	U.S. Treasury Note	2.000	11/15/26		0.00		0.00	100,000.00	100,000.00	0.00	--	--
91282CFW6	11/15/25	11/15/25	US GOVT	U.S. Treasury Note	4.500	11/15/25		0.00		0.00	450,000.00	450,000.00	0.00	--	--
91282CLX7	11/15/25	11/15/25	US GOVT	U.S. Treasury Note	4.125	11/15/27		0.00		0.00	309,375.00	309,375.00	0.00	--	--
912828X88	11/15/25	11/15/25	US GOVT	U.S. Treasury Note	2.375	05/15/27		0.00		0.00	118,750.00	118,750.00	0.00	--	--
3134HBRM5	11/19/25	11/19/25	AGCY CALL	FHLMC	4.000	05/19/28	02/19/26	0.00		0.00	200,000.00	200,000.00	0.00	--	--
9128286X3	11/30/25	11/30/25	US GOVT	U.S. Treasury Note	2.125	05/31/26		0.00		0.00	106,250.00	106,250.00	0.00	--	--
91282CFZ9	11/30/25	11/30/25	US GOVT	U.S. Treasury Note	3.875	11/30/27		0.00		0.00	96,875.00	96,875.00	0.00	--	--
91282CNE7	11/30/25	11/30/25	US GOVT	U.S. Treasury Note	3.875	05/31/27		0.00		0.00	193,750.00	193,750.00	0.00	--	--
3134HBVR9	12/09/25	12/09/25	AGCY CALL	FHLMC	4.000	06/09/28	12/09/25	0.00		0.00	98,888.89	98,888.89	0.00	--	--
3130B1BT3	12/12/25	12/12/25	AGCY	FHLB	4.875	06/12/26		0.00		0.00	243,750.00	243,750.00	0.00	--	--
91282CHH7	12/15/25	12/15/25	US GOVT	U.S. Treasury Note	4.125	06/15/26		0.00		0.00	103,125.00	103,125.00	0.00	--	--
91282CGA3	12/15/25	12/15/25	US GOVT	U.S. Treasury Note	4.000	12/15/25		0.00		0.00	400,000.00	400,000.00	0.00	--	--

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Investment Transactions

CUSIP	Trade Date	Settle Date	Security Type	Security Description	Coupon	Maturity Date	Call Date	Par Value	Price	Principal Amount	Interest Purchased/ Received	Total Amount	Realized Gain/ Loss	YTM	YTW
91282CJP7	12/15/25	12/15/25	US GOVT	U.S. Treasury Note	4.375	12/15/26		0.00		0.00	218,750.00	218,750.00	0.00	--	--
91282CKV2	12/15/25	12/15/25	US GOVT	U.S. Treasury Note	4.625	06/15/27		0.00		0.00	231,250.00	231,250.00	0.00	--	--
9128287B0	12/31/25	12/31/25	US GOVT	U.S. Treasury Note	1.875	06/30/26		0.00		0.00	46,875.00	46,875.00	0.00	--	--
9128285T3	12/31/25	12/31/25	US GOVT	U.S. Treasury Note	2.625	12/31/25		0.00		0.00	65,625.00	65,625.00	0.00	--	--
91282CCH2	12/31/25	12/31/25	US GOVT	U.S. Treasury Note	1.250	06/30/28		0.00		0.00	31,250.00	31,250.00	0.00	--	--
91282CGC9	12/31/25	12/31/25	US GOVT	U.S. Treasury Note	3.875	12/31/27		0.00		0.00	96,875.00	96,875.00	0.00	--	--
Total Coupon								**0.00**		**0.00**	**5,956,740.28**	**5,956,740.28**	**0.00**		
Maturity															
89233GX68	10/06/25	10/06/25	CP	Toyota Motor Credit Corp	0.000	10/06/25		(5,000,000.00)	100.000	5,000,000.00	0.00	5,000,000.00	0.00	--	--
91282CFP1	10/15/25	10/15/25	US GOVT	U.S. Treasury Note	4.250	10/15/25		(5,000,000.00)	100.000	5,000,000.00	0.00	5,000,000.00	0.00	--	--
29157PEB6	10/23/25	10/23/25	CP	Emory Univ Taxable CP	4.370	10/23/25		(5,000,000.00)	100.000	5,000,000.00	0.00	5,000,000.00	0.00	--	--
3133EPC37	11/13/25	11/13/25	AGCY	FFCB	4.875	11/13/25		(5,000,000.00)	100.000	5,000,000.00	0.00	5,000,000.00	0.00	--	--
89233GYE0	11/14/25	11/14/25	CP	Toyota Motor Credit Corp	0.000	11/14/25		(10,000,000.00)	100.000	10,000,000.00	0.00	10,000,000.00	0.00	--	--
91282CFW6	11/15/25	11/15/25	US GOVT	U.S. Treasury Note	4.500	11/15/25		(20,000,000.00)	100.000	20,000,000.00	0.00	20,000,000.00	0.00	--	--
91282CGA3	12/15/25	12/15/25	US GOVT	U.S. Treasury Note	4.000	12/15/25		(20,000,000.00)	100.000	20,000,000.00	0.00	20,000,000.00	0.00	--	--
78009AZK3	12/19/25	12/19/25	CP	Royal Bank of Canada	0.000	12/19/25		(5,000,000.00)	100.000	5,000,000.00	0.00	5,000,000.00	0.00	--	--
78009AZP2	12/23/25	12/23/25	CP	Royal Bank of Canada	0.000	12/23/25		(10,000,000.00)	100.000	10,000,000.00	0.00	10,000,000.00	0.00	--	--
9128285T3	12/31/25	12/31/25	US GOVT	U.S. Treasury Note	2.625	12/31/25		(5,000,000.00)	100.000	5,000,000.00	0.00	5,000,000.00	0.00	--	--
Total Maturity								**(90,000,000.00)**		**90,000,000.00**	**0.00**	**90,000,000.00**	**0.00**		
Money Market Funds															
USTDDSLG2	10/31/25	10/31/25	US GOVT	U.S. Treasury DD SLGS	0.000	12/31/25		0.00		0.00	21,233.46	21,233.46	0.00	--	--
USTDDSLGS	10/31/25	10/31/25	US GOVT	U.S. Treasury DD SLGS	0.000	12/31/25		0.00		0.00	23,019.98	23,019.98	0.00	--	--
USTDDSLG2	11/30/25	11/30/25	US GOVT	U.S. Treasury DD SLGS	0.000	12/31/25		0.00		0.00	20,317.86	20,317.86	0.00	--	--
USTDDSLGS	11/30/25	11/30/25	US GOVT	U.S. Treasury DD SLGS	0.000	12/31/25		0.00		0.00	22,027.34	22,027.34	0.00	--	--
USTDDSLG2	12/31/25	12/31/25	US GOVT	U.S. Treasury DD SLGS	0.000	12/31/25		0.00		0.00	20,214.08	20,214.08	0.00	--	--
USTDDSLGS	12/31/25	12/31/25	US GOVT	U.S. Treasury DD SLGS	0.000	12/31/25		0.00		0.00	21,914.84	21,914.84	0.00	--	--
Total Money Market Funds								**0.00**		**0.00**	**128,727.56**	**128,727.56**	**0.00**		

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Investment Transactions Totals

Transaction Type	Quantity	Principal Amount	Interest	Total Amount	Realized G/L	YTM	YTW
Total Buy	195,128,727.56	(193,102,233.69)	(887,254.10)	(193,989,487.79)	0.00	3.647	3.647
Total Call Redemption	(5,000,000.00)	5,000,000.00	0.00	5,000,000.00	27,504.54	4.234	4.234
Total Maturity	(90,000,000.00)	90,000,000.00	*0.00*	90,000,000.00	*0.00*	4.630	4.630
Total Coupon	0.00	0.00	*5,956,740.28*	5,956,740.28	*0.00*		
Total Money Market Funds	0.00	0.00	*128,727.56*	128,727.56	*0.00*		

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Amortization and Accretion

CUSIP	Settle Date	Security Type	Detailed Security Description	Purchase Qty	Orig Price	Original Cost	Amort/Accr for Period	Total Amort/Accr Since Purch	Remaining Disc/ Premium	Ending Book Value
City of Denton										
89233GX68	01/17/25	CP	Toyota Motor Credit Corp 0.0 10/06/2025	0.00	0.000	0.00	3,034.72	0.00	0.00	0.00
91282CFP1	02/06/24	US GOVT	U.S. Treasury Note 4.25 10/15/2025	0.00	0.000	0.00	515.92	0.00	0.00	0.00
3133EPC37	11/28/23	AGCY	FFCB 4.875 11/13/2025	0.00	0.000	0.00	465.97	0.00	0.00	0.00
89233GYE0	02/19/25	CP	Toyota Motor Credit Corp 0.0 11/14/2025	0.00	0.000	0.00	53,411.11	0.00	0.00	0.00
91282CFW6		US GOVT	U.S. Treasury Note 4.5 11/15/2025	0.00	0.000	0.00	10,141.32	0.00	0.00	0.00
91282CGA3		US GOVT	U.S. Treasury Note 4.0 12/15/2025	0.00	0.000	0.00	36,544.50	0.00	0.00	0.00
78009AZK3	03/25/25	CP	Royal Bank of Canada 0.0 12/19/2025	0.00	0.000	0.00	45,534.72	0.00	0.00	0.00
78009AZP2	04/01/25	CP	Royal Bank of Canada 0.0 12/23/2025	0.00	0.000	0.00	94,988.89	0.00	0.00	0.00
9128285T3	10/01/24	US GOVT	U.S. Treasury Note 2.625 12/31/2025	0.00	0.000	0.00	14,222.96	0.00	0.00	0.00
USTDDSLG2		US GOVT	U.S. Treasury DD SLGS 0.0 12/31/2025	8,465,455.14	1.000	8,465,455.14	0.00	0.00	0.00	8,465,455.14
USTDDSLGS		US GOVT	U.S. Treasury DD SLGS 0.0 12/31/2025	9,177,723.96	1.000	9,177,723.96	0.00	0.00	0.00	9,177,723.96
89233HA61	04/15/25	CP	Toyota Motor Credit Corp 0.0 01/06/2026	10,000,000.00	96.934	9,693,361.11	106,055.56	300,875.00	(5,763.89)	9,994,236.11
29157PEH3		CP	Emory Univ Taxable CP 4.0 01/14/2026	10,000,000.00	100.000	10,000,000.00	0.00	0.00	0.00	10,000,000.00
91282CGE5		US GOVT	U.S. Treasury Note 3.875 01/15/2026	20,000,000.00	98.414	19,682,812.50	49,773.38	309,613.29	(7,574.21)	19,992,425.79
3133ERMK4	07/29/24	AGCY	FFCB 4.625 01/26/2026	40,000,000.00	100.011	40,004,400.00	(783.72)	(4,187.03)	212.97	40,000,212.97
3133ERCT6	04/29/24	AGCY	FFCB 5.0 01/29/2026	10,000,000.00	99.847	9,984,717.70	2,366.74	14,561.99	(720.31)	9,999,279.69
3133ERNJ6	08/16/24	AGCY	FFCB 4.5 02/06/2026	20,000,000.00	100.276	20,055,200.00	(9,611.67)	(51,438.91)	3,761.09	20,003,761.09
912828P46	03/01/24	US GOVT	U.S. Treasury Note 1.625 02/15/2026	5,000,000.00	94.461	4,723,046.88	36,527.51	259,086.40	(17,866.72)	4,982,133.28
3133EP4K8	03/19/24	AGCY	FFCB 4.625 03/05/2026	10,000,000.00	99.738	9,973,800.00	3,486.89	23,812.24	(2,387.76)	9,997,612.24
78009BCJ9	09/19/25	CP	Royal Bank of Canada 0.0 03/18/2026	5,000,000.00	98.055	4,902,750.00	49,705.56	56,188.89	(41,061.11)	4,958,938.89
91282CGV7		US GOVT	U.S. Treasury Note 3.75 04/15/2026	20,000,000.00	99.820	19,964,062.51	5,516.88	29,676.79	(6,260.70)	19,993,739.30
3133ERDZ1	05/09/24	AGCY	FFCB 4.75 05/08/2026	10,000,000.00	99.800	9,980,000.00	2,591.91	16,362.51	(3,637.49)	9,996,362.51
912828R36	06/18/24	US GOVT	U.S. Treasury Note 1.625 05/15/2026	10,000,000.00	94.352	9,435,156.25	76,250.51	451,614.60	(113,229.15)	9,886,770.85
62479MES8	11/25/25	CP	MUFG Bank, Ltd., New York Branch 0.0 05/26/2026	5,000,000.00	98.033	4,901,669.44	19,990.28	19,990.28	(78,340.28)	4,921,659.72
9128286X3	10/22/25	US GOVT	U.S. Treasury Note 2.125 05/31/2026	10,000,000.00	99.043	9,904,296.88	30,668.09	30,668.09	(65,035.03)	9,934,964.97
3130B1BT3	07/29/24	AGCY	FHLB 4.875 06/12/2026	10,000,000.00	100.728	10,072,800.00	(10,103.93)	(54,622.10)	18,177.90	10,018,177.90
91282CHH7	08/28/25	US GOVT	U.S. Treasury Note 4.125 06/15/2026	5,000,000.00	100.145	5,007,226.56	(2,172.97)	(2,958.72)	4,267.84	5,004,267.84
89233HFW9	10/07/25	CP	Toyota Motor Credit Corp 0.0 06/30/2026	5,000,000.00	97.140	4,857,025.00	46,225.00	46,225.00	(96,750.00)	4,903,250.00
9128287B0	12/06/24	US GOVT	U.S. Treasury Note 1.875 06/30/2026	5,000,000.00	96.508	4,825,390.63	27,877.89	118,020.85	(56,588.52)	4,943,411.48

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Amortization and Accretion

CUSIP	Settle Date	Security Type	Detailed Security Description	Purchase Qty	Orig Price	Original Cost	Amort/Accr for Period	Total Amort/Accr Since Purch	Remaining Disc/ Premium	Ending Book Value
91282CHM6		US GOVT	U.S. Treasury Note 4.5 07/15/2026	20,000,000.00	100.718	20,143,554.69	(24,252.19)	(90,163.14)	53,391.55	20,053,391.55
78009BH54	12/19/25	CP	Royal Bank of Canada 0.0 08/05/2026	5,000,000.00	97.672	4,883,591.67	6,608.33	6,608.33	(109,800.00)	4,890,200.00
912797RG4	10/22/25	US GOVT	U.S. Treasury Bill 0.0 08/06/2026	10,000,000.00	97.239	9,723,920.00	68,061.39	68,061.39	(208,018.61)	9,791,981.39
89233HHE7	11/18/25	CP	Toyota Motor Credit Corp 0.0 08/14/2026	10,000,000.00	97.116	9,711,572.22	47,177.78	47,177.78	(241,250.00)	9,758,750.00
9128282A7	10/15/24	US GOVT	U.S. Treasury Note 1.5 08/15/2026	25,000,000.00	95.699	23,924,804.69	147,421.89	702,415.54	(372,779.77)	24,627,220.23
91282CLH2	10/23/24	US GOVT	U.S. Treasury Note 3.75 08/31/2026	5,000,000.00	99.395	4,969,726.56	4,152.57	19,318.70	(10,954.74)	4,989,045.26
91282CHY0		US GOVT	U.S. Treasury Note 4.625 09/15/2026	20,000,000.00	101.082	20,216,406.26	(29,012.37)	(135,156.84)	81,249.42	20,081,249.42
3135G0Q22	08/27/24	AGCY	FNMA 1.875 09/24/2026	10,000,000.00	95.964	9,596,400.00	49,959.97	258,853.84	(144,746.16)	9,855,253.84
882724RB5	03/07/24	MUNI	TEXAS STATE 5.0 10/01/2026	4,500,000.00	101.210	4,554,450.00	(5,502.20)	(37,938.03)	16,511.97	4,516,511.97
912797SA6	10/17/25	US GOVT	U.S. Treasury Bill 0.0 10/01/2026	5,000,000.00	96.635	4,831,748.07	36,639.39	36,639.39	(131,612.54)	4,868,387.46
91282CJC6	09/04/25	US GOVT	U.S. Treasury Note 4.625 10/15/2026	5,000,000.00	100.859	5,042,968.75	(9,646.92)	(12,330.55)	30,638.20	5,030,638.20
912828U24	10/08/24	US GOVT	U.S. Treasury Note 2.0 11/15/2026	10,000,000.00	96.043	9,604,296.88	47,513.40	228,254.57	(167,448.55)	9,832,551.45
91282CJK8		US GOVT	U.S. Treasury Note 4.625 11/15/2026	35,000,000.00	101.207	35,422,460.94	(51,167.44)	(242,128.25)	180,332.69	35,180,332.69
91282CJP7	10/29/24	US GOVT	U.S. Treasury Note 4.375 12/15/2026	10,000,000.00	100.477	10,047,656.25	(5,661.42)	(25,610.81)	22,045.44	10,022,045.44
91282CJT9		US GOVT	U.S. Treasury Note 4.0 01/15/2027	35,000,000.00	99.689	34,891,210.94	12,834.05	53,823.96	(54,965.10)	34,945,034.90
912828Z78	09/24/24	US GOVT	U.S. Treasury Note 1.5 01/31/2027	20,000,000.00	95.422	19,084,375.00	97,073.25	485,288.26	(430,336.74)	19,569,663.26
3130B6CB0	05/09/25	AGCY CALL	FHLB 4.15 02/09/2027	10,000,000.00	99.975	9,997,500.00	431.64	1,097.45	(1,402.55)	9,998,597.45
3133EP2T1	02/16/24	AGCY	FFCB 4.125 02/12/2027	5,000,000.00	99.245	4,962,250.00	3,187.04	23,123.37	(14,626.63)	4,985,373.37
912828V98		US GOVT	U.S. Treasury Note 2.25 02/15/2027	30,000,000.00	96.299	28,889,843.75	119,051.79	561,412.00	(548,744.25)	29,451,255.75
3134HBQP9	05/23/25	AGCY CALL	FHLMC 3.85 02/23/2027	5,000,000.00	99.660	4,983,000.00	2,425.47	5,603.71	(11,396.29)	4,988,603.71
91282CKE0	05/14/25	US GOVT	U.S. Treasury Note 4.25 03/15/2027	5,000,000.00	100.418	5,020,898.44	(2,884.52)	(6,916.14)	13,982.30	5,013,982.30
3133ET5R4	12/26/25	AGCY	FFCB 3.5 03/26/2027	15,000,000.00	99.907	14,986,050.00	151.81	151.81	(13,798.19)	14,986,201.81
91282CEF4		US GOVT	U.S. Treasury Note 2.5 03/31/2027	15,000,000.00	96.508	14,476,171.88	51,558.22	252,929.55	(270,898.57)	14,729,101.43
91282CKJ9	05/14/25	US GOVT	U.S. Treasury Note 4.5 04/15/2027	5,000,000.00	100.891	5,044,531.25	(5,776.43)	(14,275.98)	30,255.27	5,030,255.27
91282CEN7		US GOVT	U.S. Treasury Note 2.75 04/30/2027	20,000,000.00	98.820	19,764,062.50	27,219.75	27,219.75	(208,717.75)	19,791,282.25
912828X88	11/04/25	US GOVT	U.S. Treasury Note 2.375 05/15/2027	10,000,000.00	98.133	9,813,281.25	19,173.73	19,173.73	(167,545.02)	9,832,454.98
91282CKR1		US GOVT	U.S. Treasury Note 4.5 05/15/2027	15,000,000.00	100.665	15,099,804.69	(11,165.58)	(36,929.73)	62,874.96	15,062,874.96
91282CET4	12/02/25	US GOVT	U.S. Treasury Note 2.625 05/31/2027	10,000,000.00	98.605	9,860,546.88	7,555.39	7,555.39	(131,897.73)	9,868,102.27
91282CNE7	11/04/25	US GOVT	U.S. Treasury Note 3.875 05/31/2027	10,000,000.00	100.348	10,034,765.63	(3,250.12)	(3,250.12)	31,515.51	10,031,515.51
91282CKV2		US GOVT	U.S. Treasury Note 4.625 06/15/2027	10,000,000.00	101.707	10,170,703.12	(23,379.81)	(29,253.30)	141,449.82	10,141,449.82

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Amortization and Accretion

CUSIP	Settle Date	Security Type	Detailed Security Description	Purchase Qty	Orig Price	Original Cost	Amort/Accr for Period	Total Amort/Accr Since Purch	Remaining Disc/ Premium	Ending Book Value
91282CFB2	12/10/25	US GOVT	U.S. Treasury Note 2.75 07/31/2027	10,000,000.00	98.621	9,862,109.38	4,985.50	4,985.50	(132,905.12)	9,867,094.88
3134HBL66	09/09/25	AGCY CALL	FHLMC 3.5 09/09/2027	10,000,000.00	99.539	9,953,900.00	5,696.17	7,058.30	(39,041.70)	9,960,958.30
91282CLL3		US GOVT	U.S. Treasury Note 3.375 09/15/2027	15,000,000.00	99.060	14,858,984.38	11,454.34	53,271.79	(87,743.83)	14,912,256.17
3135G05Y5	12/07/23	AGCY	FNMA 0.75 10/08/2027	5,000,000.00	87.532	4,376,600.00	41,237.60	323,879.57	(299,520.43)	4,700,479.57
91282CLX7		US GOVT	U.S. Treasury Note 4.125 11/15/2027	15,000,000.00	99.227	14,883,984.38	10,073.92	37,780.71	(78,234.91)	14,921,765.09
91282CFZ9	10/16/24	US GOVT	U.S. Treasury Note 3.875 11/30/2027	5,000,000.00	100.051	5,002,539.06	(214.25)	(841.66)	1,697.40	5,001,697.40
91282CGC9	12/07/23	US GOVT	U.S. Treasury Note 3.875 12/31/2027	5,000,000.00	98.754	4,937,695.31	3,787.12	30,434.85	(31,869.84)	4,968,130.16
91282CMF5	02/13/25	US GOVT	U.S. Treasury Note 4.25 01/15/2028	10,000,000.00	99.551	9,955,078.13	3,687.60	13,195.73	(31,726.14)	9,968,273.86
91282CGH8		US GOVT	U.S. Treasury Note 3.5 01/31/2028	20,000,000.00	99.949	19,989,843.76	856.18	4,163.27	(5,992.97)	19,994,007.03
9128283W8		US GOVT	U.S. Treasury Note 2.75 02/15/2028	15,000,000.00	94.888	14,233,203.13	55,454.99	271,073.75	(495,723.12)	14,504,276.88
3134HBQQ7	05/23/25	AGCY CALL	FHLMC 4.0 02/23/2028	5,000,000.00	99.552	4,977,600.00	1,985.42	4,526.26	(17,873.74)	4,982,126.26
3134HBRM5	05/19/25	AGCY CALL	FHLMC 4.0 05/19/2028	10,000,000.00	99.310	9,931,000.00	5,549.45	13,549.97	(55,450.03)	9,944,549.97
3134HBVR9	06/11/25	AGCY CALL	FHLMC 4.0 06/09/2028	0.00	0.000	0.00	1,942.47	0.00	0.00	0.00
91282CCH2	10/15/24	US GOVT	U.S. Treasury Note 1.25 06/30/2028	5,000,000.00	90.961	4,548,046.88	29,410.68	140,687.36	(311,265.76)	4,688,734.24
91282CNY3		US GOVT	U.S. Treasury Note 3.375 09/15/2028	15,000,000.00	99.652	14,947,851.57	1,563.93	1,765.05	(50,383.38)	14,949,616.62
91282CPP0	12/22/25	US GOVT	U.S. Treasury Note 3.5 12/15/2028	10,000,000.00	99.918	9,991,796.88	75.07	75.07	(8,128.05)	9,991,871.95
91282CJW2	10/17/25	US GOVT	U.S. Treasury Note 4.0 01/31/2029	10,000,000.00	101.480	10,148,046.88	(8,540.30)	(8,540.30)	139,506.58	10,139,506.58
91282CFJ5	10/17/25	US GOVT	U.S. Treasury Note 3.125 08/31/2029	10,000,000.00	98.426	9,842,578.13	8,044.07	8,044.07	(149,377.80)	9,850,622.20
91282CLN9	10/17/25	US GOVT	U.S. Treasury Note 3.5 09/30/2029	10,000,000.00	99.766	9,976,562.50	1,216.36	1,216.36	(22,221.14)	9,977,778.86
Total City of Denton				**807,143,179.10**		**797,780,867.24**	**1,447,988.17**	**4,640,570.43**	**(4,721,741.43)**	**802,421,437.67**
Grand Total				**807,143,179.10**		**797,780,867.24**	**1,447,988.17**	**4,640,570.43**	**(4,721,741.43)**	**802,421,437.67**

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Projected Cash Flows

CUSIP	Detailed Security Description	Post Date	Interest	Principal	Total Amount
City of Denton					
89233HA61	Toyota Motor Credit Corp 0.0 01/06/2026	01/06/26		10,000,000.00	10,000,000.00
29157PEH3	Emory Univ Taxable CP 4.0 01/14/2026	01/14/26	90,000.00		90,000.00
29157PEH3	Emory Univ Taxable CP 4.0 01/14/2026	01/14/26		10,000,000.00	10,000,000.00
91282CGE5	U.S. Treasury Note 3.875 01/15/2026	01/15/26	387,500.00		387,500.00
91282CGE5	U.S. Treasury Note 3.875 01/15/2026	01/15/26		20,000,000.00	20,000,000.00
91282CHM6	U.S. Treasury Note 4.5 07/15/2026	01/15/26	450,000.00		450,000.00
91282CJT9	U.S. Treasury Note 4.0 01/15/2027	01/15/26	700,000.00		700,000.00
91282CMF5	U.S. Treasury Note 4.25 01/15/2028	01/15/26	212,500.00		212,500.00
3133ERMK4	FFCB 4.625 01/26/2026	01/26/26	925,000.00		925,000.00
3133ERMK4	FFCB 4.625 01/26/2026	01/26/26		40,000,000.00	40,000,000.00
3133ERCT6	FFCB 5.0 01/29/2026	01/29/26	250,000.00		250,000.00
3133ERCT6	FFCB 5.0 01/29/2026	01/29/26		10,000,000.00	10,000,000.00
912828Z78	U.S. Treasury Note 1.5 01/31/2027	02/02/26	150,000.00		150,000.00
91282CFB2	U.S. Treasury Note 2.75 07/31/2027	02/02/26	137,500.00		137,500.00
91282CGH8	U.S. Treasury Note 3.5 01/31/2028	02/02/26	350,000.00		350,000.00
91282CJW2	U.S. Treasury Note 4.0 01/31/2029	02/02/26	200,000.00		200,000.00
3133ERNJ6	FFCB 4.5 02/06/2026	02/06/26	450,000.00		450,000.00
3133ERNJ6	FFCB 4.5 02/06/2026	02/06/26		20,000,000.00	20,000,000.00
3130B6CB0	FHLB 4.15 02/09/2027	02/09/26	103,750.00		103,750.00
3130B6CB0	FHLB 4.15 02/09/2027	02/09/26		10,000,000.00	10,000,000.00
3133EP2T1	FFCB 4.125 02/12/2027	02/12/26	103,125.00		103,125.00
9128282A7	U.S. Treasury Note 1.5 08/15/2026	02/17/26	187,500.00		187,500.00
9128283W8	U.S. Treasury Note 2.75 02/15/2028	02/17/26	206,250.00		206,250.00
912828P46	U.S. Treasury Note 1.625 02/15/2026	02/17/26	40,625.00		40,625.00
912828P46	U.S. Treasury Note 1.625 02/15/2026	02/17/26		5,000,000.00	5,000,000.00
912828V98	U.S. Treasury Note 2.25 02/15/2027	02/17/26	337,500.00		337,500.00
3134HBQP9	FHLMC 3.85 02/23/2027	02/23/26	96,250.00		96,250.00
3134HBQQ7	FHLMC 4.0 02/23/2028	02/23/26	100,000.00		100,000.00
3134HBQQ7	FHLMC 4.0 02/23/2028	02/23/26		5,000,000.00	5,000,000.00
91282CFJ5	U.S. Treasury Note 3.125 08/31/2029	03/02/26	156,250.00		156,250.00

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Projected Cash Flows

CUSIP	Detailed Security Description	Post Date	Interest	Principal	Total Amount
91282CLH2	U.S. Treasury Note 3.75 08/31/2026	03/02/26	93,750.00		93,750.00
3133EP4K8	FFCB 4.625 03/05/2026	03/05/26	231,250.00		231,250.00
3133EP4K8	FFCB 4.625 03/05/2026	03/05/26		10,000,000.00	10,000,000.00
3134HBL66	FHLMC 3.5 09/09/2027	03/09/26	175,000.00		175,000.00
91282CHY0	U.S. Treasury Note 4.625 09/15/2026	03/16/26	462,500.00		462,500.00
91282CKE0	U.S. Treasury Note 4.25 03/15/2027	03/16/26	106,250.00		106,250.00
91282CLL3	U.S. Treasury Note 3.375 09/15/2027	03/16/26	253,125.00		253,125.00
91282CNY3	U.S. Treasury Note 3.375 09/15/2028	03/16/26	253,125.00		253,125.00
78009BCJ9	Royal Bank of Canada 0.0 03/18/2026	03/18/26		5,000,000.00	5,000,000.00
3135G0Q22	FNMA 1.875 09/24/2026	03/24/26	93,750.00		93,750.00
3133ET5R4	FFCB 3.5 03/26/2027	03/26/26	131,250.00		131,250.00
91282CEF4	U.S. Treasury Note 2.5 03/31/2027	03/31/26	187,500.00		187,500.00
91282CLN9	U.S. Treasury Note 3.5 09/30/2029	03/31/26	175,000.00		175,000.00
882724RB5	TEXAS STATE 5.0 10/01/2026	04/01/26	112,500.00		112,500.00
3135G05Y5	FNMA 0.75 10/08/2027	04/08/26	18,750.00		18,750.00
91282CGV7	U.S. Treasury Note 3.75 04/15/2026	04/15/26	375,000.00		375,000.00
91282CGV7	U.S. Treasury Note 3.75 04/15/2026	04/15/26		20,000,000.00	20,000,000.00
91282CJC6	U.S. Treasury Note 4.625 10/15/2026	04/15/26	115,625.00		115,625.00
91282CKJ9	U.S. Treasury Note 4.5 04/15/2027	04/15/26	112,500.00		112,500.00
91282CEN7	U.S. Treasury Note 2.75 04/30/2027	04/30/26	275,000.00		275,000.00
3133ERDZ1	FFCB 4.75 05/08/2026	05/08/26	237,500.00		237,500.00
3133ERDZ1	FFCB 4.75 05/08/2026	05/08/26		10,000,000.00	10,000,000.00
912828R36	U.S. Treasury Note 1.625 05/15/2026	05/15/26	81,250.00		81,250.00
912828R36	U.S. Treasury Note 1.625 05/15/2026	05/15/26		10,000,000.00	10,000,000.00
912828U24	U.S. Treasury Note 2.0 11/15/2026	05/15/26	100,000.00		100,000.00
912828X88	U.S. Treasury Note 2.375 05/15/2027	05/15/26	118,750.00		118,750.00
91282CJK8	U.S. Treasury Note 4.625 11/15/2026	05/15/26	809,375.00		809,375.00
91282CKR1	U.S. Treasury Note 4.5 05/15/2027	05/15/26	337,500.00		337,500.00
91282CLX7	U.S. Treasury Note 4.125 11/15/2027	05/15/26	309,375.00		309,375.00
3134HBRM5	FHLMC 4.0 05/19/2028	05/19/26	200,000.00		200,000.00
3134HBRM5	FHLMC 4.0 05/19/2028	05/19/26		10,000,000.00	10,000,000.00

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Projected Cash Flows

CUSIP	Detailed Security Description	Post Date	Interest	Principal	Total Amount
62479MES8	MUFG Bank, Ltd., New York Branch 0.0 05/26/2026	05/26/26		5,000,000.00	5,000,000.00
9128286X3	U.S. Treasury Note 2.125 05/31/2026	06/01/26	106,250.00		106,250.00
9128286X3	U.S. Treasury Note 2.125 05/31/2026	06/01/26		10,000,000.00	10,000,000.00
91282CET4	U.S. Treasury Note 2.625 05/31/2027	06/01/26	131,250.00		131,250.00
91282CFZ9	U.S. Treasury Note 3.875 11/30/2027	06/01/26	96,875.00		96,875.00
91282CNE7	U.S. Treasury Note 3.875 05/31/2027	06/01/26	193,750.00		193,750.00
3130B1BT3	FHLB 4.875 06/12/2026	06/12/26	243,750.00		243,750.00
3130B1BT3	FHLB 4.875 06/12/2026	06/12/26		10,000,000.00	10,000,000.00
91282CHH7	U.S. Treasury Note 4.125 06/15/2026	06/15/26	103,125.00		103,125.00
91282CHH7	U.S. Treasury Note 4.125 06/15/2026	06/15/26		5,000,000.00	5,000,000.00
91282CJP7	U.S. Treasury Note 4.375 12/15/2026	06/15/26	218,750.00		218,750.00
91282CKV2	U.S. Treasury Note 4.625 06/15/2027	06/15/26	231,250.00		231,250.00
91282CPP0	U.S. Treasury Note 3.5 12/15/2028	06/15/26	175,000.00		175,000.00
89233HFW9	Toyota Motor Credit Corp 0.0 06/30/2026	06/30/26		5,000,000.00	5,000,000.00
9128287B0	U.S. Treasury Note 1.875 06/30/2026	06/30/26	46,875.00		46,875.00
9128287B0	U.S. Treasury Note 1.875 06/30/2026	06/30/26		5,000,000.00	5,000,000.00
91282CCH2	U.S. Treasury Note 1.25 06/30/2028	06/30/26	31,250.00		31,250.00
91282CGC9	U.S. Treasury Note 3.875 12/31/2027	06/30/26	96,875.00		96,875.00
91282CHM6	U.S. Treasury Note 4.5 07/15/2026	07/15/26	450,000.00		450,000.00
91282CHM6	U.S. Treasury Note 4.5 07/15/2026	07/15/26		20,000,000.00	20,000,000.00
91282CJT9	U.S. Treasury Note 4.0 01/15/2027	07/15/26	700,000.00		700,000.00
91282CMF5	U.S. Treasury Note 4.25 01/15/2028	07/15/26	212,500.00		212,500.00
912828Z78	U.S. Treasury Note 1.5 01/31/2027	07/31/26	150,000.00		150,000.00
91282CFB2	U.S. Treasury Note 2.75 07/31/2027	07/31/26	137,500.00		137,500.00
91282CGH8	U.S. Treasury Note 3.5 01/31/2028	07/31/26	350,000.00		350,000.00
91282CJW2	U.S. Treasury Note 4.0 01/31/2029	07/31/26	200,000.00		200,000.00
78009BH54	Royal Bank of Canada 0.0 08/05/2026	08/05/26		5,000,000.00	5,000,000.00
912797RG4	U.S. Treasury Bill 0.0 08/06/2026	08/06/26		10,000,000.00	10,000,000.00
3133EP2T1	FFCB 4.125 02/12/2027	08/12/26	103,125.00		103,125.00
89233HHE7	Toyota Motor Credit Corp 0.0 08/14/2026	08/14/26		10,000,000.00	10,000,000.00
9128282A7	U.S. Treasury Note 1.5 08/15/2026	08/17/26	187,500.00		187,500.00

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Projected Cash Flows

CUSIP	Detailed Security Description	Post Date	Interest	Principal	Total Amount
9128282A7	U.S. Treasury Note 1.5 08/15/2026	08/17/26		25,000,000.00	25,000,000.00
9128283W8	U.S. Treasury Note 2.75 02/15/2028	08/17/26	206,250.00		206,250.00
912828V98	U.S. Treasury Note 2.25 02/15/2027	08/17/26	337,500.00		337,500.00
3134HBQP9	FHLMC 3.85 02/23/2027	08/24/26	96,250.00		96,250.00
91282CFJ5	U.S. Treasury Note 3.125 08/31/2029	08/31/26	156,250.00		156,250.00
91282CLH2	U.S. Treasury Note 3.75 08/31/2026	08/31/26	93,750.00		93,750.00
91282CLH2	U.S. Treasury Note 3.75 08/31/2026	08/31/26		5,000,000.00	5,000,000.00
3134HBL66	FHLMC 3.5 09/09/2027	09/09/26	175,000.00		175,000.00
91282CHY0	U.S. Treasury Note 4.625 09/15/2026	09/15/26	462,500.00		462,500.00
91282CHY0	U.S. Treasury Note 4.625 09/15/2026	09/15/26		20,000,000.00	20,000,000.00
91282CKE0	U.S. Treasury Note 4.25 03/15/2027	09/15/26	106,250.00		106,250.00
91282CLL3	U.S. Treasury Note 3.375 09/15/2027	09/15/26	253,125.00		253,125.00
91282CNY3	U.S. Treasury Note 3.375 09/15/2028	09/15/26	253,125.00		253,125.00
3135G0Q22	FNMA 1.875 09/24/2026	09/24/26	93,750.00		93,750.00
3135G0Q22	FNMA 1.875 09/24/2026	09/24/26		10,000,000.00	10,000,000.00
3133ET5R4	FFCB 3.5 03/26/2027	09/28/26	262,500.00		262,500.00
91282CEF4	U.S. Treasury Note 2.5 03/31/2027	09/30/26	187,500.00		187,500.00
91282CLN9	U.S. Treasury Note 3.5 09/30/2029	09/30/26	175,000.00		175,000.00
882724RB5	TEXAS STATE 5.0 10/01/2026	10/01/26	112,500.00		112,500.00
882724RB5	TEXAS STATE 5.0 10/01/2026	10/01/26		4,500,000.00	4,500,000.00
912797SA6	U.S. Treasury Bill 0.0 10/01/2026	10/01/26		5,000,000.00	5,000,000.00
3135G05Y5	FNMA 0.75 10/08/2027	10/08/26	18,750.00		18,750.00
91282CJC6	U.S. Treasury Note 4.625 10/15/2026	10/15/26	115,625.00		115,625.00
91282CJC6	U.S. Treasury Note 4.625 10/15/2026	10/15/26		5,000,000.00	5,000,000.00
91282CKJ9	U.S. Treasury Note 4.5 04/15/2027	10/15/26	112,500.00		112,500.00
91282CEN7	U.S. Treasury Note 2.75 04/30/2027	11/02/26	275,000.00		275,000.00
912828U24	U.S. Treasury Note 2.0 11/15/2026	11/16/26	100,000.00		100,000.00
912828U24	U.S. Treasury Note 2.0 11/15/2026	11/16/26		10,000,000.00	10,000,000.00
912828X88	U.S. Treasury Note 2.375 05/15/2027	11/16/26	118,750.00		118,750.00
91282CJK8	U.S. Treasury Note 4.625 11/15/2026	11/16/26	809,375.00		809,375.00
91282CJK8	U.S. Treasury Note 4.625 11/15/2026	11/16/26		35,000,000.00	35,000,000.00

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Projected Cash Flows

CUSIP	Detailed Security Description	Post Date	Interest	Principal	Total Amount
91282CKR1	U.S. Treasury Note 4.5 05/15/2027	11/16/26	337,500.00		337,500.00
91282CLX7	U.S. Treasury Note 4.125 11/15/2027	11/16/26	309,375.00		309,375.00
91282CET4	U.S. Treasury Note 2.625 05/31/2027	11/30/26	131,250.00		131,250.00
91282CFZ9	U.S. Treasury Note 3.875 11/30/2027	11/30/26	96,875.00		96,875.00
91282CNE7	U.S. Treasury Note 3.875 05/31/2027	11/30/26	193,750.00		193,750.00
91282CJP7	U.S. Treasury Note 4.375 12/15/2026	12/15/26	218,750.00		218,750.00
91282CJP7	U.S. Treasury Note 4.375 12/15/2026	12/15/26		10,000,000.00	10,000,000.00
91282CKV2	U.S. Treasury Note 4.625 06/15/2027	12/15/26	231,250.00		231,250.00
91282CPP0	U.S. Treasury Note 3.5 12/15/2028	12/15/26	175,000.00		175,000.00
91282CCH2	U.S. Treasury Note 1.25 06/30/2028	12/31/26	31,250.00		31,250.00
91282CGC9	U.S. Treasury Note 3.875 12/31/2027	12/31/26	96,875.00		96,875.00
Grand Total			**21,508,125.00**	**409,500,000.00**	**431,008,125.00**

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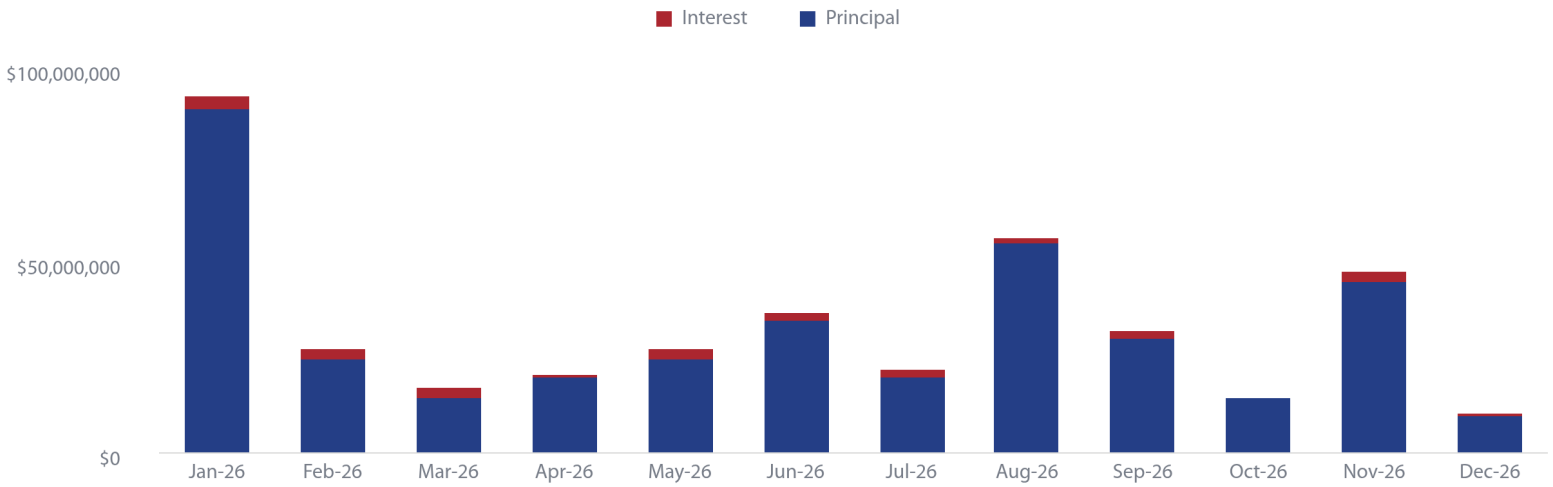
Projected Cash Flows Totals

Month and Year	Interest	Principal	Total Amount
January 2026	3,015,000.00	90,000,000.00	93,015,000.00
February 2026	2,462,500.00	25,000,000.00	42,462,500.00
March 2026	2,318,750.00	15,000,000.00	17,318,750.00
April 2026	1,009,375.00	20,000,000.00	21,009,375.00
May 2026	2,193,750.00	25,000,000.00	37,193,750.00
June 2026	1,675,000.00	35,000,000.00	36,675,000.00
July 2026	2,200,000.00	20,000,000.00	22,200,000.00
August 2026	1,180,625.00	55,000,000.00	56,180,625.00
September 2026	1,968,750.00	30,000,000.00	31,968,750.00
October 2026	359,375.00	14,500,000.00	14,859,375.00
November 2026	2,371,875.00	45,000,000.00	47,371,875.00
December 2026	753,125.00	10,000,000.00	10,753,125.00
Total	**21,508,125.00**	**384,500,000.00**	**431,008,125.00**



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City of Denton, Texas

Appendix C

Sample Commentaries

Appendix C

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Docusign Envelope ID: 8A4773D8-1844-4BDF-8EAE-1D71CFA85087

FOMC On Hold As They Cite Uncertainty

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As expected, the FOMC left their target fed funds rate unchanged in a range of 3.50%-3.75%. The 11-1 vote had Trump appointee Stephen Miran dissenting once again, favoring a 25 bps rate cut. The official statement was little changed from the January 28 statement with just two differences. The first change noted that the unemployment rate "has been little changed in recent months" whereas the January statement said the unemployment rate "has shown some signs of stabilization." The second change acknowledged the war in Iran with a very understated comment: "The implications of developments in the Middle East for the U.S. economy are uncertain."

The updated dot plot and summary of economic projections was adjusted slightly, with the forecast for core inflation by the end of 2026 up from December's 2.5% to 2.7%; GDP up a tenth to 2.4%; and unemployment steady at 4.4%. The FOMC's December projection for one 25 basis point rate cut this year and another next year was unchanged. One notable change was an increase in the median estimate for the longer run rate, which was nudged up from 3% to 3.1%. This suggests members see a higher neutral rate, in fact the highest they have had in their projections since 2016.

During his press conference, Chair Powell noted that the standard playbook tells them to look through an oil/energy price related inflation spike, but the context is important and the impact on inflation expectations is important. He noted that, "The labor market is clearly not a source of inflationary pressures." Perhaps one of his most revealing statements was this: "It's important to keep policy either mildly restrictive or close to that but not too restrictive because of the downside risks in the labor market. We are balancing these two goals." That statement pretty much sums up the situation and tells us we should expect this Fed to be on hold for some time.

The second change acknowledged the war in Iran with a very understated comment: "The implications of developments in the Middle East for the U.S. economy are uncertain."

Powell also very directly addressed his future, referring to the ongoing Justice Department investigation and stating, "I have no intention of leaving the board until the investigation is well and truly over with transparency and finality." He also said that he would serve as "chairman pro-tem" until his successor was named and confirmed, which he said was provided for in the law. He went on to say that he had not yet decided whether he will serve out his term as a Fed board member until January 2028, although that will clearly be influenced by the status of the investigation.

Bond yields were little changed on the initial announcement but moved to session highs during the press conference, particularly following his statement that he would remain on the Board as long as the investigation was unresolved. The balance of comments has leaned toward the hawkish side. Stock markets have extended their losses as well.

"It's important to keep policy either mildly restrictive or close to that but not too restrictive because of the downside risks in the labor market. We are balancing these two goals." That statement pretty much sums up the situation and tells us we should expect this Fed to be on hold for some time.

Please see disclosure starting on page 2

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Market Indications as of 2:18 P.M. Central Time

DOW	Down -658 to 46,335 (HIGH: 50,188)
NASDAQ	Down -249 to 22,230 (HIGH: 23,958)
S&P 500	Down -66 to 6,650 (HIGH: 6,979)
1-Yr T-bill	current yield 3.66%; opening yield 3.62%
2-Yr T-note	current yield 3.75%; opening yield 3.68%
3-Yr T-note	current yield 3.75%; opening yield 3.68%
5-Yr T-note	current yield 3.86%; opening yield 3.79%
10-Yr T-note	current yield 4.26%; opening yield 4.20%
30-Yr T-bond	current yield 4.88%; opening yield 4.85%

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Hot February PPI Squashes Whatever Remains of Near-Term Rate Cut Hopes

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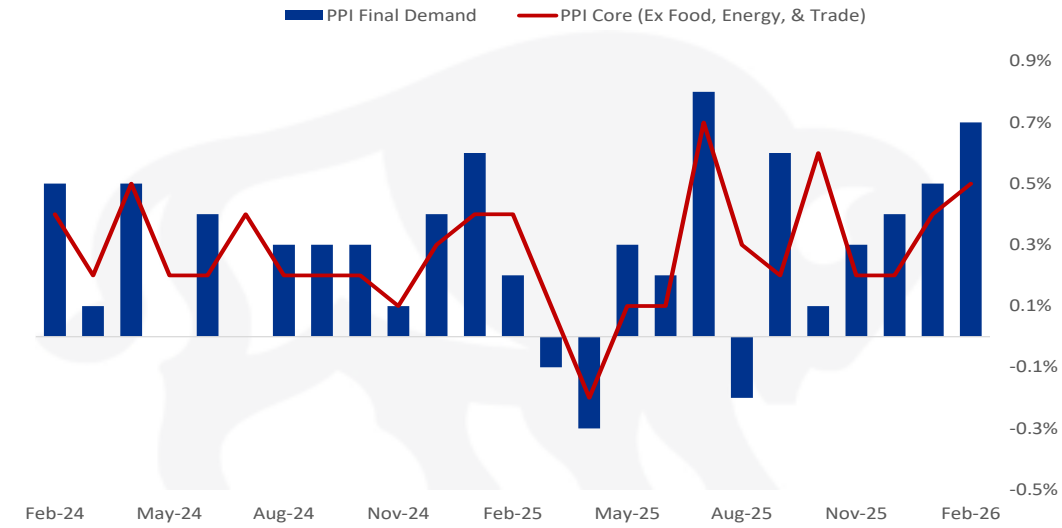
This morning's release of the February producer price index (PPI) from the Bureau of Labor Statistics (BLS) came in hotter than expected and will put an end to any lingering hopes for rate cuts this summer. The 0.7% gain in the headline PPI for the month crushed the median forecast for a +0.3% increase while the year-over-year rate surged to +3.4% from January's +2.9% and easily topped forecasts for a +3.0% increase. The core PPI, which excludes food, energy and trade, wasn't quite as bad but still posted a +0.5% increase for February and +3.5% for the year. It's not just that the PPI numbers were ugly, but the trend is very disconcerting as PPI has been gaining steam with larger monthly gains for four months in a row. All of this coming before the Iran war sent oil prices dramatically higher which will undoubtedly push producer prices up further in the months to come.

Producer Price Index (Month-over-Month Percent Change)



Source: Bureau of Labor Statistics

The biggest contributor to February's increase was a 0.37% rise in services costs, as well as gains in food (+0.13%) and energy (+0.12%). The next couple of months will see huge contributions from energy thanks to rising gas and oil prices. Food will be impacted as well due to higher costs for transportation and fertilizer.

While PPI is not as closely followed as the CPI (consumer price index) or the PCE (personal consumption expenditures), today's data adds to the growing mountain of evidence that inflation remains a problem that isn't going away any time soon. That will keep the Fed firmly on hold and there is zero chance of a rate cut coming at today's FOMC meeting. More on that later today.

It's not just that the PPI numbers were ugly, but the trend is very disconcerting as PPI has been gaining steam with larger monthly gains for four months in a row.

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Market Indications as of 12:12 P.M. Central Time

DOW	Down -463 to 46,531 (HIGH: 50,188)
NASDAQ	Down -201 to 22,278 (HIGH: 23,958)
S&P 500	Down -36 to 6,680 (HIGH: 6,979)
1-Yr T-bill	current yield 3.65%; opening yield 3.62%
2-Yr T-note	current yield 3.72%; opening yield 3.68%
3-Yr T-note	current yield 3.72%; opening yield 3.68%
5-Yr T-note	current yield 3.83%; opening yield 3.79%
10-Yr T-note	current yield 4.23%; opening yield 4.20%
30-Yr T-bond	current yield 4.86%; opening yield 4.85%

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Growth Continues to Slow, While Inflation Remains Sticky

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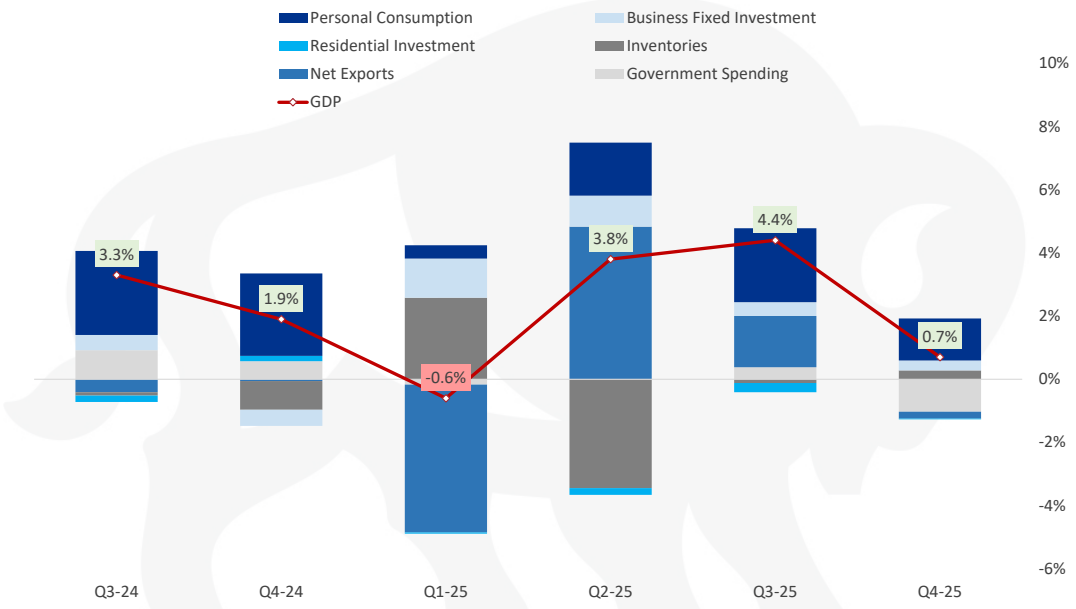
It's Friday the 13th, and with that comes a flurry of economic data to close out a volatile week in the markets. Beginning with growth, the BEA's second estimate of fourth quarter GDP was revised down to a 0.7% annualized pace from the initial 1.4%, a steep drop from the early 2.8% expectation just weeks ago and well below the 5% plus tracking measure from earlier in the year. The revised Q4 growth marks the slowest pace in three quarters and pulls full year 2025 growth down to 2.1% from 2.4%, the weakest since 2020. Government spending continued to weigh on the headline, but the bigger story was a meaningful cooling in consumption. Personal consumption was revised down 0.4% to 2.0% for Q4. Some of that softness could rebound in Q1, with the Atlanta Fed's GDP Now measure currently tracking 2.7%, though three weeks remain in the quarter, plenty of time for shifting data and new headlines.

Turning to inflation, the January Personal Income & Outlays report showed core PCE, the Fed's preferred measure, ticking up to 3.1% year over year, well above the 2% target. Headline PCE eased slightly to 2.8%, but both measures are somewhat stale considering the recent jump in energy prices. While the Fed emphasizes PCE, it also monitors CPI, which has been running cooler (2.5% headline and 2.4% core), and this divergence has been increasingly watched by markets. Looking ahead to March, headline inflation is likely to firm further as oil prices rise and Middle East supply concerns build, with some of those pressures potentially filtering into core via transportation, goods, and broader pass through effects.

While the Fed emphasizes PCE, it also monitors CPI, which has been running cooler (2.5% headline and 2.4% core), and this divergence has been increasingly watched by markets.

Gross Domestic Product (Quarter-over-Quarter Annualized Percent Change)



Source: Bureau of Economic Analysis

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Meanwhile in the Middle East, the Strait of Hormuz remains closed. West Texas Intermediate is trading between $90 to $100 a barrel, and the U.S. has temporarily lifted certain sanctions on Russian oil. Higher gasoline prices will erode purchasing power and put downward pressure on consumer spending forecasts. Equity and bond markets remain volatile alongside energy markets, and that instability is likely to persist as long as the conflict continues.

The Federal Open Market Committee (FOMC) meets next week (March 17-18) and is expected to hold rates steady. Looking ahead, the path for rate cuts in 2026 has grown increasingly uncertain. Economists maintain forecasts for two quarter-point cuts by December, with the first now expected in June. Yet market pricing tells a more pessimistic story. Traders now see barely one cut this year, down from two cuts priced in just two weeks ago. Several major banks have already delayed their rate-cut calls to September or later, and Fed Chair Powell is expected to acknowledge stagflation risks while emphasizing a wait-and-see approach.

Several major banks have already delayed their rate-cut calls to September or later, and Fed Chair Powell is expected to acknowledge stagflation risks while emphasizing a wait-and-see approach.

Market Indications as of 11:54 A.M. Central Time

DOW	Up 29 to 46,706 (HIGH: 50,188)
NASDAQ	Down -131 to 22,181 (HIGH: 23,958)
S&P 500	Down -19 to 6,654 (HIGH: 6,979)
1-Yr T-bill	current yield 3.64%; opening yield 3.63%
2-Yr T-note	current yield 3.73%; opening yield 3.73%
3-Yr T-note	current yield 3.75%; opening yield 3.75%
5-Yr T-note	current yield 3.87%; opening yield 3.86%
10-Yr T-note	current yield 4.28%; opening yield 4.26%
30-Yr T-bond	current yield 4.91%; opening yield 4.88%

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Exhibit C			Hilltop Securities Southwest Asset Management, LLC	
			Total Price	$68,000.00
Description	**QTY**	**UOM**	**Unit**	**Extended**
Advisory Services	**4**	**QUARTERLY**	**17000**	**68000**
Monthly Reporting (included in Advisory Services)	12	**MONTHLY**	0	Fee Waived
Quarterly Reporting (included in Advisory Services)	4	**QUARTERLY**	0	Included in Monthly Fee

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Exhibit D
INSURANCE REQUIREMENTS

Respondent's attention is directed to the insurance requirements below. It is highly recommended that respondents confer with their respective insurance carriers or brokers to determine in advance of Proposal/Bid submission the availability of insurance certificates and endorsements as prescribed and provided herein. If an apparent low respondent fails to comply strictly with the insurance requirements, that respondent may be disqualified from award of the contract. Upon contract award, all insurance requirements shall become contractual obligations, which the successful contractor shall have a duty to maintain throughout the course of this contract.

STANDARD PROVISIONS:

Without limiting any of the other obligations or liabilities of the Contractor, the Contractor shall provide and maintain until the contracted work has been completed and accepted by the City of Denton, Owner, the minimum insurance coverage as indicated hereinafter.

As soon as practicable after notification of contract award, Contractor shall file with the Purchasing Department satisfactory certificates of insurance including any applicable addendum or endorsements, containing the contract number and title of the project. Contractor may, upon written request to the Purchasing Department, ask for clarification of any insurance requirements at any time; however, Contractors are strongly advised to make such requests prior to proposal/bid opening, since the insurance requirements may not be modified or waived after proposal/bid opening unless a written exception has been submitted with the proposal/bid. Contractor shall not commence any work or deliver any material until he or she receives notification that the contract has been accepted, approved, and signed by the City of Denton.

All insurance policies proposed or obtained in satisfaction of these requirements shall comply with the following general specifications, and shall be maintained in compliance with these general specifications throughout the duration of the Contract, or longer, if so noted:

- Each policy shall be issued by a company authorized to do business in the State of Texas with an A.M. Best Company rating of at least **A- or better**.

- Any deductibles or self-insured retentions shall be declared in the proposal. If requested by the City, the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the City, its officials, agents, employees and volunteers; or, the contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

- Liability policies shall be endorsed to provide the following:

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- Name as Additional Insured the City of Denton, its Officials, Agents, Employees and volunteers.

- That such insurance is primary to any other insurance available to the Additional Insured with respect to claims covered under the policy and that this insurance applies separately to each insured against whom claim is made or suit is brought. The inclusion of more than one insured shall not operate to increase the insurer's limit of liability.

- Provide a Waiver of Subrogation in favor of the City of Denton, its officials, agents, employees, and volunteers.

- ***Cancellation: City requires 30 day written notice should any of the policies described on the certificate be cancelled or materially changed before the expiration date.***

- Should any of the required insurance be provided under a claims made form, Contractor shall maintain such coverage continuously throughout the term of this contract and, without lapse, for a period of three years beyond the contract expiration, such that occurrences arising during the contract term which give rise to claims made after expiration of the contract shall be covered.

- Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit providing for claims investigation or legal defense costs to be included in the general annual aggregate limit, the Contractor shall either double the occurrence limits or obtain Owners and Contractors Protective Liability Insurance.

- Should any required insurance lapse during the contract term, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this contract, effective as of the lapse date. If insurance is not reinstated, City may, at its sole option, terminate this agreement effective on the date of the lapse.

SPECIFIC ADDITIONAL INSURANCE REQUIREMENTS:

All insurance policies proposed or obtained in satisfaction of this Contract shall additionally comply with the following specifications, and shall be maintained in compliance with these additional specifications throughout the duration of the Contract, or longer, if so noted:

A. <u>COMMERCIAL GENERAL LIABILITY INSURANCE</u>

Commercial General Liability Insurance including, but not limited to, Premises/Operations, Personal & Advertising Injury, Products/Completed

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Operations, Independent Contractors, and Contractual Liability with minimum combined bodily injury (including death) and property damage limits of $1,000,000.00 per occurrence and $2,000,000.00 general aggregate.

B. PROFESSIONAL LIABILITY INSURANCE

If CONTRACTOR is a licensed or certified person who renders professional services, then **Professional Liability Insurance** to provide coverage against any claim which the CONTRACTOR becomes legally obligated to pay as damages arising out of the performance of professional services caused by any negligent error, omission or act with minimum limits of $1,000,000.00 per claim, $2,000,000.00 annual aggregate.

SUBCONTRACTING LIABILITY

(1) Without limiting any of the other obligations or liabilities of the CONTRACTOR, the CONTRACTOR shall require each Subcontractor performing work under the contract, at the Subcontractor's own expense, to maintain during the engagement with the CITY, types and limits of insurance that are appropriate for the services/work being performed, comply with all applicable laws and are consistent with industry standards. The Subcontractor's liability insurance shall name CONTRACTOR as an additional insured.

(2) CONTRACTOR shall obtain and monitor the certificates of insurance from each Subcontractor. CONTRACTOR must retain the certificates of insurance for the duration of the contract and shall have the responsibility of enforcing insurance requirements among its subcontractors. The CITY shall be entitled, upon request and without expense, to receive copies of these certificates.

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CONFLICT OF INTEREST QUESTIONNAIRE

CONFLICT OF INTEREST QUESTIONNAIRE - FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local government entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. *See* Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

1 **Name of vendor who has a business relationship with local governmental entity.**

Hilltop Securities Asset Management, LLC

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 **Name of local government officer about whom the information in this section is being disclosed.**

N/A

Name of Officer

This section, (item 3 including subparts A, B, C & D), must be completed for each officer with whom the vendor has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes ☐ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of one percent or more?

☐ Yes ☐ No

D. Describe each employment or business and family relationship with the local government officer named in this section.

4 ☒ **I have no Conflict of Interest to disclose.**

5

Signature of vendor doing business with the governmental entity

March 25, 2026

Date

Certificate Of Completion

Envelope Id: 8A4773D8-1844-4BDF-8EAE-1D71CFA85087
Status: Sent
Subject: Please DocuSign: City Council Contract 9020 Investment Advisory Services
Source Envelope:
Document Pages: 113
Signatures: 3
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Christina Dormady
901B Texas Street
Denton, TX 76209
christina.dormady@cityofdenton.com
IP Address: 198.49.140.10

Record Tracking

Status: Original
5/14/2026 4:41:51 PM
Holder: Christina Dormady
christina.dormady@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
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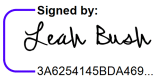
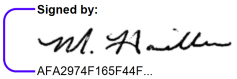
Lori Hewell lori.hewell@cityofdenton.com Purchasing Manager City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 5/14/2026 4:49:57 PM Viewed: 5/14/2026 4:50:52 PM Signed: 5/14/2026 4:51:05 PM
Leah Bush leah.bush@cityofdenton.com Assistant City Attorney Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.104	Sent: 5/14/2026 4:51:08 PM Viewed: 5/15/2026 3:15:51 PM Signed: 5/15/2026 3:31:58 PM
Scott McIntyre scott.mcintyre@hilltopsecurities.com Managing Director Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 5/15/2026 3:44:12 PM ID: 88b62dec-4ead-4690-a298-6f3b673921c4	 Signature Adoption: Pre-selected Style Using IP Address: 151.186.191.22	Sent: 5/15/2026 3:32:01 PM Viewed: 5/15/2026 3:44:12 PM Signed: 5/15/2026 3:48:50 PM

Signer Events	Signature	Timestamp
Matt Hamilton matthew.hamilton@cityofdenton.com Chief Financial Officer City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	Signed by:  AFA2974F165F44F... Signature Adoption: Uploaded Signature Image Using IP Address: 47.185.138.128	Sent: 5/15/2026 3:48:53 PM Viewed: 5/15/2026 4:14:39 PM Signed: 5/15/2026 4:15:16 PM
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		Sent: 5/15/2026 4:15:19 PM
Cassey Ogden Cassey.Ogden@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Kristi Folge Kristi.folge@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
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Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:**	COPIED	Sent: 5/15/2026 4:15:19 PM Viewed: 5/18/2026 10:57:50 AM

Carbon Copy Events	Status	Timestamp
Not Offered via Docusign		

City Secretary Office

citysecretary@cityofdenton.com

Security Level: Email, Account Authentication (None)

Electronic Record and Signature Disclosure:
Not Offered via Docusign

Randee Klingele

Randee.klingele@cityofdenton.com

Security Level: Email, Account Authentication (None)

Electronic Record and Signature Disclosure:
Not Offered via Docusign

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/14/2026 4:47:35 PM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, City of Denton (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact City of Denton:
You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: purchasing@cityofdenton.com

To advise City of Denton of your new e-mail address
To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at melissa.kraft@cityofdenton.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..
In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

To request paper copies from City of Denton
To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with City of Denton
To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
ii. send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail, full name, IS Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	•Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

Acknowledging your access and consent to receive materials electronically
To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.
By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and

- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and

- Until or unless I notify City of Denton as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by City of Denton during the course of my relationship with you.

City of Denton

215 E. McKinney Street

City Hall

Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: **Fire**

CM/ DCM/ ACM: **Cassey Ogden, Interim City Manager**

DATE: **June 2, 2026**

SUBJECT

Consider adoption of an ordinance of the City of Denton establishing classifications and positions in the Denton Fire Department; creating and eliminating certain positions; repealing Ordinance No. 25-047 relating to establishing the classifications and prescribing the number of positions in each classification for the Denton Fire Department; providing repealer, cumulative, and severability clauses; and declaring an effective date.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Support Healthy and Safe Communities.

BACKGROUND

Civil Service law, Texas Local Government Code, Chapter 143, requires governing bodies of all jurisdictions with Civil Service employees to officially authorize their exact number of Civil Service employees. The City Council last approved the authorized number of Fire Department Civil Service positions with Ordinance No. 25-047 on February 4, 2025.

While the City Council last approved the authorized number of positions, a review of historical classification ordinances has revealed inaccuracies in prior position counts, particularly in the distribution between entry-level and promoted ranks. These discrepancies stemmed from cumulative adjustments over multiple fiscal years that did not accurately reflect operational needs or actual staffing realities.

To correct these past inaccuracies and better align authorized positions with current and future service delivery requirements, the Fire Department recommends adjustments to the classification table.

Specifically, this includes a net decrease in certain promoted positions (where historical over-authorization occurred) while increasing the number of positions at the Firefighter rank. This increase/decrease will not and does not result in any Fire Department employee being removed from their position.

This rebalancing addresses prior over-counts in supervisory ranks that were carried forward incorrectly, ensures sufficient entry-level staffing to maintain response capabilities and recruitment pipelines, and supports overall operational efficiency.

Classification	FY 24-25 *25-047*	FY 25-26 *Revised*
Fire Chief	0	0
Assistant Fire Chief	2	2
Battalion Chief - Operations	9	9
Fire Marshal	1	1
Emergency Management Program Manager	1	1
Community Risk Reduction Officer	1	1
Fire Training Captain	1	1
EMS Captain	1	1
Captain- Operations	31	28
Deputy Fire Marshal III/Assistant Fire Marshal	2	2
Lieutenant	7	7
Driver	63	60
Deputy Fire Marshal II	1	1
Deputy Fire Marshal I	7	7
Firefighters	100	109
Total	**227**	**230**

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

The City Council last approved the authorized number of Fire Department Civil Service positions with Ordinance No. 25-047 on February 4, 2025.

FISCAL INFORMATION

The cost increase associated with this reclassification will be funded with salary savings from existing vacancies.

EXHIBITS

Exhibit 1: Agenda Information Sheet Exhibit
2: Ordinance

Respectfully submitted:
Kenneth Hedges
Fire Chief

Prepared by:
Lindsey Garrison
Fire Administration Manager

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON ESTABLISHING CLASSIFICATIONS AND POSITIONS IN THE DENTON FIRE DEPARTMENT; CREATING AND ELIMINATING CERTAIN POSITIONS; REPEALING ORDINANCE NO. 25-047 RELATING TO ESTABLISHING THE CLASSIFICATIONS AND PRESCRIBING THE NUMBER OF POSITIONS IN EACH CLASSIFICATION FOR THE DENTON FIRE DEPARTMENT; PROVIDING REPEALER, CUMULATIVE, AND SEVERABILITY CLAUSES; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, pursuant to Section 143.021, Texas Local Government Code, the City Council of the City of Denton, is required by ordinance to prescribe the number of positions in each classification for Fire Department personnel; and

WHEREAS, on February 4, 2025, the City Council passed Ordinance No. 25-047 adopting and approving a schedule of Authorized Positions relating to classification of fire fighters; and

WHEREAS, there are currently a total of 227 classified positions in the Fire Department; and

WHEREAS, since the passage of Ordinance No. 25-047, to accurately reflect the number of classified civil service positions in the Fire Department and to enhance the delivery of service and improve efficiency, the Department recommends that the number of positions in the civil service classification of Captain – Operations be reduced by three (3), the number of positions in the civil service classification of Driver be reduced by three (3), and the number of positions in the civil service classification of Firefighter be increased by nine (9), raising the total classified positions in the Fire Department to 230; and

WHEREAS, the increase and decrease in the number of positions in the civil service classifications referenced in Sections 3, 4, and 5 below will not and does not result in any Fire Department employee being removed from their current position; and

WHEREAS, since the passage of Ordinance No. 25-047, the Fire Department has updated the titles and number of positions designated for certain classifications of Fire Department personnel as cited below, and have submitted the revisions to the City Council for review and approval based on the Department's determination that these changes are in the Department's best interest; and

WHEREAS, the City Council has considered these updated classification titles and numbers and has found these changes to be in the City's best interest and accordingly has determined that Ordinance No. 25-047 should be repealed and the following classification titles and total number of positions in the Fire Department should be adopted; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. Ordinance No. 25-047 is hereby repealed.

SECTION 2. The City Council hereby adopts and approves the following civil service classifications of the Denton Fire Department and the number of positions in each classification is established as follows:

(A)	Assistant Fire Chief	2
(B)	Battalion Chief – Operations	9
(C)	Fire Marshal	1
(D)	Community Risk Reduction Officer	1
(E)	Fire Training Captain	1
(F)	EMS Captain	1
(G)	Captain – Operations	28
(H)	Deputy Fire Marshal III/Assistant Fire Marshal	2
(I)	Fire Lieutenant	7
(J)	Driver	60
(K)	Deputy Fire Marshal II	1
(M)	Deputy Fire Marshal I	7
(N)	Emergency Management Program Manager	1
(O)	Firefighter	109

TOTAL: 230

SECTION 3. The number of positions in the civil service classification of Captain – Operations - in Section 2 of this ordinance is a decrease of three (3) from the number in existence immediately before the effective date of this ordinance.

SECTION 4. The number of positions in the civil service classification of Driver in Section 2 of this ordinance is a decrease of three (3) from the number in existence immediately before the effective date of this ordinance.

SECTION 5. The number of positions in the civil service classification of Firefighter in Section 2 of this ordinance is an increase of nine (9) from the number in existence immediately before the effective date of this ordinance.

SECTION 6. This ordinance shall be cumulative of all provisions of ordinances of the City of Denton, except where the provisions of the ordinance are in direct conflict with the provisions such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed.

SECTION 7. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance, shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

The motion to approve this Ordinance was made by _____ and seconded by _____, the Ordinance was passed and approved by the following vote [___ - ___]:

	Aye	Nay	Abstain	Absent
Gerard Hudspeth, Mayor:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee At Large Place 5	_____	_____	_____	_____
Jill Jester, At Large Place 6	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: **City Attorney's Office**

CM/ DCM/ ACM: **Mack Reinwand, City Attorney**

AGENDA DATE: **June 2, 2026**

SUBJECT

Consider adoption of an ordinance of the City of Denton approving a Settlement Agreement and Release implementing the terms of the settlement in litigation styled *"Jesus Manuel Rodriguez-Rivera v. City of Denton"* Cause No. 22-8751-431 pending in the 431st Judicial District Court, Denton County, Texas; and directing the City Manager or designee and the City's attorneys to effectuate as necessary and appropriate the terms of a Settlement Agreement and Release to effectuate this approval; and declaring an effective date.

BACKGROUND

On 10/17/22, The City Secretary's Office was served with Plaintiff's Original Petition. Plaintiff is alleging injuries from a collision with a City bulldozer at the landfill that occurred on 10/14/2020.

OPTIONS

Given the City's liability exposure, the costs to defend the matter, and Plaintiff's damages, I recommend that we settle this matter for $20,000.00. Settlement of this matter is within previously delegated settlement authority, and the option is to formally ratify and approve the settlement.

RECOMMENDATION

Proceed with formal approval.

EXHIBITS

Exhibit 1 – AIS
Exhibit 2 – Ordinance and Settlement Agreement and Release

Respectfully submitted:

/s/ Devin Q. Alexander
Senior Deputy City Attorney

Legal Staff Contact:
Devin Alexander

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON APPROVING A SETTLEMENT AGREEMENT AND RELEASE IMPLEMENTING THE TERMS OF THE SETTLEMENT IN LITIGATION STYLED *"JESUS MANUEL RODRIGUEZ-RIVERA V. CITY OF DENTON"* CAUSE NO. 22-8751-431 PENDING IN THE 431ST JUDICIAL DISTRICT COURT, DENTON COUNTY, TEXAS; AND DIRECTING THE CITY MANAGER OR DESIGNEE AND THE CITY'S ATTORNEYS TO EFFECTUATE AS NECESSARY AND APPROPRIATE THE TERMS OF A SETTLEMENT AGREEMENT AND RELEASE TO EFFECTUATE THIS APPROVAL; AND DECLARING AN EFFECTIVE DATE.

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Council hereby ratifies and approves the proposed settlement of litigation styled *"Jesus Manuel Rodriguez-Rivera v. City of Denton"* Cause No. 22-8751-431 pending in the 431st Judicial District Court, Denton County, Texas, under terms set forth in the attached Settlement Agreement and Release.

SECTION 2. The City Manager or designee and the City's Attorneys are hereby authorized to act on the City's behalf in approving and executing any and all documents necessary or appropriate to effectuate the terms of the settlement, and to take other actions necessary to finalize the settlement.

SECTION 3. This Ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____. This Ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Devin Q. Alexander _____

EXHIBIT "A"

Settlement Agreement and Release

CAUSE NO. 22-8751-431

JESUS MANUEL RODRIGUEZ-RIVERA, *Plaintiff,*	§	**IN THE DISTRICT COURT**
v.	§	**431st JUDICIAL DISTRICT**
CITY OF DENTON, *Defendant.*	§	**DENTON COUNTY, TEXAS**

MEDIATED SETTLEMENT AGREEMENT

The parties participated on mediation with Lexa Auld on May 11, 2026. The case settled, subject to approval of the Denton, Texas City Council. Subject to that approval, the parties fully and finally compromise and settle all claims, counterclaims, and other controversies between them under the following terms of this Mediated Settlement Agreement ("this agreement" or "the agreement").

1. The plural and singular are used interchangeably in this agreement and the specific meaning must be determined by context.
2. Defendant will pay Plaintiff Jesus Manuel Rodriguez-Rivera, $20,000 in settlement of all of Plaintiff's claims, based upon the occurrence described in Plaintiff's pleadings, contingent upon Defendant obtaining authority from the city of Denton City Council.
3. The parties understand that this settlement is subject to and contingent upon approval of the Denton City Attorney's Office and the Denton City Council.
4. The parties' mutual promises and covenants in this agreement shall also constitute good and valuable consideration for the settlement of all claims between Plaintiff and Defendant.
5. A settlement check will be sent to Plaintiff's Counsel within 30 days of approval of the settlement by the City of Denton and Defense Counsel's receipt of drafting instructions and Internal Revenue W-9 forms from Plaintiff's attorney.
6. The parties will file an agreed motion and order of dismissal with prejudice as soon as practicable after the settlement check funds. Each party will bear its own Court costs.
7. Each signatory warrants and represents that:
   a. such person has authority to bind the party or parties for whom such person acts;

b. the claims, suits, rights, and/or interests which comprise the subject matter of this lawsuit are owned by the party asserting them, have not been assigned, transferred or sold, and are free of any encumbrance except medical subrogation and lien claims;

c. no promise or agreement was made which is not expressed in this agreement;

d. no party is relying on any statement or representation of any party or agent of a party being released or any other participant in the mediation; and

e. the undersigned have relied only on their own judgment and the advice of their own legal counsel, who has read and explained the entire contents of this agreement and its legal consequences in full.

8. Upon payment of the entire settlement amount, Plaintiff does hereby release, discharge, and forever hold Defendant and their respective insurance carriers harmless from any and all claims, demands, or suits, known or unknown, fixed or contingent, liquidated or unliquidated, whether or not asserted in the above case, retroactively to the effective date, arising from or related to the events and transactions which are the subject matter of this cause. This release runs to the benefit of all Defendants, their insurers, attorneys, agents, employees, officers, directors, shareholders, partners, successors in interest, heirs, assigns, and legal representatives.

9. Plaintiff additionally agrees to satisfy all past and future medical expenses related in any way to the incident giving rise to this lawsuit, including any subrogation claims and statutory liens. Plaintiff agrees to indemnify and hold Defendant harmless from any fees, costs and expenses or any kind resulting from claims brought by Plaintiff, Medicare, Medicaid, health care providers, health insurance carriers, or others acting by, through, or in privity with Plaintiff. Plaintiff represents and warrants that if he is eligible for Medicare he has either created a Medicare set-aside trust or made arrangements with Medicare to waive its right to the creation of such a trust.

10. The parties and the their counsel agree to cooperate with each other in the drafting and execution of an agreed motion and order for dismissal, and any additional documents reasonably required or requested to implement the provisions and spirit of this agreement. Notwithstanding additional documents, the parties confirm that this is a written Mediated Settlement Agreement as contemplated by section 154.071 of the Texas Civil Practice and Remedies Code, and as such, it is the complete, valid and binding contract between the parties and is intended to by fully enforceable as contemplated by that statute and Texas Rule of Civil Procedure 11.

11. This agreement may be used as evidence only in a motion or other action to enforce its terms. This agreement cannot be offered or admitted into evidence in any other litigation between the parties. The parties agree that the terms of this agreement do not constitute relevant or material evidence of either liability or damages in this case, and it cannot be admitted as evidence in any future case involving the same set of operable facts except to enforce its terms.

12. If one or more disputes arise regarding the construction or performance of this agreement, the parties agree to attempt to resolve those in mediation with Lexa Auld, the mediator

who facilitated this settlement. If litigation is brought to construe or enforce this Agreement, the prevailing party is entitled to recover reasonable attorney's fees, litigation expenses, and court costs, including the cost of the mediation.

13. This Mediated Settlement Agreement is made and performable in Denton County, Texas. The substantive laws of the State of Texas shall apply to its construction.

This Mediated Settlement Agreement is made effective May 11, 2026, which is it's "effective date" regardless of when signed.

AGREED:

PLAINTIFF: Subject to Approval of MSA by City Council Jesus Manuel Rodriguez-Rivera by permission HWS	PLAINTIFF'S ATTORNEY: Subject to Approval of MSA by City Council Hutton W. Sentell hutton@schorrfirm.com
DEFENDANT: DEFENDANT'S ATTORNEY: Devin Q. Alexander Devin Q. Alexander Devin.alexander@cityofdenton.com	

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: **City Attorney's Office**

CM/ DCM/ ACM: **Mack Reinwand, City Attorney**

AGENDA DATE: **June 2, 2026**

SUBJECT

Consider adoption of an ordinance of the City of Denton approving a Settlement Agreement and Release implementing the terms of the settlement in litigation styled *"Breanna Leann Nix, Individually and as Next Friend to E.N., a Minor v. City of Denton;"* Cause No. 25-8435-431 pending in the 431st Judicial District Court, Denton County, Texas; and directing the City Manager or designee and the City's attorneys to effectuate as necessary and appropriate the terms of a Settlement Agreement and Release to effectuate this approval; and declaring an effective date.

BACKGROUND

On 8/19/25, Plaintiffs Breanna Nix, individually, and on behalf of a minor, E.N., filed suit against the City of Denton because of a vehicle collision with a Denton Police Department Officer, who was responding with emergency lights and sirens (Code 3) to an emergency on 7/24/24.

OPTIONS

Given the City's liability exposure, the costs to defend the matter, and Plaintiffs' damages, I recommend that we settle this matter for $2,500. Settlement of this matter is within previously delegated settlement authority, and the option is to formally ratify and approve the settlement.

RECOMMENDATION

Proceed with formal approval.

EXHIBITS

Exhibit 1 – AIS
Exhibit 2 – Ordinance and Settlement Agreement and Release

Respectfully submitted:

/s/ Devin Q. Alexander
Senior Deputy City Attorney

Legal Staff Contact:
Devin Alexander

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON APPROVING A SETTLEMENT AGREEMENT AND RELEASE IMPLEMENTING THE TERMS OF THE SETTLEMENT IN LITIGATION STYLED *"BREANNA LEANN NIX, INDIVIDUALLY AND AS NEXT FRIEND TO E.N., A MINOR V. CITY OF DENTON"* CAUSE NO. 25-8435-431 PENDING IN THE 431ST JUDICIAL DISTRICT COURT, DENTON COUNTY, TEXAS; AND DIRECTING THE CITY MANAGER OR DESIGNEE AND THE CITY'S ATTORNEYS TO EFFECTUATE AS NECESSARY AND APPROPRIATE THE TERMS OF A SETTLEMENT AGREEMENT AND RELEASE TO EFFECTUATE THIS APPROVAL; AND DECLARING AN EFFECTIVE DATE.

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Council hereby ratifies and approves the proposed settlement of litigation styled "*Breanna Leann Nix, Individually and as Next Friend to E.N., a Minor v. City of Denton"* Cause No. 25-8435-431 pending in the 431st Judicial District Court, Denton County, Texas, under terms set forth in the attached Settlement Agreement and Release.

SECTION 2. The City Manager or designee and the City's Attorneys are hereby authorized to act on the City's behalf in approving and executing any and all documents necessary or appropriate to effectuate the terms of the settlement, and to take other actions necessary to finalize the settlement.

SECTION 3. This Ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____. This Ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Devin Q. Alexander
_____

EXHIBIT "A"

Settlement Agreement and Release

CAUSE NO. 25-8435-431

BREANNA LEANN NIX, INDIVIDUALLY AND AS NEXT FRIEND TO E.N., A MINOR	§	**IN THE DISTRICT COURT**
Plaintiffs,	§	
v.	§	**431st JUDICIAL DISTRICT**
CITY OF DENTON,	§	
Defendant.	§	**DENTON COUNTY, TEXAS**

COMPROMISE SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

BACKGROUND

Plaintiffs Breanna Leann Nix, Individually and as Next Friend to E.N., a Minor ("Plaintiffs") claim money damages against the City of Denton, Texas ("Denton" or "City") for the incidents alleged in this lawsuit. Released Parties (as defined below) deny any liability. The Parties (as defined below) desire to settle all matters to avoid the inconvenience and expense of litigation and to buy accord.

AGREEMENT

Definitions.

1. "Agreement" means this Compromise Settlement and Release of Claims.
2. "Court" means the 431st Judicial District Court of Denton County, Texas.
3. "Incident" or "Incidents" means the series of events involving the Parties occurring on or about 7/24/2024, in Denton, Texas, described or referenced in the Lawsuit as basis for any and all claims asserted therein.
4. "Lawsuit" means the action bearing the style and cause number shown above and the contents of the parties' live pleadings.
5. "Parties" mean Breanna Leann Nix, Individually and as Next Friend to E.N., a Minor, and City of Denton, Texas.
6. "Plaintiffs" mean the natural persons presently known as Breanna Leann Nix, Individually and as Next Friend to E.N., a Minor (date of birth [redacted] SSN # XXX-XX-[redacted] under that name and any prior or subsequent names.
7. "Released Parties" means City of Denton, Texas and all of their respective past, present, and future officials, officers, shareholders, principals, employees, independent contractors,

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agents, attorneys, legal representatives, predecessors, successors, assigns, insurers, risk pools, and all persons, firms, and corporations in privity with the City of Denton, Texas, even if those persons or entities are not specifically named in this Agreement. However, for the limited purposes of provisions of this Agreement relating to signatures, delivery, and/or notice, this term shall be construed as to mean only those persons and entities named as defendants in the lawsuit.

Release of Claims and Discharge.

8. In consideration for the payment described in Paragraph 10 of this Agreement, Plaintiff hereby completely releases and forever discharges and acquits the Released Parties from, and agrees that the sum so paid shall be in full and final satisfaction and compromise of: all actions, causes of action, claims (including subrogation claims, claims for contribution or indemnity as to money paid in connection with this settlement) and demands, on account of, in connection with, or in any way growing out of or relating to any and all negligence, intentional misconduct, retaliation, violation of any state or federal statutes or codes, breach of any duty of good faith and fair dealing, death, personal injuries, physical or mental impairment, all incidents and contact with any City of Denton employee (or official or representative), damage to reputation, pain and suffering, grief, bereavement, loss of consortium, loss of companionship, damage to familial relationship, mental anguish, psychic injury, humiliation, and emotional stress, disfigurement, loss of quality of life, loss of earning capacity, loss of benefits, loss of retirement, loss of household services, loss of wages, loss of back wages, loss of seniority, loss of promotional opportunities, loss of profits, loss of money, damage to property, taking of property, attorneys' fees, court costs, pre- and post-judgment interest, and all other causes of action and damages whether known or unknown, past, present, and future, and whether heretofore asserted or not, owned or possessed by Plaintiff against any of said Released Parties growing out of said incidents or this settlement; or any event which occurred prior to the date of this settlement. Plaintiff further assigns all of the rights and remedies released in this paragraph or arising from the Incident to the City of Denton, Texas, jointly and severally.

   a. Plaintiff represents and warrants that she has not assigned or transferred any right, title or interest to any claims, demands, actions, or causes of action released hereby to any person, firm, or business entity.

   b. Plaintiff understands and agrees that the amount paid under this agreement is full satisfaction of all injuries and damages arising on account of the above-described events and that he will receive no further sums of money therefrom. It is expressly understood and agreed that Plaintiff has already paid (or will resolve out of the Settlement Payment) all property damages, all medical, doctors', and hospital charges received in the past or to be incurred in the future and all child support and family liens. Plaintiff and her attorneys hereby acknowledge and agree it is their responsibility to ensure the satisfaction of all lien claims, including but not limited to workers compensation, Medicare, Medicaid, hospital, medical provider, and health insurance liens, and child support and family liens from the Settlement

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Payment. Plaintiff agrees to not assert or prosecute in any forum any further complaints, claims, or lawsuits therefor against anyone whomsoever in relation to the Incident(s), whether or not herein or otherwise named, described, or identified.

c. Plaintiff hereby represents and warrants to the Released Parties and to the Court that no promises, representations, or agreements not set out herein have been made to her, that this Agreement is executed without reliance upon any statement or representation of any person or parties released or their representatives, concerning the nature and extent of the injuries, damages and/or legal liability therefor, that acceptance of the consideration set forth herein is a full accord and satisfaction of a disputed claim for which liability is expressly denied and that this Agreement is made of her own free will and accord after consulting with and acting upon the advice of his attorney.

d. Plaintiff understands this Agreement is in compromise of a doubtful and disputed claim, and that the payment is not to be construed as an admission of liability on the part of the persons or entities hereby released, by each of whom liability is hereby expressly denied.

e. Plaintiff understands that this is an unconditional, unqualified release, and also includes all claims, attorneys' fees, or other expenses incurred by or on behalf of the undersigned in connection with the filing and prosecution of the Lawsuit, including taxable court costs.

9. All of Plaintiff's releases in this Agreement are made on behalf of herself, her estate, and her respective past, present, and future affiliates, insureds, agents, principals, servants, legal representatives, employees, predecessors, successors, attorneys, assigns, heirs, insurers, and all persons, firms, or corporations in privity with any of them, even if those persons or entities are not specifically named in this Agreement.

Payment.

10. City of Denton must pay $2,500– referred to as the "Settlement Payment" - in the form of a check in the amount of $2,500 to Herbert Law Group, PLLC and Breanna Leann Nix, individually as next friend of E.N. Nix, a minor, and must deliver Settlement Payment to the office of Herbert Law Group, PLLC ("Plaintiffs' Counsel"), 2600 N. Central Expy, Suite 200 Richardson, TX 75080 - within 30 days of receipt of the original fully executed Agreement to the Office of the City Attorney, 215 E. McKinney, Denton, Texas 76201. To be considered fully executed, the Agreement must be (i) signed and dated by Plaintiff before a notary public, (ii) signed by Plaintiffs' legal counsel, and (iii) signed by the Released Parties after formal City Council approval. Plaintiffs' Counsel shall promptly provide Released Parties with notice confirming receipt of the Settlement Payment on behalf of Plaintiff and declaring the exact amount received.

Dismissal with Prejudice.

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11. Plaintiff will file a voluntary dismissal or nonsuit, with prejudice, of her lawsuit against the City of Denton, *Breanna Leann Nix, Individually and as Next Friend to E.N., a Minor v. City of Denton*; Cause No. 25-8435-431 (431st Judicial District, Denton County), within seven (7) business days following receipt of payment.

Other Payments, Costs, and Expenses.

12. Except for the Settlement Payment, Released Parties are not obligated to make any other payments and the Parties must bear their own court costs, attorney fees, and any other expenses incurred in the Lawsuit or relating to the Incident.

Warranties.

13. Plaintiff warrants that:

a. she has full capacity and authority to execute the Agreement;

b. she has not assigned or transferred any rights or claims for damages that she is releasing in this Agreement;

c. there are no outstanding or unpaid - in whole or in part - subrogation claims, including without limitation medical subrogation claims that relate in any way to the incidents alleged in the lawsuit; and:

i. There are no liens - equitable, common-law, or statutory – that relate in any way to the Incidents alleged in the lawsuit, including without limitation hospital liens, medical, Medicare/Medicaid or other liens, or medical insurance subrogation claims which have attached or could attach to any consideration given in this Agreement, or which could form the basis of any claim or penalty against the Released Parties; or

ii. Plaintiff has obtained – and filed with the proper office(s) – a full and final release of any liens – equitable, common-law, or statutory – including without limitation hospital liens, which have attached or could attach to any consideration given in this Agreement, or which could form the basis of any claim or penalty against the Released Parties.

iii. Plaintiff represents and warrants that she has not received Medicare benefits for any medical treatment, including treatment for any work injuries, as a result of the Incident; that she does not currently have pending an application for Medicare benefits; that she does not intend to apply for Medicare benefits within the next thirty months; that she understands that if she does apply for Medicare benefits within the next thirty months and submits bills for treatment of any alleged injuries arising from the Incident, that these bills may be denied by Medicare. Plaintiff represents and warrants that the purpose of this Agreement is not to shift responsibility for payment of medical expenses resulting from the alleged injuries to Medicare. Plaintiff understands that the Released Parties have relied upon this information in consideration of the settlement of Plaintiff's claims.

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d. It is expressly warranted that Plaintiff has paid, or out of said sum, will pay or satisfy, any outstanding liens, any liens under the Texas Family Code, child support and family liens, hospital liens, claims, medical insurance subrogation claims, property damage subrogation claims, attorney liens, and subrogation interests of any nature, past, present, and future arising out of or relating to the Incident.

e. Plaintiff expressly attests and warrants that no member of her family has suffered any psychological injury, mental anguish and/or damage to the familial relationship as a result of the events in question or as a result of Plaintiffs' alleged damages and injuries. **PLAINTIFFS AGREE TO DEFEND, HOLD HARMLESS AND INDEMNIFY THE RELEASED PARTIES FROM THE PAYMENT, AND FOR THE DEFENSE, INCLUDING, EXPENSES AND REASONABLE ATTORNEYS' FEES, OF ANY AND ALL SUCH CLAIMS FOR LOSS OF CONSORTIUM, PSYCHIC INJURY, MENTAL ANGUISH AND/OR DAMAGE TO THE FAMILIAL RELATIONSHIP.**

Indemnity.

14. **IN THIS AGREEMENT, "INDEMNIFY" MEANS THE DUTY TO FULLY AND IMMEDIATELY REIMBURSE RELEASED PARTIES FOR THE RELEASED PARTIES':**

    A. **COSTS OF COURT, ATTORNEY FEES, AND ANY OTHER EXPENSES INCURRED IN ANY TYPE OF LEGAL DEFENSE;**

    B. **COSTS OF COURT, ATTORNEY FEES, AND ANY OTHER EXPENSES INCURRED IN ENFORCING OR ATTEMPTING TO ENFORCE ANY OF THIS AGREEMENT'S INDEMNITY PROVISIONS;**

    C. **OBLIGATION, DEBT, PAYMENT, SETTLEMENT, OR JUDGMENT.**

15. **PLAINTIFF AGREES TO INDEMNIFY AND HOLD HARMLESS RELEASED PARTIES IN CONNECTION WITH ANY CLAIMS, COUNTERCLAIM, PROCEEDING, DEMAND, LAWSUIT, ACTION, OR CAUSE OF ACTION THAT:**

    A. **RELATED IN ANY WAY TO THE INCIDENTS ALLEGED IN THIS LAWSUIT AND IS BROUGHT BY OR ON BEHALF OF:**

        I. **PLAINTIFF, PLAINTIFF'S ESTATE, AND/OR PLAINTIFF'S HEIRS OR ASSIGNS;**

        II. **ANY PERSON, ORGANIZATION, OR ENTITY ASSERTING OR ATTEMPTING TO ASSERT A LIEN – EQUITABLE, COMMON-LAW, OR STATUTORY – AGAINST THE RELEASED PARTIES; OR**

        III. **ANY PERSON, ORGANIZATION, OR ENTITY ASSERTING OR ATTEMPTING TO ASSERT A SUBROGATION CLAIM AGAINST THE RELEASED PARTIES;**

    B. **IS NOT BROUGHT BY OR ON BEHALF OF THE RELEASED PARTIES AND CONTAINS ALLEGATIONS OR STATEMENTS THAT IN ANY WAY CONFLICT WITH ANY OF THE PLAINTIFF'S WARRANTIES IN THIS AGREEMENT;**

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C. IS BROUGHT BY OR ON BEHALF OF THE RELEASED PARTIES TO ENFORCE ANY OF THIS AGREEMENT'S INDEMNITY PROVISIONS;

D. IS BROUGHT BY OR ON BEHALF OF ANY GOVERNMENT OR TAXING ENTITY ASSERTING A TAX OBLIGATION, INTEREST, PENALTY OR OTHER OBLIGATION ARISING FROM PAYMENT OF THE SETTLEMENT PROCEEDS; OR

E. IS BROUGHT BY OR ON BEHALF OF ANY GOVERNMENTAL ENTITY SEEKING REIMBURSEMENT OF PAID MONETARY BENEFITS FOR WHICH PLAINTIFF MIGHT BE DETERMINED INELIGIBLE AS A CONSEQUENCE OF EITHER THE INCIDENT OR THIS SETTLEMENT.

Limited Confidentiality.

16. Plaintiff, joined by her attorneys, family, and agents, warrants that the terms of this Agreement shall be kept confidentially by them, except that the matter was resolved without any finding of wrongdoing by the Released Parties. The undersigned agree that said persons shall not talk, discuss, release, publish, or otherwise make known to anyone, including representatives of the press, new media, radio, television, internet, social media, or other persons with the purpose of disclosure of the terms of this agreement, unless required by a court of competent jurisdiction. Plaintiff recognizes that City of Denton, is obligated to comply with the Texas Public Information Act/Texas Open Records Act and/or Open Meetings Act, and may provide information about this Agreement, consistent with those obligations.

Governing Law and Venue.

17. In the case that a dispute should arise regarding the Agreement or any of its provisions, the Parties agree that its terms and provisions are to be construed solely in accordance with the laws of the State of Texas, and that any lawsuit which involves this Agreement (directly or indirectly), or any provision of this Agreement, may only be filed and litigated in a court of competent jurisdiction in Denton County, Texas.

Additional Documents.

18. All Parties agree to cooperate fully and execute any and all supplementary documents and to take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement. This Agreement may be executed in multiple counterparts, with reproduced signature pages attached as necessary to evidence approval. Scanned or photocopied copies of this document shall be regarded as duplicate originals. Full copies of this Agreement and all signature pages shall be delivered to all Parties through their respective legal counsel.

Entire Agreement and Successors in Interest.

19. The Agreement contains the entire agreement and understanding between the Parties, is contractual and not mere recital, and shall be binding upon and inure to the benefit of the Parties. This Agreement renders any inconsistent prior agreements and understandings

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between the Parties void. The Parties do not intend any third-party beneficiaries of this Agreement (save and except those described in the definition of Released Parties above) and no person or entity other than Plaintiff shall be capable of demanding performance of any obligation set forth herein from the City of Denton or of claiming any damages therefrom arising from this Agreement.

Advice of Counsel.

20. The Parties have had the assistance and advice of independent legal counsel throughout the negotiations leading to the Agreement, and they have read the Agreement and consulted with their respective counsel regarding the meaning and effect of the Agreement. The Agreement has been jointly drafted and is not meant to be more strictly construed against one Party than another.

21. Plaintiff represents that she has relied upon the advice of her independent legal counsel concerning the legal and income tax consequences of this Agreement and that the terms of this Agreement are fully understood and voluntarily accepted by her.

Effectiveness.

22. This Agreement shall become effective immediately following execution by each of the Parties. All provisions which do not include an express date for performance by a Party are intended to be perpetual. Inaction of a Party regarding any breach of this Agreement shall not be construed as waiver or release of another Party's rights to demand performance or seek damages, regardless as to whether such inaction is deliberate or inadvertent, nor shall any such inaction with respect to an individual event of breach constitute any waiver of an aggrieved Party's right to pursue enforcement or damages with respect to any other event of breach.

Modifications.

23. The Agreement cannot be changed or terminated except by a subsequent agreement in writing that is signed by all the Parties.

Invalid Provisions.

24. If any Party of this Agreement is for any reason found to be invalid, illegal, or unenforceable, all other parts nevertheless remain valid, legal, and enforceable.

Headings.

25. The headings to the provisions of the Agreement are solely for the convenience of reference and are not to be construed as terms of this Agreement.

No Other Representations.

26. Other than the written representations made in this Agreement, there are no other representations related to the Agreement and the Parties do not rely on any other representations in executing this Agreement.

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Notice.

28. Released Parties can satisfy any notice or delivery requirement of this Agreement through Plaintiff's Counsel, unless and until Plaintiff provides written notice of a new designee for notice to Plaintiff in a signed and notarized document delivered to all Released Parties. Plaintiff can satisfy any notice requirement arising from this Agreement through legal counsel for the Released Parties or their respective designees. After this Agreement becomes effective, if any of the Parties becomes aware that any claim, dispute, or other proceeding relating to the Incident or this Agreement is being alleged or asserted by any third party against one or more other Parties, they shall use reasonable efforts to provide notice of same to the other Parties as soon as practicable.

PLAINTIFF SIGNATURE:

breanna leann nix

Breanna Leann Nix, Individually

Date of Signature: 05 / 21 / 2026

breanna leann nix

Breanna Leann, Nix, as Next Friend of E.N., a Minor

Date of Signature: 05 / 21 / 2026

BEFORE ME, the undersigned authority, on this day personally appeared Breanna Leann Nix, Individually, and as Next Friend of E.N., a Minor, who is known to me to be the person whose name is subscribed to the foregoing instrument, who is personally known by me or by providing _____ as qualifying identification.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ DAY OF 05 / 21 / 2026, 2026.

Notary Public – State of Texas

ROSIE ORTIZ
My Notary ID # 133227220
Expires July 22, 2029

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I, the undersigned attorney for Plaintiffs Breanna Leann Nix, Individually, and as Next Friend of E.N., a Minor,, do hereby certify that Breanna Leann Nix, Individually, and as Next Friend of E.N., a Minor, has stated to me that she has read each and every word of the foregoing instrument and that she understands its contents and effect; and as Plaintiffs' attorney, I approve the settlement entered into. Moreover, I recognize and acknowledge that the negotiated language contained within Paragraph 12 places affirmative obligations upon me as an individual to act in trust in carrying out the obligations in that paragraph.

Griffin T. McMillin,
Attorney for Plaintiffs,
Breanna Leann Nix, Individually, and as
Next Friend of E.N., a Minor

CITY OF DENTON, TEXAS
SIGNATURE:

CASSEY OGDEN, INTERIM CITY MANAGER
On behalf of the City of Denton, Texas
Per delegated authority

Date of Signature: 5/26/26

BEFORE ME, the undersigned authority, on this day personally appeared Cassey Ogden, known to me to be the person whose name is subscribed to the foregoing instrument, who is personally known to me or by providing _____ as qualifying identification.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 26th DAY OF May, 2026.

CLARICE MARIE HOUSDEN
My Notary ID # 132065325
Expires June 25, 2027

Notary Public – State of Texas

APPROVED AS TO LEGAL FORM
MACK REINWAND, CITY ATTORNEY

BY: Devin Q. Alexander
Devin Q. Alexander

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Dropbox Sign

Audit trail

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This document was signed on my.casepeer.com

Document history

SENT	**05 / 21 / 2026** 13:27:23 UTC	Sent for signature to Breanna Nix (breannanix64@gmail.com) and Maggi Andres (maggi@zdhinjury.com) from hellosign@casepeer.com IP: 35.88.228.81
VIEWED	**05 / 21 / 2026** 15:26:37 UTC	Viewed by Breanna Nix (breannanix64@gmail.com) IP: 216.171.46.68
SIGNED	**05 / 21 / 2026** 17:51:21 UTC	Signed by Breanna Nix (breannanix64@gmail.com) IP: 174.226.130.195
VIEWED	**05 / 21 / 2026** 17:51:41 UTC	Viewed by Maggi Andres (maggi@zdhinjury.com) IP: 108.204.141.241
SIGNED	**05 / 21 / 2026** 17:51:55 UTC	Signed by Maggi Andres (maggi@zdhinjury.com) IP: 108.204.141.241
COMPLETED	**05 / 21 / 2026** 17:51:55 UTC	The document has been completed.

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: **City Attorney's Office**

CM/ DCM/ ACM: **Mack Reinwand, City Attorney**

AGENDA DATE: **June 2, 2026**

SUBJECT

Consider adoption of an ordinance of the City of Denton approving a Settlement Agreement and Release implementing the terms of the settlement in litigation styled *"State Farm Mutual Automobile Insurance Company as Subrogee of Flow Electric, LLC v. City of Denton;"* Cause No. 26-4524-367 pending in the 367th Judicial District Court, Denton County, Texas; and directing the City Manager or designee and the City's attorneys to effectuate as necessary and appropriate the terms of a Settlement Agreement and Release to effectuate this approval; and declaring an effective date.

BACKGROUND

On 4/28/26, Plaintiff State Farm Mutual Automobile Insurance Company as Subrogee of Flow Electric, LLC, filed suit against the City of Denton because of a vehicle collision with a Denton Police Department Officer, that occurred in a Starbucks parking lot on 7/13/25.

OPTIONS

Given the City's liability exposure and the costs to defend the matter, I recommend that we settle this matter for $7,000.00. Settlement of this matter is within previously delegated settlement authority, and the option is to formally ratify and approve the settlement.

RECOMMENDATION

Proceed with formal approval.

EXHIBITS

Exhibit 1 – AIS
Exhibit 2 – Ordinance and Settlement Agreement and Release

Respectfully submitted:

/s/ Devin Q. Alexander
Senior Deputy City Attorney

Legal Staff Contact:
Devin Q. Alexander

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON APPROVING A SETTLEMENT AGREEMENT AND RELEASE IMPLEMENTING THE TERMS OF THE SETTLEMENT IN LITIGATION STYLED *"STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY AS SUBROGEE OF FLOW ELECTRIC, LLC V. CITY OF DENTON"* CAUSE NO. 26-4524-367 PENDING IN THE 367TH JUDICIAL DISTRICT COURT, DENTON COUNTY, TEXAS; AND DIRECTING THE CITY MANAGER OR DESIGNEE AND THE CITY'S ATTORNEYS TO EFFECTUATE AS NECESSARY AND APPROPRIATE THE TERMS OF A SETTLEMENT AGREEMENT AND RELEASE TO EFFECTUATE THIS APPROVAL; AND DECLARING AN EFFECTIVE DATE.

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Council hereby ratifies and approves the proposed settlement of litigation styled "*State Farm Mutual Automobile Insurance Company as Subrogee of Flow Electric, LLC v. City of Denton"* Cause No. 26-4524-367 pending in the 367th Judicial District Court, Denton County, Texas, under terms set forth in the attached Settlement Agreement and Release.

SECTION 2. The City Manager or designee and the City's Attorneys are hereby authorized to act on the City's behalf in approving and executing any and all documents necessary or appropriate to effectuate the terms of the settlement, and to take other actions necessary to finalize the settlement.

SECTION 3. This Ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____. This Ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Devin Q. Alexander
_____

EXHIBIT "A"

Settlement Agreement and Release

CAUSE NO. 26-4524-367

STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY AS SUBROGEE OF FLOW ELECTRIC, LLC	§	**IN THE DISTRICT COURT**
Plaintiff,	§	
v.	§	**367TH JUDICIAL DISTRICT**
CITY OF DENTON,	§	
Defendant.	§	**DENTON COUNTY, TEXAS**

COMPROMISE SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

STATE OF TEXAS)
) KNOW ALL MEN BY THESE PRSENTS:
COUNTY OF DENTON)

1. That I, Blake Landon, whose title is Attorney and Authorized Representative of State Farm Mutual Automobile Insurance Company, the undersigned authorized representative of State Farm Mutual Automobile Insurance Company as Subrogee of Flow Electric, LLC for and in consideration of the sum of SEVEN THOUSAND DOLLARS ($7,000.00) cash paid to Carpenter & Schumacher, P.C. as attorneys for State Farm (hereinafter "State Farm") by the City of Denton, the receipt of which is hereby acknowledged, do by these presents acknowledge full and complete settlement of State Farm's subrogation claim against the City of Denton, which includes Flow Electric, LLC's property damage deductible and out-of-pocket expenses reimbursed by State Farm, and hereby releases and forever discharges Jennifer Allen and the City of Denton, from any and all damages sustained by State Farm resulting from the automobile accident between Brandon McFarling and Jennifer Allen, an employee of

the City of Denton, on or about 7/13/2025, at or near Denton, Texas, which allegations are set out more fully in Plaintiff's Original Petition in this matter filed in the 367th Judicial District Court of Denton County, Texas.

2. It is the intention of the undersigned to acknowledge the satisfaction in full of all damages of any nature whatsoever which have occurred to State Farm as a result of the above described accident, whether fully developed at this time or not. It is understood that the considerations stated cover the contingency of a greater or lesser damage to State Farm, whether known or unknown at this time, fully developed or otherwise.

3. As further consideration for payment of said sum, State Farm hereby agrees to protect, indemnify , and hold harmless the City of Denton, and its officers or employees from any claim for damages, and to reimburse or to make good any loss, damage, or cost (including attorney's fees) that the City of Denton may have to pay if any further litigation arises from any property damage claims made by or through State Farm Mutual Automobile Insurance Company, including Flow Electric, LLC's property damage deductible, resulting from the accident described in Paragraph 1 above.

4. State Farm warrants and represents that it is the sole owner of the claims and causes of action asserted and such claims have not been further assigned, sold, pledged, or otherwise encumbered in any way.

5. It is further understood that this settlement is a compromise of a disputed claim, and that payment is not to be construed as an admission of liability on the part of the City of Denton, and its officers, agents, or employees by whom liability is expressly denied.

6. For the aforesaid consideration, State Farm further agrees to dismiss with prejudice Cause No. 26-4524-367, pending in the 367th Judicial District Court of Denton County,

Texas, styled *"State Farm Mutual Automobile Insurance Company as Subrogee of Flow Electric, LLC v. City of Denton."* All claims State Farm as Subrogee of Flow Electric, LLC has in such suit being hereby released by the undersigned as authorized representative of State Farm.

7. It is understood and agreed that this Release contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements, or understandings between the parties relating to the subject matter. No oral understandings, statements, promises or inducements contrary to the terms of this Release exists. This Release cannot be changes or terminated orally.

8. In making this agreement of compromise and settlement, State Farm has not relied upon any statement or representation pertaining to this matter made by the persons, firms, organizations or corporations who are hereby released, or by any person or persons representing them.

9. It is understood and agreed that this Release shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors and assigns.

10. It is understood and agreed that this Release shall be governed by, construed and enforced in accordance with, and subject to, the laws of the State of Texas.

11. It is understood and agreed that this Release may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

12. The undersigned, as authorized representative of State Farm as Subrogee of Flow Electric, LLC, further states that in entering into this Settlement Agreement and Release, State Farm has relied upon the legal advice of its attorney, who is the attorney of its own choice, and that the terms of this Settlement Agreement have been

completely read and explained to the undersigned by State Farm's attorney and that the terms are fully understood and voluntarily accepted by the undersigned, as authorized representative of State Farm.

PLAINTIFF SIGNATURE:

_____ Date of Signature: _____
ATTORNEY AND AUTHORIZED
REPRESENTATIVE OF
STATE FARM MUTUAL AUTOMOBILE
INSURANCE COMPANY A/S/O
FLOW ELECTRIC, LLC

UNSWORN DECLARATION

My name is Blake Landon, my date of birth is January 9, 1991, and my office address is 2500 Dallas Parkway, Suite 495, Plano, Texas 75093. I declare under the penalty of perjury that the foregoing is true and correct.

Executed in Collin County, Texas on May __, 2026.

_____
BLAKE LANDON

APPROVED AS TO LEGAL FORM

_____
BLAKE LANDON

CITY OF DENTON, TEXAS
SIGNATURE:

_____ Date of Signature: _____
CASSEY OGDEN, INTERIM CITY MANAGER
On behalf of the City of Denton, Texas
Per delegated authority

BEFORE ME, the undersigned authority, on this day personally appeared Cassey Ogden, known to me to be the person whose name is subscribed to the foregoing instrument, who is personally known to me or by providing _____ as qualifying identification.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ DAY OF _____, 2026.

_____
Notary Public – State of Texas

APPROVED AS TO LEGAL FORM
MACK REINWAND, CITY ATTORNEY

BY: Devin Q. Alexander
Devin Q. Alexander

City of Denton

City Hall
215 E. McKinney St.
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Parks and Recreation

ACM: Christine Taylor, Assistant City Manager

DATE: June 2, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton granting the Denton Noon Kiwanis Club a noise exception with respect to sound levels and hours of operation for the Independence Day Celebration and Fireworks Show to be held on Saturday, July 4, 2026, from 6:00 p.m. to 10:30 p.m. at the North Texas Fairgrounds; and providing an effective date.

BACKGROUND

The Independence Day Celebration and Fireworks Show is organized by the Denton Noon Kiwanis Club, a non-profit volunteer organization that serves to provide low-cost or no-cost medical, dental, and prescription assistance to disadvantaged children in the Denton area.

Parking proceeds and donations serve as a fundraiser for the Denton Noon Kiwanis Club Children's Clinic and are used to help fund other service projects throughout the year including but not limited to scholarships, 4,000 dental hygiene bags for back to school (this year), 4-H Gold Star Awards, and the longest and signature project, the Denton Kiwanis Children's Clinic. The clinic has been providing free doctor visits, prescriptions, dental work, eye exams and glasses, and mental health services continuously since 1925. These services are free to the families and provide services to children who may otherwise go untreated due to the costs of healthcare. The clinic serves an average of 300 children per year.

This year's event will be held at the North Texas Fairgrounds on Saturday, July 4, 2026, from 6:00 p.m. to 10:30 p.m. Estimated attendance is up to 10,000 with last year's attendance at 5,800.

After the positive response to the new location, the decision was made for the event to remain at the North Texas Fairgrounds rather than return to DATCU Stadium as planned.

The Denton Noon Kiwanis Club is seeking an exception to the noise ordinance in sound levels in excess of 60 dba, and a variance in hours of operation for amplified sound levels on Saturday, July 4 from 6:00 p.m. to 10:30 p.m., at the North Texas Fairgrounds located at 2217 N. Carroll Dr.

Denton Kiwanis is planning to take door hangers door to door within the targeted neighborhood. The organization will communicate with surrounding business, churches, and other property owners in proximity to the fairgrounds. Also, the organization will keep the City of Denton informed on all the communication efforts performed by their group to promote and educate the community about the event.

RECOMMENDATION
Staff recommends approval of the noise exemption as the event organizers have consistently demonstrated an ability to responsibly operate the Independence Day Celebration and Fireworks Show at their previous location at amplified sound levels within the public interest and without materially disturbing persons of ordinary sensibilities in the immediate vicinity.

ESTIMATED SCHEDULE OF PROJECT
N/A

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

FISCAL INFORMATION
Denton Noon Kiwanis Club receives a total of $42,820 in Co-Sponsorship funds ($26,800 for cash sponsorship, $16,020 for in-kind sponsorship).

BID INFORMATION
N/A

EXHIBITS
Exhibit 1- Agenda Information Sheet
Exhibit 2- Ordinance

Respectfully submitted:
Allison Wing, Interim Parks and Recreation Director

Prepared by:
Autumn Natalie, Parks Program Area Manager, Parks and Recreation

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON GRANTING THE DENTON NOON KIWANIS CLUB A NOISE EXCEPTION WITH RESPECT TO SOUND LEVELS AND HOURS OF OPERATION FOR THE INDEPENDENCE DAY CELEBRATION AND FIREWORKS SHOW TO BE HELD ON SATURDAY, JULY 4, 2026, FROM 6:00 P.M. TO 10:30 P.M. AT THE NORTH TEXAS FAIRGROUNDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Section 17-20 of the Code of Ordinances of the City of Denton, the City Council may make exceptions upon application for sound levels or hours of operation when the public interest will be served thereby; and

WHEREAS, the Denton Noon Kiwanis Club has made an application to the City Council for an exception to the provision of Section 17-20 of the Code of Ordinances regarding sound levels and hours of operation, in connection with the 4th of July Fireworks Show held at the North Texas Fairgrounds, with said request being for the following dates: July 4, 2026; and

WHEREAS, upon prior application and approval by the City Council of the City of Denton, the Denton Noon Kiwanis Club has consistently demonstrated an ability to responsibly operate the 4th of July Fireworks Show, at amplified sound levels restricted in Section 17-20 of the Code of Ordinances of the City of Denton, Texas, within the public interest, and without materially disturbing persons of ordinary sensibilities in the immediate vicinity thereof; and

WHEREAS, the City Council of the City of Denton, finds granting a noise exception for this event, subject to the restrictions contained herein, would serve the public interest; NOW THEREFORE;

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. Pursuant to Section 17-20 of the Code of Ordinances, the Denton Noon Kiwanis Club is hereby granted an exception to said section's amplified sound prohibition subject to the following restrictions:

1. This exception to the limitations imposed by Section 17-20 of the Code of Ordinances of the City of Denton, is granted only in connection with the operation of the 4th of July Fireworks Show at the North Texas Fairgrounds for the following dates: July 4, 2026.

2. The Denton Noon Kiwanis Club agrees to take full responsibility for ensuring that the conditions of this exception are met and to take all reasonable measures necessary to avoid disturbing persons of ordinary sensibilities in the immediate vicinity of the event.

3. The Denton Noon Kiwanis Club agrees to cease amplified sound on Saturday, July 4, 2026, at 10:30 p.m.

4. Under no circumstances shall the Denton Noon Kiwanis Club employ the use of amplified sound past 10:30 p.m. on Saturday, July 4, 2026.

5. The Director of Parks and Recreation may approve modifications to the dates and times of the events.

6. Under no circumstances shall the Denton Noon Kiwanis Club employ the use of amplified loudspeakers that exceeds 75 dba for an outdoor event when measured from the perimeter of the source as measured by an approved measuring instrument.

7. This Ordinance confers no personal or property rights, and may be amended, modified, suspended, or revoked in whole or in part at the will of the City Council of the City of Denton, without any advance warning, hearing, or compensation, for any reason at all, or for no reason.

8. This Ordinance shall be strictly construed as an exception granted pursuant to Section 17- 20 of the Code of Ordinances of the City of Denton. The City of Denton expressly reserves unto itself and all other persons any and all legal remedies, both civil and criminal, relating to excessive noise in correction with this annual event, and hereby disclaims any promissory, or equitable estoppel which might in any way impede the pursuit of such remedies by any person.

SECTION 2. This Ordinance shall be effective immediately upon its passage and approval and shall expire upon the completion of the 4th of July Fireworks Show at the North Texas Fairgrounds on Saturday, July 4, 2026, unless sooner repealed, modified, or rescinded.

The motion to approve this Ordinance was made by _____ and seconded by _____. This Ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Jordan E. Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

ACM: Kenneth Hedges

DATE: June 2, 2026

SUBJECT

Hold a public hearing and consider adoption of an ordinance of the City of Denton, Texas regarding a request for a Specific Use Permit (SUP) to allow for a Monopole Tower over 85 feet use on approximately 0.048 acres of land, approximately located on the western corner of North Elm Street and Riney Road and legally described as Lot 3, Block 2 North Elm Street Addition in the City of Denton, Denton County, Texas; providing for a penalty in the maximum amount of $2,000.00 for violations thereof; providing for a severability clause and an effective date. The Planning and Zoning Commission voted (5-0) to recommend approval. Motion for approval by Commissioner Ketchersid and second by Commissioner McDuff. (S25-0008a, APC Towers – Bonnie Brae, Matt Bodine)

https://dentontx.new.swagit.com/videos/384387

BACKGROUND

The applicant, Mike Hitchcock of APC Towers, has submitted a request for a Specific Use Permit (SUP) to allow for a Monopole Tower over 85 feet, hereafter referred to as "Telecommunications Tower", use on approximately 0.048 acres of land within the Mixed-Use Neighborhood (MN) zoning district.

Telecommunications Tower as a principal use is defined in the Denton Development Code (DDC) as follows: "A self-supporting or guyed structure more than 20 feet (6 meters) in height, built primarily to support one or more telecommunications antennas." In the MN zoning district, Telecommunications Towers under 85 feet are allowed by right and Telecommunications Towers over 85 feet require the approval of a Specific Use Permit.

The proposed development, APC Towers, will consist of a 105-foot-tall monopole telecommunications tower and a small technical support building. The tower is designed for at least two individual carrier rad center installations, supporting up to 12 8-foot panel type antennas.

The subject property is currently undeveloped. West of the subject property is a multi-family development, which was approved by City Council in 2017 as part of a Specific Use Permit. The south and east of the subject property are bordered by Riney Road, while the north side of the subject lot abuts North Elm Street.

In accordance with DDC 5.6.2- Compliance with the Telecommunications Act and the Telecommunications Act of 1996, the City has the authority to determine the placement, construction, and modification of cellular telephone facilities and other personal wireless telecommunication service facilities. Additionally, cities may not "regulate the placement, construction, and modification of personal wireless service facilities on the basis of environmental or radio frequency emissions to the extent that such facilities comply with the

Federal Communication Commission regulations concerning such emissions." A denial of this application shall be in writing and supported by substantial evidence.

A full analysis of this request is provided as Exhibit 2.

PLANNING AND ZONING COMMISSION

On April 29, 2026, Planning and Zoning Commission held a public hearing and recommend approval of the SUP request (5-0). The commissioners inquired about existing, onsite trees. Staff clarified that the applicant will be relocating the trees. There was no public comment. Motion for approval was made by Commissioner Ketchersid and a second by Commissioner McDuff.

OPTIONS

1. Recommend approval as submitted
2. Recommend approval subject to conditions
3. Recommend denial
4. Postpone consideration

RECOMMENDATION

Staff recommends **approval** of the SUP request, with the following conditions:

1. Development of the site shall substantially comply with the attached Site Plan and Landscape Plan. Administrative approval of changes that do not increase the size, height, and number of the Telecommunications Tower buildings and equipment, change the number of parking spaces, decrease the buffer and screening requirements, or result in a decrease of more than 5 percent in the landscape area for the whole site may be administratively approved, if such changes are permissible per the Denton Development Code. All other changes shall require a Specific Use Permit amendment in accordance with the Denton Development Code.

2. The City reserves the right to require approval by ordinance of any amendments or alterations to the SUP, the attached site plan, and the attached landscape plan. The attached site plan and landscape plan are incorporated as requirements of the SUP.

3. The zoning map shall reflect the Specific Use Permit on the property consistent with the DDC.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Date	Council, Board, Commission	Request	Action
1982	City Council	Annexation	Approved
1991	City Council	Transition to Planned Development	Approved
2002	City Council	City Wide rezoning to Neighborhood Residential Mixed Used (NRMU)	Approved
2017	City Council	Specific-Use Permit	Approved
2019	City Council	City wide rezoning to Mixed-Use Neighborhood (MN)	Approved

PUBLIC OUTREACH:

To comply with the public hearing notice requirements, the following were completed:

- On April 8th, 2026, forty-seven (47) notices were sent to property owners within 200 feet of the subject property. As of the writing of this report, staff has not received any responses.
- On April 8th, 2026, ninety-six (96) courtesy notices were sent to physical addresses within 500 feet of the subject property.
- A notice was published on the City's website on April 8th, 2026.
- A notice was published in the Denton Record Chronicle on April 12th, 2026.
- One neighborhood meeting was held by the applicant on September 29, 2025. Zero (0) residents attended.
- Two signs were posted on the property on April 17, 2026.

DEVELOPER ENGAGEMENT DISCLOSURES

No developer contact and/or meeting disclosures have been provided to staff as of the issuance of this report.

EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Staff Analysis
Exhibit 3 - Site Location Map
Exhibit 4 - Future Land Use Map
Exhibit 5 - Zoning Map
Exhibit 6 - Site Plan
Exhibit 7 - Landscape Plan
Exhibit 8 - Notification Map
Exhibit 9 - Ordinance
Exhibit 10 - Staff Presentation

Respectfully submitted:
Hayley Zagurski, AICP
Planning Director

Prepared by:
Matt Bodine
Assistant Planner

Planning Staff Analysis
S25-0008 / APC Towers
City Council District 3

REQUEST:
Specific Use Permit (SUP) to allow for a Monopole Tower over 85 feet use on approximately 0.048 acres of land, approximately located on the western corner of North Elm Street and Riney Road in the City of Denton, Denton County, Texas. (S25-0008, Bryce Van Arsdale)

APPLICANT:
Mike Hitchcock of APC Towers

STAFF RECOMMENDATION:
Staff recommends **approval** of the SUP with the following conditions:

1. Development of the site shall substantially comply with the attached Site Plan and Landscape Plan. Administrative approval of changes that do not increase the size, height and number of the Monopole Tower buildings and equipment, change the number of parking spaces, decrease the buffer and screening requirements, or result in a decrease of more than 5 percent in the landscape area for the whole site may be administratively approved, if such changes are permissible per the Denton Development Code. All other changes shall require a Specific Use Permit amendment in accordance with the Denton Development Code.

2. The City reserves the right to require approval by ordinance of any amendments or alterations to the SUP, the attached site plan, and the attached landscape plan. The attached site plan and landscape plan are incorporated as requirements of the SUP.

3. The zoning map shall reflect the Specific Use Permit on the property consistent with the DDC.

(Continued on next page)

SITE DATA:

The subject property is located on the western corner of North Elm Street and Riney Road and is currently undeveloped. The subject property contains a number of utility easements, restricting development on site. The subject property is immediately east of a 289-unit multi-family development and abuts North Elm Street to the north and Riney Road to the South and East

The subject property will provide one access point from Riney Road.

There is no FEMA floodplain, floodway, or Environmentally Sensitive Area (ESA) on site.

The subject property is zoned Mixed-Use Neighborhood (MN) District (see Exhibit 5). The area surrounding the subject property is made up of Public Facilities (PF) and Mixed-Use Neighborhood (MN) zoning districts. The surrounding lots are zoned as PF to the north and south, and MN to the east and west. A multi-family land use exists to the west of the subject property. Additionally, the University of North Texas Discovery Park is located directly to the north of the subject property and is zoned Public Facilities (PF) as further described in the table below.

(Continued on next page)

SURROUNDING ZONING AND LAND USES:

Northwest: North Elm Street right-of-way (ROW) • Zoning: Public Facilities (PF) • Use: Institutional (Discovery Park)	**North:** North Elm Street right-of-way (ROW) • Zoning: Public Facilities (PF) • Use: Institutional (Discovery Park)	**Northeast:** North Elm Street right-of-way (ROW) • Zoning: Public Facilities (PF) • Use: Institutional (Discovery Park)
West: • Zoning: Mixed-Use Neighborhood-Specific Use Permit (MN-S) • Use: Multi-Family	**SUBJECT PROPERTY**	**East:** North Elm Street right-of-way (ROW) • Zoning: Mixed-Use Neighborhood (MN) • Use: Undeveloped
Southwest: Riney Road right-of-way (ROW) • Zoning: Public Facilities (PF) • Use: Institutional (G. Roland Vela Soccer Complex)	**South:** Riney Road right-of-way (ROW) • Zoning: Public Facilities (PF) • Use: Institutional (G. Roland Vela Soccer Complex)	**Southeast:** Riney Road right-of-way (ROW) • Zoning: Public Facilities (PF) • Use: Institutional (G. Roland Vela Soccer Complex)

CONSIDERATIONS:

A. Section 2.4.5E of the Denton Development Code (DDC) provides approval criteria applicable to all applications.

1. *General Criteria*
   a. *Unless otherwise specified in this DDC, City review and decision-making bodies must review all development applications submitted pursuant to this subchapter for compliance with the general review criteria stated below.*

      The general criteria have been applied.

   b. *The application may also be subject to additional review criteria specific to the type of application, as set forth in sections 2.5 through 2.9.*

      Section 2.5.2D of the DDC applies to Specific Use Permit (SUP) requests. An analysis of this request per those criteria can be found below in Consideration B.

   c. *If there is a conflict between the general review criteria in this section and the specific review criteria in sections 2.5 through 2.9, the applicable review criteria in sections 2.5 through 2.9 controls.*

      There are no conflicts between the general criteria and the criteria specific for Specific Use Permit requests.

2. *Prior Approvals*

The request does not conflict with any prior approvals related to the subject property.

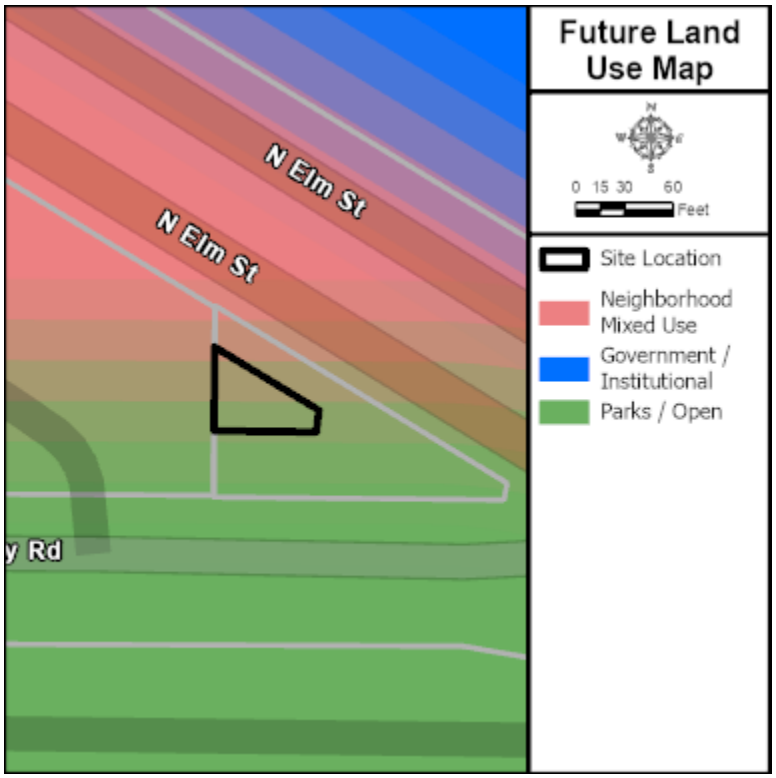
3. *Consistent with the Comprehensive Plan and Other Applicable Plans*

The decision–making authority:

a. Shall weigh competing goals, policies, and strategies.

There are no competing goals, policies nor strategies associated with the proposed request. As noted below, the request conforms to the Future Land Use Map and is designed to minimize adverse impacts to the maximum extent possible.

b. May approve an application that furthers the overall goals of the Comprehensive Plan even if the development does not match the future land use designation in the Comprehensive Plan.



The use and scale of the proposed Monopole Tower over 85 feet, hereafter referred to as "Telecommunications Tower" use conforms to the Future Land Use element of the Denton 2040 Comprehensive Plan. Per the Future Land Use Map in the Denton 2040 Comprehensive Plan, the subject property exists in a transitional area between Parks/Open Space, Neighborhood Mixed Use, and Government/Industrial designations (see inset map and provided as Exhibit 4). The FLUM designates the area to the north of North Elm Street as Government/Institutional, the area south of Riney Road as Parks/Open Space, and the area directly to the west as Neighborhood Mixed Use.

The Comprehensive Plan recognizes there are several options for communication service providers in the City which provide telephone, television, cellular phone networks, and high-speed internet. The Plan also recognizes that demand for communications infrastructure will grow to meet customer demand. The proposal is consistent with the following Actions in the Comprehensive Plan:

- 9.4.1: “Ensure that communications infrastructure, including fiber optic cables, are installed proactively to keep up with demand as Denton grows”
- 9.4.2: “Install telecommunications infrastructure consistent with City ordinances and the Denton Development Code.”

The subject property is appropriately located along a Primary Arterial in a transitional area of the City between UNT’s Discovery Park, moderate density residential and athletic fields. Additionally, the nearest Telecommunications Tower use is located more than one mile to the southeast of the subject site. Telecommunications Tower is a compatible use with the surrounding area.

4. *Compliance with this DDC*

   a. *The proposed development shall comply with all applicable standards in this DDC, unless the standard is to be lawfully modified.*

      The attached site plan and landscape plan (Exhibits 6 and 7, respectively) reflect an intent to comply with the DDC requirements for setbacks, parking, minimum landscape and tree canopy coverage, buffering, and screening.

   b. *Compliance with these standards is applied at the level of detail required for the subject submittal.*

      The review associated with an SUP submittal requires a detailed staff analysis of the proposal to ensure compliance with the development standards specific to the zoning district and non-residential development standards, including lot dimensions parking, landscaping, site design, and the use-specific standards for Telecommunications Towers. Staff have reviewed the proposal for conformance with applicable design standards for public facilities and safety.

      Pending approval of this SUP, additional review for full compliance with the DDC as well as applicable criteria manuals and building codes will also take place at submittal of the plat, civil engineering plans, and building permit applications.

5. *Compliance with Other Applicable Regulations*

   This proposed request complies with all other applicable regulations.

6. *Consistent with Interlocal and Development Agreements*

   There are no interlocal or development agreements for the subject site.

7. *Minimizes Adverse Environmental Impacts*

   The proposed Telecommunications Tower site is designed to minimize potential adverse environmental impacts in so far as it complies with applicable standards for drainage and tree preservation.

8. *Minimizes Adverse Impacts on Surrounding Property*

   The proposed use is not expected to have any adverse impact on surrounding property. The site has been designed so to reduce potential visual impact to the maximum extent possible by locating the proposed Telecommunications Tower at the northeastern corner of the subject property, located approximately 100 feet away from the nearest occupied structure. Along the base of the Telecommunications Tower, additional landscaping has been provided to screen equipment from the public right-of-way.

9. *Minimizes Adverse Fiscal Impacts*

   As a component of infrastructure, this project is not expected to generate adverse fiscal impacts to the City.

10. *Complies with Utility, Service, and Improvement Standards*

    The proposed use does not require any changes to utilities existing on site.

11. *Provides Adequate Road Systems*

    The subject property has approximately 75 feet of frontage along North Elm Street and 65 feet of frontage along Riney Road. The site will take access via a curb cut on Riney Road.

12. *Provides Adequate Public Services and Facilities*

    The proposed Telecommunications Tower use will not affect public services and facilities within the area.

13. *Rational Phasing Plan*

    The Telecommunications Tower use does not have a phasing plan.

B. Section 2.5.2D of the DDC states that in reviewing a proposed SUP, the Planning and Zoning Commission and City Council shall consider the general approval criteria in Subsection 2.4.5E and whether:

   1. *The specific use proposed is compatible with the surrounding area;*

      The proposed Telecommunications Tower use is compatible with the surrounding area containing: a Multi-Family use and Institutional uses. The subject property's location along North Elm Street and more than one mile from the nearest similar use, ensures that this is a logical location for this use.

   2. *The specific use proposed has negative impacts on future development of the area; and*

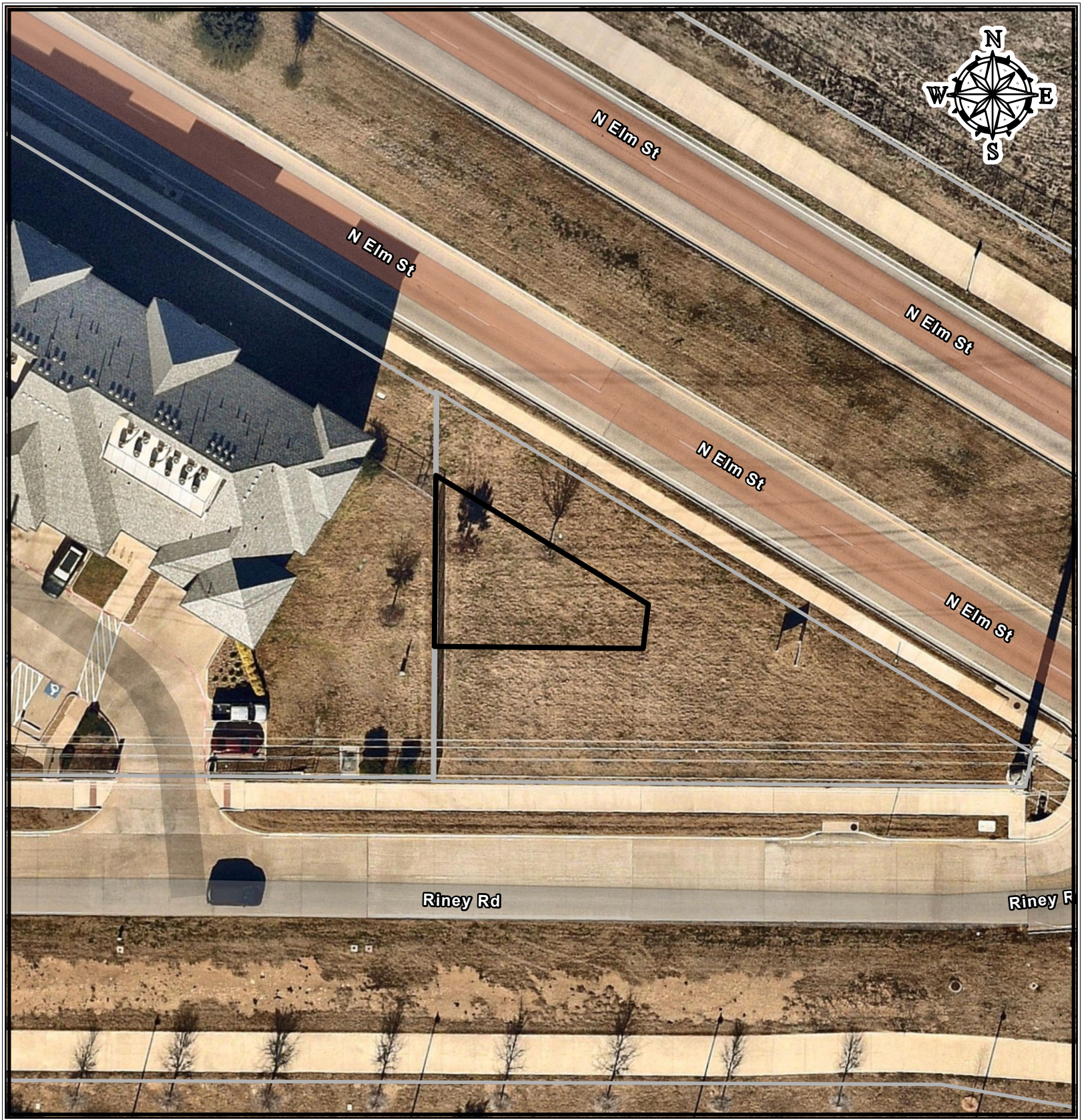
      The proposed Telecommunications Tower use is not anticipated to have negative impacts on future development of the area. The area immediately surrounding the property has largely been developed with uses that are compatible with the proposed Telecommunications Tower use. The subject property's zoning designation of Mixed-Use Neighborhood combined with adjacency to residential developments allows for a

variety of supporting uses to be proposed by right or with a Specific Use Permit. The proposed Telecommunications Tower use will serve as a supporting use for surrounding properties. The subject property is encumbered by a number of easements which vary in size, due to this burden, typical development on the site will be difficult to achieve. The proposed use is anticipated to have minimal impact on the future development of the overall region.

3. *Any impacts associated with access, traffic, emergency services, utilities, parking, refuse areas, noise, glare, and odor have been adequately mitigated.*

   The proposed use is not anticipated to generate offensive odors, fumes, dust, or noise. A Trip Generation report was reviewed, and a Traffic Impact Analysis was not triggered as this site is expected to have 0 trips per day. All proposed parking is located on-site and provided as required by the DDC.

S25-0008
Aerial_Site_Location



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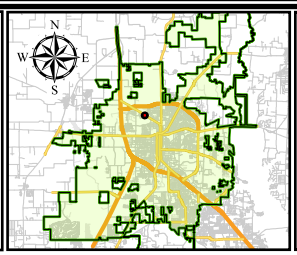
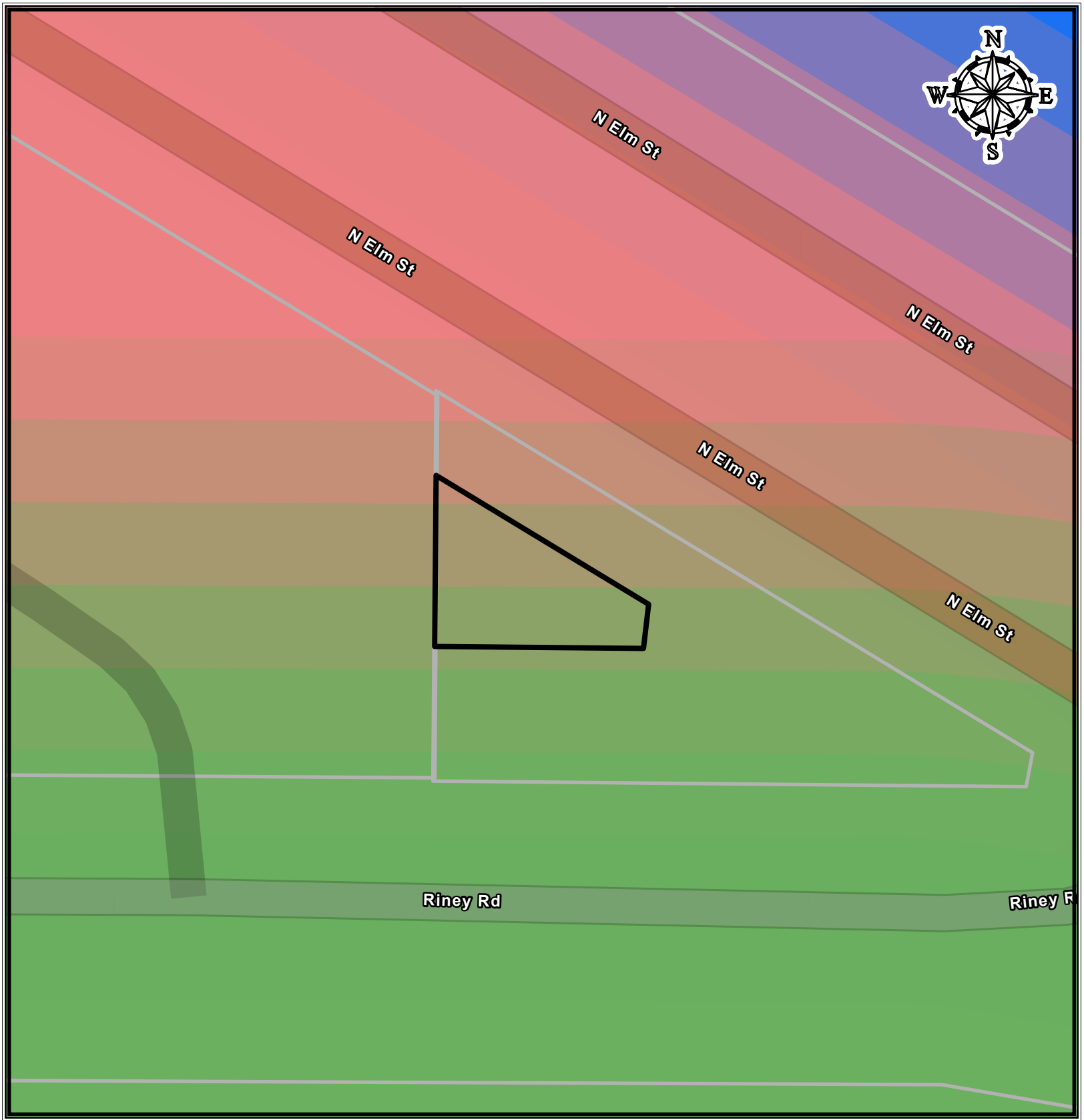


0 10 20 40 Feet

CITY OF DENTON
Development Services · GIS
Date: 4/2/2026

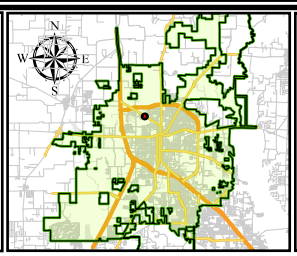
"This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. Although every effort was made to ensure the accuracy of this data, no such guarantee is given or implied. Utilization of this map indicates the understanding that there is no guarantee to the accuracy of this data."

S25-0008
Future Land Use Map



Future Land Use 2040

- Agriculture
- Rural Areas
- Low Residential
- Moderate Residential
- Master Planned Community
- Downtown Denton
- Regional Mixed Use
- Community Mixed Use
- Neighborhood Mixed Use
- Neighborhood / University Compatibility Area
- Business Center
- Light Industrial
- Industrial Commerce
- Government / Institutional
- Parks / Open Space
- Site Location



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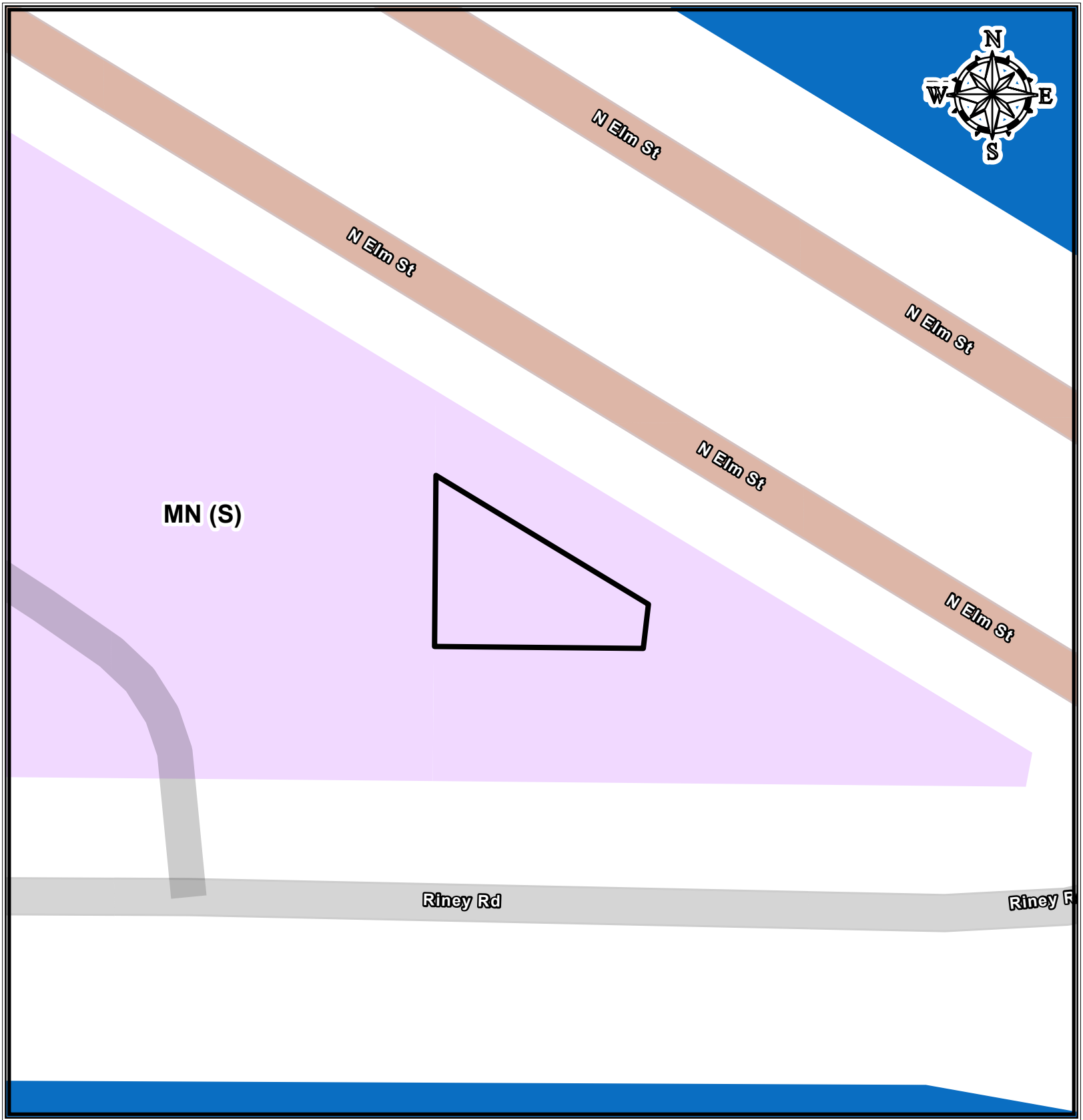
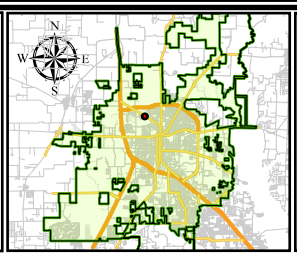
S25-0008
Current Zoning Map



Current Zoning

- RR - Residential Rural
- R1 - Residential
- R2 - Residential
- R3 - Residential
- R4 - Residential
- R6 - Residential
- R7 - Residential
- MN - Mixed-Use Neighborhood
- MD - Mixed-Use Downtown Core
- MR - Mixed-Use Regional
- HC - Highway Corridor
- SC - Suburban Corridor
- GO - General Office
- LI - Light Industrial
- HI - Heavy Industrial
- PF - Public Facilities
- PD - Planned Development
- MPC
- OVERLAY



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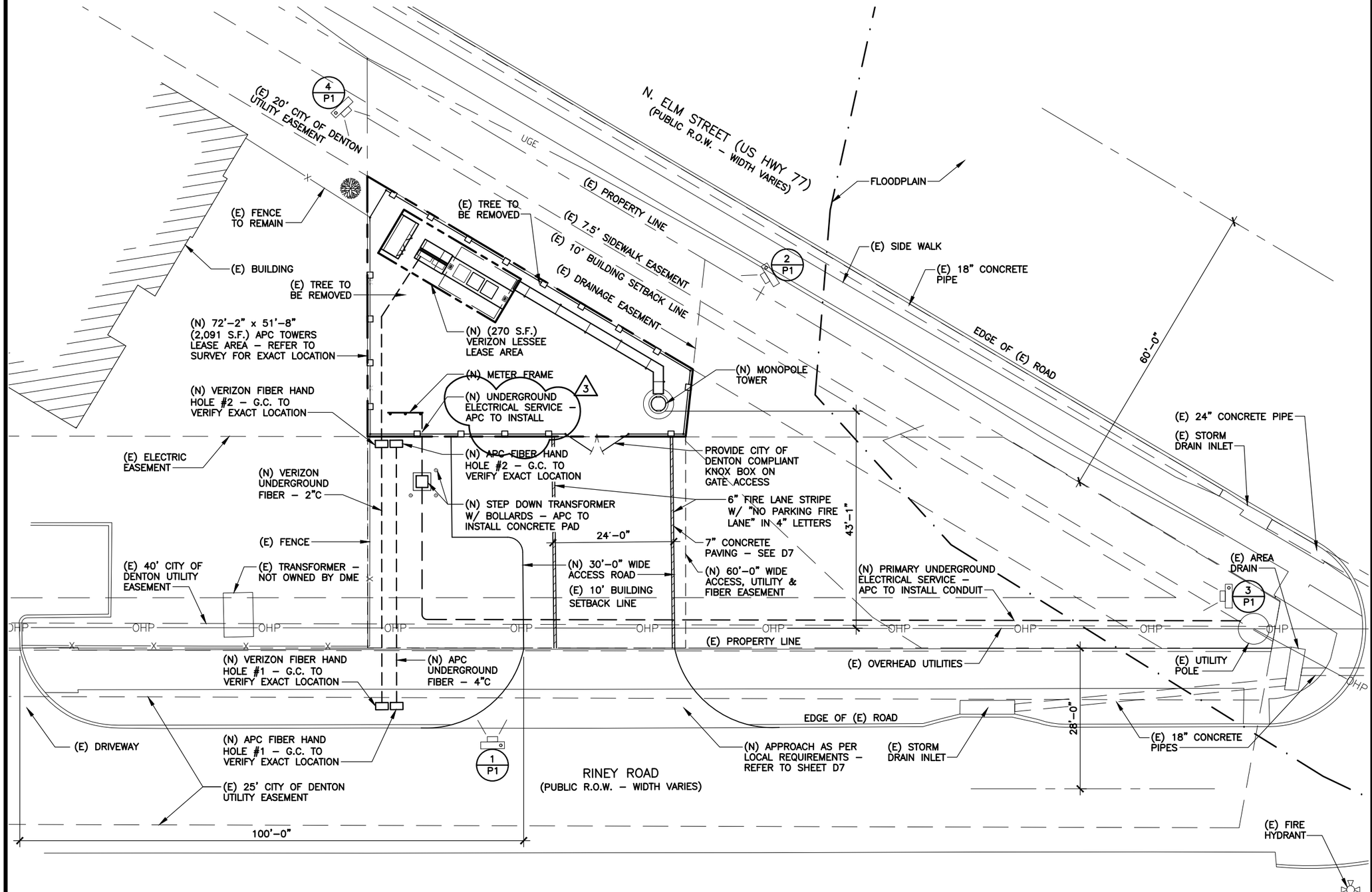

(N) = NEW LESSEE
(E) = EXISTING
(F) = FUTURE

NOTE: GENERAL CONTRACTOR TO VERIFY MOST CURRENT RFDS – TO BE PROVIDED BY LESSEE.

1 SITE PLAN

SCALE: 1"=20'-0"

NORTH

Call DigTESS dial "811"
Texas811
Know what's below.
Call before you dig.

THESE DRAWINGS ARE THE PROPERTY OF APC TOWERS. THEY ARE INTENDED FOR THE EXCLUSIVE USE OF THIS PROJECT ONLY. ANY RE-USE OF THESE PLANS (DRAWINGS) WITHOUT THE EXPRESS WRITTEN CONSENT OF APC TOWERS IS PROHIBITED

APC Towers
8601 SIX FORKS ROAD, STE. 250
RALEIGH, NC 27615

BONNIE BRAE
***

N ELM STREET
DENTON, DENTON COUNTY, TEXAS 76207

(TX-1102)

03.09.26
STATE OF TEXAS
AARON M. STAAS
104806
LICENSED
PROFESSIONAL ENGINEER

ARCHCOMM, LLC.
1006 Beckett
San Antonio, Texas 78213
(210) 308-9905
TBPE NO. F-15659

SHEET TITLE

SITE PLAN

SHEET HISTORY

01.09.25 PCD
05.07.25 FCD
09.30.25 REV. SET 1 - COMMENTS
01.08.26 REV. SET 2 - COMMENTS
03.09.26 REV. SET 3 - COMMENTS

3 A1

PLANT SCHEDULE

SIZE = CALIPER OR SPREAD

SYM.	SYM.	SCIENTIFIC NAME	COMMON NAME	HGT.	SIZE	CONDITION	REMARKS
SHRUBS							
⊕	AG	Abelia grandiflora	GLOSSY ABELIA	6'	5 GAL.		EVERGREEN / PLANT AT 4'-0" O.C.
+	ICB	Ilex cornuta 'Burfordii-Nana'	DWARF BURFORD HOLLY	6'-8'	5 GAL.		EVERGREEN / PLANT AT 5'-0" O.C.

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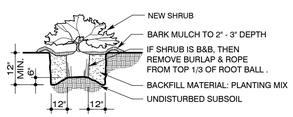
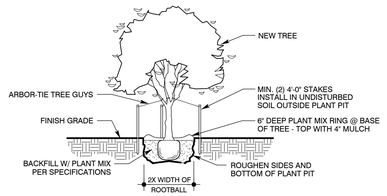


SHRUB PLANTING DETAIL

NEW SHRUBS
1/8" = 1'-0"



TREE PLANTING DETAIL

NEW TREES
1/8" = 1'-0"

GENERAL NOTES:

1. REFER TO SPECIFICATIONS FOR ALL CONTRACT PLANTING.
2. INSTALL APPROVED IMPORTED PLANTING MIX TO MIN. DEPTH OF 6" IN ALL AREAS SCHEDULED AS LANDSCAPE PLANTING AREAS.
3. INSTALL APPROVED IMPORTED TOPSOIL TO 4" DEPTH IN ALL TURFGRASS AREAS.
4. CONTRACTOR IS RESPONSIBLE FOR VERIFYING ALL QUANTITIES IN THE FIELD PRIOR TO INSTALLATION AND MUST REPORT ANY DEVIATION IN SITE CONDITIONS TO THE LANDSCAPE ARCHITECT BEFORE PROCEEDING WITH WORK IN THE AFFECTED AREA.
5. WHERE SHOWN ON THESE PLANS, UTILITY INFORMATION IS PROVIDED FOR REFERENCE ONLY. REF. CIVIL AND MEP PLANS FOR ALL UTILITY INFORMATION.
6. VERIFY LOCATION AND DEPTH OF ALL EXISTING AND PROPOSED UTITILIES PRIOR TO ANY EXCAVATION. IN THE EVENT POTENTIAL CONFLICT(S) OCCUR BETWEEN UTILITIES AND LANDSCAPE IMPROVEMENTS, IMMEDIATELY CEASE WORK IN THE AFFECTED AREA, REPORT THE CONFLICT(S) TO THE OWNER'S REPRESENTATIVE, AND DO NOT PROCEED UNTIL RECEIPT OF SPECIFIC WRITTEN DIRECTION.

URBAN DEER NOTES:

1. AT THE TIME THESE DOCUMENTS WERE PREPARED THE LANDSCAPE ARCHITECT WAS NOT AWARE OF A LOCAL URBAN DEER POPULATION.
2. IN THE EVENT AN URBAN DEER POPULATION IS DISCOVERED, CONTRACTOR IS SOLELY RESPONSIBLE FOR PROTECTING ALL NEWLY-INSTALLED PLANTS THROUGH THE 30-DAY MAINTENANCE PERIOD.
3. APPLY "LIQUID FENCE" (OR APPROVED EQUAL) TO ALL PLANTS AS NEEDED TO DISCOURAGE BROWSING BY DEER.
4. ANY NEWLY-INSTALLED PLANTS EATEN OR BROWSED BY DEER PRIOR TO THE EXPIRATION OF THE 30-DAY MAINTENANCE PERIOD SHALL BE REPLACED BY THE CONTRACTOR AT NO COST TO THE OWNER.

OVERHEAD ELECTRIC NOTES:

1. ALL PROPOSED LARGE SPECIES TREES (AS DEFINED BY THE UNIFIED DEVELOPMENT CODE IN EFFECT HEREOF) SHALL BE PLANTED NO CLOSER THAN 20' TO ALL OVERHEAD ELECTRIC UTILITY LINES.
2. CONTRACTOR IS SOLELY RESPONSIBLE FOR FIELD LOCATING ALL OVERHEAD ELECTRIC UTILITY LINES AND ENSURING THAT NO LARGE SPECIES TREES ARE PLANTED WITHIN 20' OF ANY OVERHEAD ELECTRIC UTILITY LINES.
3. WHERE CITY INSPECTORS FIND ANY PROPOSED LARGE SPECIES TREES TO BE IN VIOLATION OF PROXIMITY TO OVERHEAD ELECTRIC UTILITY LINES, THE CONTRACTOR SHALL RELOCATE TREES AT NO ADDITIONAL COST TO THE OWNER.

TEMPORARY IRRIGATION NOTES:

1. PROVIDE TEMPORARY IRRIGATION TO SODDED OR SEEDED AREAS WHERE SHOWN ON PLAN AND NOT SCHEDULED TO RECEIVE PERMANENT IRRIGATION.
2. WHERE TEMPORARY IRRIGATION IS REQUIRED, PROVIDE TEMPORARY IRRIGATION FOR A MIN. PERIOD OF 60 DAYS OR UNTIL A GRASS STAND IS FULLY ESTABLISHED (AS DETERMINED SOLELY BY THE OWNER'S REPRESENTATIVE).

TREE RELOCATION NOTES:

1. RELOCATION CONTRACTOR QUALIFICATIONS
A. Qualified contractor shall demonstrate successful relocation of a min. of five (5) trees of similar size and species in areas with a similar climate within the past five (5) years.
B. Contractor shall submit shop drawings as directed herein for review and approval prior to execution of the related work.
C. Contractor is solely responsible for the mortality of the relocated tree as stipulated in his contract with the Owner.

2. PRE-TRANSPLANT CARE
A. Place tree to be relocated on a hydration schedule prior to relocation to receive water per the following shcedule:
(1) May through September: a minimum of 400 gallons of water every 3 days.
(2) October, March, and April: a minimum of 300 gallons of water every 4 days.
(3) November through February:a minimum of 200 gallons of water every 5 days.
B. Dead-wood tree to be relocated and thin canopy by approximately 15%.
C. Root-prune tree to be relocated by hand to a depth of 30 inches should take place as far in advance of the relocation as possible, but not less than (7) days prior.
D. Backfill the root prune trench completely backfilled to ensure that all air pockets are removed.
E. Install an approved vapor barrier between root pruning and relocation.

3. ROOTBALL PREPARATION
A. Excavate the rootball with a minimum diameter of 12 times the caliper of the tree (measured 12" above finish grade at the base) and a minimum depth of 48" (measured from existing finish grade) .
B. Hand-shape and completely encapsulate the rootball with burlap, a field fence, and an approved vapor barrier.
C. Construct a steel pipe-and-rail lifting platform beneath the rootball sized adequately to support the weight of the tree and rootball. Cable-cut the rootball to detach any remaining structural roots.

4. TRANSPLANTING
A. Obtain written approval and field identification of final location of the tree to be relocated.
B. Excavate the planting pit at the approved location to a depth sufficient to accomodate the width of the steel pipes forming the lifting platform, the depth of the rootball, and a 4" crown from finish grade at the base of the tree to the pit perimeter. DO NOT OVER-EXCAVATE THE DEPTH OF THE PIT.
C. Excavate the planting pit at the approved location to a width sufficient to allow the relocated tree to be oriented as desired by the Owner.
D. Obtain Owner's approval of the relocated tree's location and orientation prior to de-mobilizing equipment.
E. Install (4) vertical pieces of 4" perforated PVC (one at each quadrant of the rootball's perimeter) such that the base of each pipe rests on top of the undisturbed subgrade at the bottom of the pit and the top of each pipe extends 6" above finish grade (allowing for 3" of bark mulch topdress). Provide caps for each piece of PVC pipe.
F. Backfill the planting pit sides with planting mix per Specifications - see Sheet L2.0.
G. Provide hardwood bark mulch to depth of 3" from edge of root flare to perimeter of planting pit.

5. IRRIGATION
A. Install (4) tree bubblers (one per quadrant) @ rootball perimeter.
B. Provide separate electric valve and circuit for tree bubblers on relocated tree and wire into clock @ overall site irrigation system.
C. Submit shop drawing of proposed bubbler irrigation for approval prior to installing.
D. Coordinate tree bubblers @ relocated tree with new irrigation system and clock to be installed w/ other improvements.

6. POST-TRANSPLANT CARE
A. Provide consistent water to the relocated tree such that regular water is available to the tree without creating a continuously wet condition (i.e., the rootball should be allowed to dry between waterings).
B. Monitor precipitation patterns at the project site such that water is provided according to the following schedule:
(1) June through August: Water 3 times per week.
(2) September and October: Water 2 times per week.
(3) November through February:Water 1 time per week.
(4) March through May: Water 2 times per week.
C. Do not prune during the first year. In subsequent years, remove lower limbs and downward growth as desired. To discourage spread of Oak Wilt and Live Oak Decline, prune only between December and February and paint all wounds within 30 minutes of cutting. Refer to Tree Pruning Detail.
D. Maintain 3" of hardwood bark mulch ov er the rootball.
E. Maintain finish grade @ rootball free of turfgrass and weeds. Hand weed only - do not mow, edge, or weedeat within rootball area.
F. Do not disturb the rootball or install any container plants within rootball.
G. Do not trench or cut the rootball.

7. BIDDING INFORMATION
A. Contractor shall visit the project site prior to submitting a bid for tree relocation and familiarize himself fully with all existing site constraints that may impact the tree relocation. A Geotechnical Report is available upon request.
B. Base bid for tree relocation is to include any and all labor, materials, and coordination necessary to relocate (2) existing 4" cal. red oak trees (measured 12" above the base) and transplant to proposed locations per landscape planting plan.
C. Contractor shall provide Unit Prices for the following (to be used for Adds and Deletes only):
(1) Unit Price for tree relocation for each caliper inch the existing live oak tree is field-measured above or below 24".
(2) Unit Price for transplanting the existing live oak tree for each linear foot above or below 63 feet from its present location.
D. Upon acceptance of the tree relocation by the Owner and prior to the final payment, Contractor shall provide to the Owner a written report describing recommended long-term maintenance and care instructions for the relocated tree. The report shall include at a minimum the following information:
(1) A 12-month recommended Watering Schedule.
(2) Any recommended fertilizing and pesticide program.
(3) A recommended pruning schedule.

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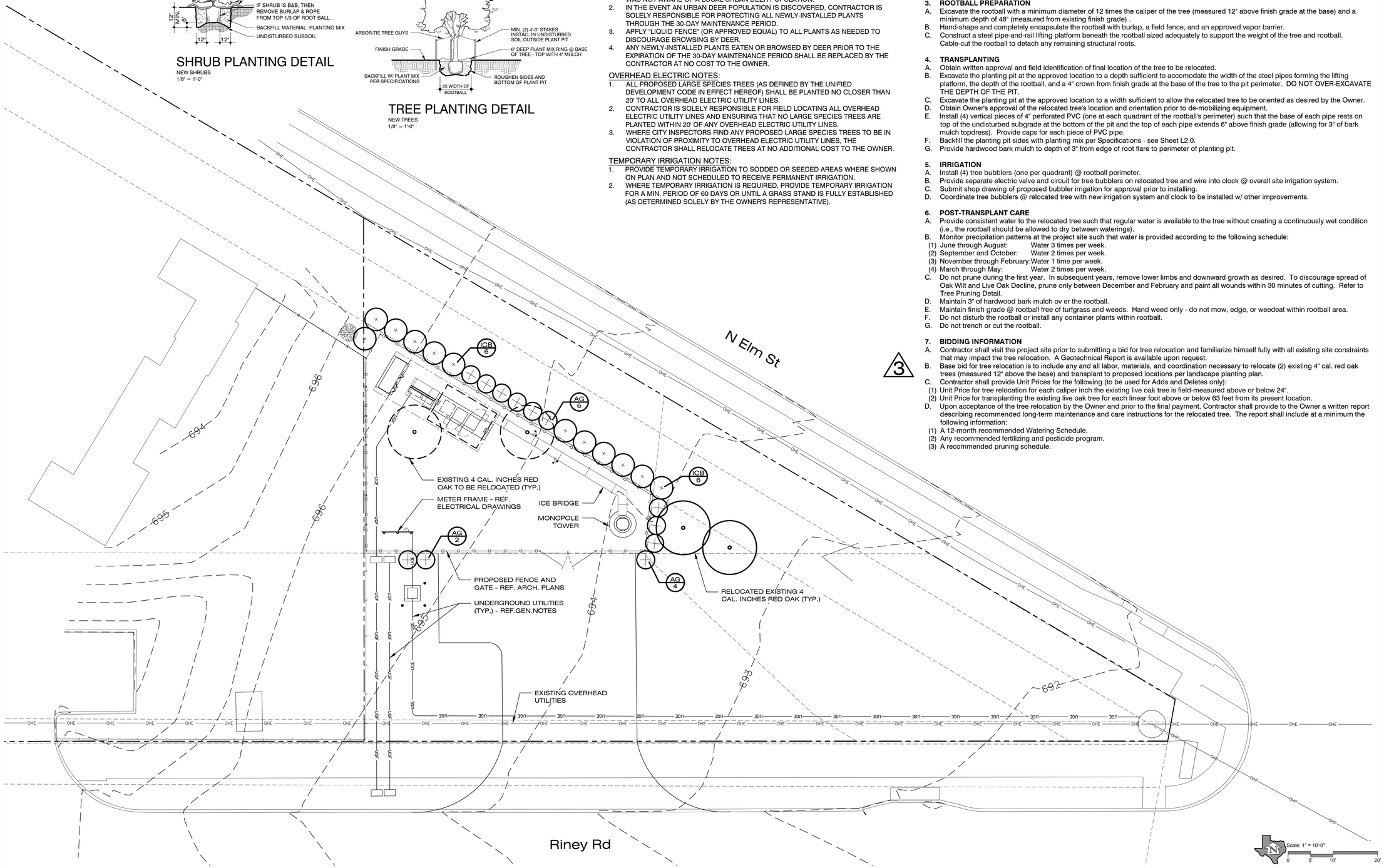


HORIZON
DESIGN and DEVELOPMENT
PLANNING LANDSCAPE ARCHITECTURE
DEVELOPMENT CONSULTING
16414 San Pedro Ave., Suite 630
San Antonio, Texas 78232
210.233.9650 jrobinson@horizondesign-sa.com

REGISTERED LANDSCAPE ARCHITECT
JON ROBINSON
2375
STATE OF TEXAS

1.7.26

The user of this file agrees to assume all responsibility for any modifications to or use of this drawing file that is inconsistent with the requirements of the Rules and Regulations of the Texas Board of Architectural Examiners. No person may make any modifications to this electronic drawing file without the Landscape Architect's express written permission.

OWNER
APC TOWERS

8601 Six Forks road #2500
Raleigh, NC 27615

PROJECT
Bonnie Brae
Cell Tower Denton TX

N Elm Street & Riney Road
Denton, TX 76207

REVISIONS

1.	Site Changes	8/25/25
2.	City Comments	9/29/25
3.	City Comments	1/7/26

PROJECT NUMBER
2025-028

Drawn By: al

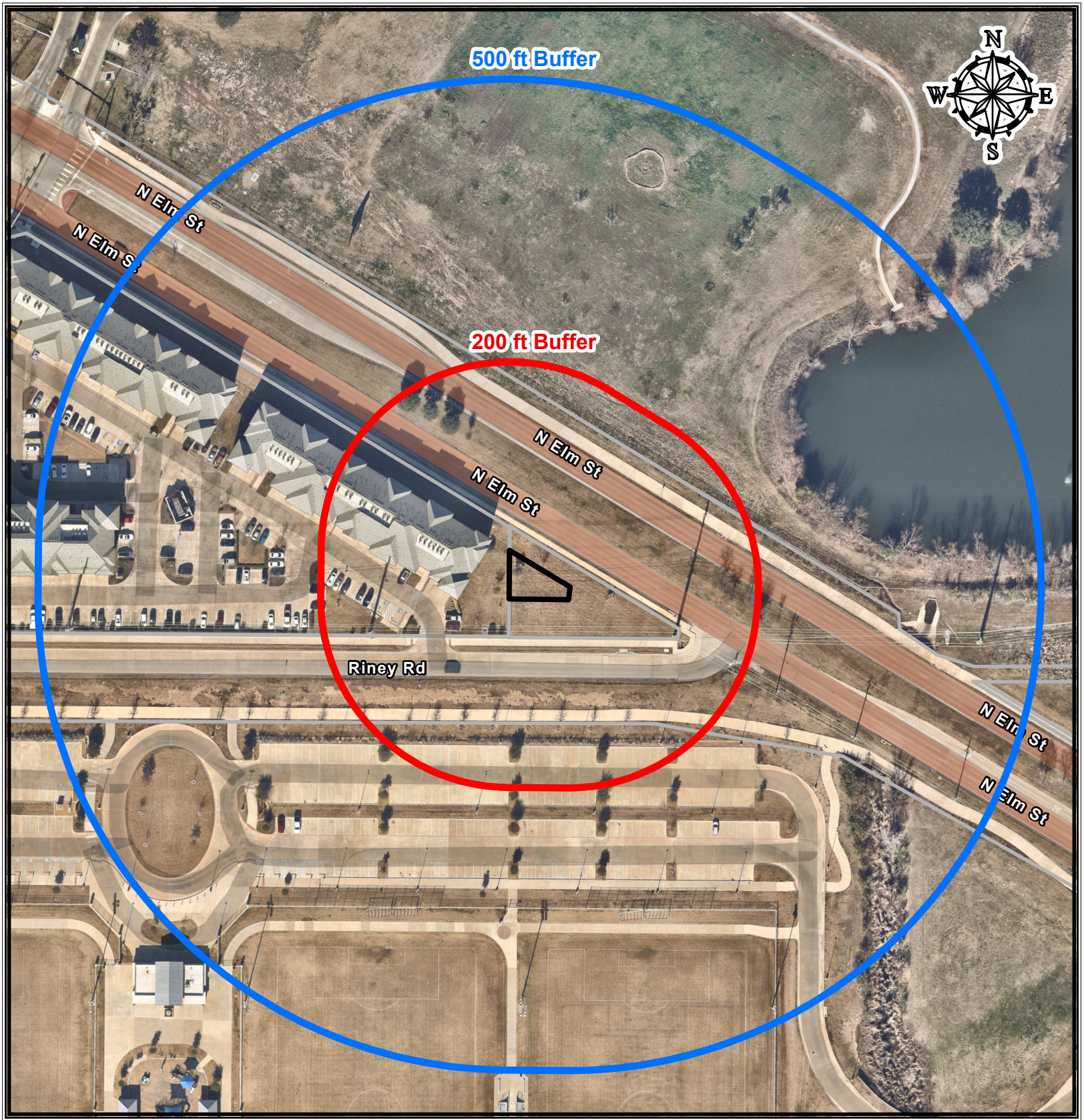
Checked By: jr

Sheet Title:
LANDSCAPE PLANTING PLAN

Sheet Number:
L1.0

Issue Date:
April 30, 2025

S25-0008
Notification Map



COD
ETJ
ETJ 2
NAA 8/1/20
NAA 8/1/40

0 40 80 160 Feet

CITY OF DENTON
Development Services · GIS
Date: 4/2/2026

"This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. Although every effort was made to ensure the accuracy of this data, no such guarantee is given or implied. Utilization of this map indicates the understanding that there is no guarantee to the accuracy of this data."

CITY OF DENTON

DEPARTMENT OF DEVELOPMENT SERVICES

Development Services Center – 401 N. Elm Street – Denton, Texas 76201 voice: (940) 349-8600 www.cityofdenton.com

PUBLIC HEARING NOTIFICATION SIGN AFFIDAVIT OF SIGN POSTING

Project No. S25-0008

Date of Planning and Zoning Commission Meeting: April 29th, 2026

I hereby certify that I have posted or caused to be posted Public Hearing Notification sign(s) on the property subject to Project Name/Number S25-0008,

located at N Elm St, Denton, TX 76207

Said sign(s) have been obtained through a sign contractor of choice and meet the specifications as stated in the City of Denton Public Hearing Sign Criteria Sheet.

Posting of said signs was accomplished on April 17th, 2026. Said signs have been posted in a manner that provides an unobstructed view and allows clear reading from the public right(s)of-way along N Elm St and Riney Rd.

Said signs will be maintained on the property throughout the entire public hearing process and will be removed within three (3) calendar days subsequent to the final decision by the approving body. I further certify that this affidavit was filed with the Planning Department of the City of Denton within the time provisions specified in the City of Denton Public Hearing Sign Criteria Sheet.

Executed this the 20th day of April, 2026

Signature of Applicant or Authorized Representative for Project No.

Victor Buenrostro

Printed Name of Applicant or Authorized Representative for Project No.

STATE OF TEXAS COUNTY OF Dallas BEFORE ME, a Notary Public, on this 20th day personally appeared (printed owner's name) the above signed, who, under oath, stated the following: "I hereby certify that I am the owner, for the purposes of this application; that all information submitted herein is true and correct."

SUBSCRIBED AND SWORN TO before me, this the 20th day of April, 2026.

Notary Signature (seal)

Stephen C Corley
Notary Public, State of Texas
Comm. Expires 09-16-2028
Notary ID 135088973

PLEASE NOTE: ***Failure to post the notification sign(s) on the property by the close of business (5 pm) on the tenth (10th) day prior to the first public hearing shall result in the postponement of consideration by the Board or Commission.***

STAFF USE ONLY:

Date/Time submitted: _____ Verified by: _____

Apr 17, 2026 at 5:42:53 PM
301 389 N Elm St
Denton TX 76207
United States

DENTON

Notice of Public Hearing

Project Number: S25-0008
Project Name: APC Towers-Bonnie Brae
Request: Specific Use Permit

For more info:
www.cityofdenton.com/projectinfo
Call: (940) 349-8600

Apr 17, 2026 at 5:43:38 PM
301 389 N Elm St
Denton TX 76207
United States

CITY OF DENTON

Notice of Public Hearing

Project Number: S25-0008
Project Name: APC Towers-Bonnie Brae
Request: Specific Use Permit

For more info:
www.cityofdenton.com/projectinfo
Call: (940) 349-8600

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS REGARDING A REQUEST FOR A SPECIFIC USE PERMIT (SUP) TO ALLOW FOR A MONOPOLE TOWER OVER 85 FEET USE ON APPROXIMATELY 0.048 ACRES OF LAND, APPROXIMATELY LOCATED ON THE WESTERN CORNER OF NORTH ELM STREET AND RINEY ROAD, AND LEGALLY DESCRIBED AS LOT 3, BLOCK 2 NORTH ELM STREET ADDITION IN THE CITY OF DENTON, DENTON COUNTY, TEXAS; PROVIDING FOR A PENALTY IN THE MAXIMUM AMOUNT OF $2,000.00 FOR VIOLATIONS THEREOF; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE. (S25-0008a)

WHEREAS, Mike Hitchcock, representing the lessee, APC Towers, has applied for a new Specific Use Permit ("SUP") to allow for a Monopole Tower over 85 feet, hereafter referred to as "Telecommunications Tower", use on an approximately 0.048-acre site, within the Mixed Use Neighborhood (MN) zoning district and use classification, as described in **Exhibit "A"** (hereinafter, "the Property"); and

WHEREAS, on April 29, 2026, the Planning and Zoning Commission, in compliance with the laws of the State of Texas, having given the requisite notices by publication and otherwise, and having afforded full and fair hearings and to all property owners interested in this regard, has recommended approval [5 – 0] of the requested SUP, subject to conditions; and

WHEREAS, on June 2, 2026, the City Council likewise conducted a public hearing as required by law to consider the SUP request. Upon consideration, the City Council hereby finds that the request is consistent with the Denton 2040 Comprehensive Plan and federal, state, and local law, and that the Applicant has agreed to comply with all provisions of the Denton Development Code ("DDC"), and has further agreed to comply with the additional restrictions and conditions set forth herein; and

WHEREAS, the City Council has determined that it will be beneficial to Denton and its citizens to grant the SUP; that such grant will not be detrimental to the public welfare, safety, or health; that proposed permit satisfies criteria set forth in Sections 2.4.5E and 2.5.2D of the Denton Development Code; and that the SUP should be granted; NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained in the preamble of this ordinance are incorporated herein by reference and found to be true.

SECTION 2. The SUP to allow the Telecommunication Tower use on the Property as shown on the site plan, landscape plan and building elevations attached and incorporated herein as **Exhibit "B", Exhibit "C", and Exhibit "D",** is hereby approved, with the following conditions:

1. Development of the site shall substantially comply with the attached Site Plan and Landscape Plan. Administrative approval of changes that do not increase the size, height, and number of the Telecommunications Tower buildings and equipment, change the number of parking spaces, decrease the buffer and screening requirements, or result in a

decrease of more than 5 percent in the landscape area for the whole site may be administratively approved, if such changes are permissible per the Denton Development Code. All other changes shall require a Specific Use Permit amendment in accordance with the Denton Development Code.

2. The City reserves the right to require approval by ordinance of any amendments or alterations to the SUP, the attached site plan, and the attached landscape plan. The attached site plan and landscape plan are incorporated as requirements of the SUP.

3. The zoning map shall reflect the Specific Use Permit on the property consistent with the DDC.

SECTION 3. Failure to Comply. Except as otherwise stated above, all terms of the SUP shall be complied with prior to issuance of a Certificate of Occupancy. Failure to comply with any term or condition of the Ordinance will result in the SUP being declared null and void, and of no force and effect. The SUP is issued to the entity named above, runs with the land, and is assignable and transferable to subsequent owners of the Property.

SECTION 4. SUP Regulations. Upon notice to the property owner and a hearing before the City Council, a SUP may be revoked or modified if: 1. There is one or more of the conditions imposed by this Ordinance that has not been met or has been violated on the Property; or 2. The SUP was obtained or extended by fraud or deception; or 3. As otherwise permitted by law and/or permitted by the Denton Development Code.

SECTION 5. Unlawful use. It shall be unlawful for any person, firm, entity, or corporation to make use of the above-referenced Property in some manner other than as authorized by the Denton's Codes of Ordinances and this Ordinance.

SECTION 6. Severability. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid by any court, such invalidity shall affect the validity of the provisions or applications, and to this end the provisions of this ordinance are severable.

SECTION 7. Penalty. Any person, firm, entity or corporation violating any provision of this ordinance shall, upon conviction, be fined a sum not exceeding $2,000.00 for each violation. Each day that a provision of this ordinance is violated shall constitute a separate and distinct offense. The penal provisions imposed under this Ordinance shall not preclude Denton from filing suit to enjoin the violation and it retains all legal rights and remedies available to it under local, state and federal law.

SECTION 8. In compliance with Section 2.09(c) of the Denton Charter, this ordinance shall become effective fourteen (14) days from the date of its passage, and the City Secretary is hereby directed to cause the caption of this ordinance to be published twice in the Denton Record-Chronicle, a daily newspaper published in the City of Denton, Texas, within ten (10) days of the date of its passage.

The motion to approve this ordinance was made by _____ and seconded by _____, the ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudpspeth:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
KRISIT FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Hilary McMahon _____

EXHIBIT A

Legal Description

BEING LOT 3, BLOCK 2, OF THE FINAL PLAT OF NORTH ELM STREET ADDITION, AN ADDITION IN DENTON COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN 2017-368, OF TE PLAT RECORDS OF DENTON COUNTY, TEXAS

EXHIBIT B

Site Plan

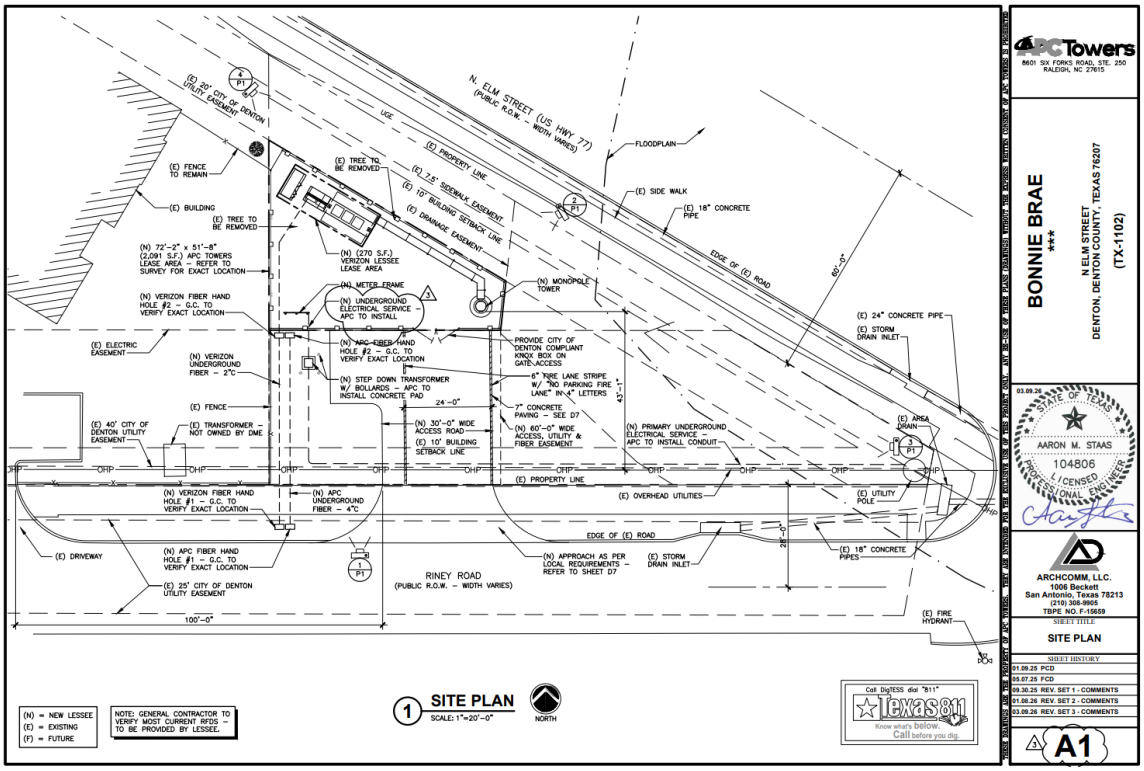


EXHIBIT C

Landscape Plan

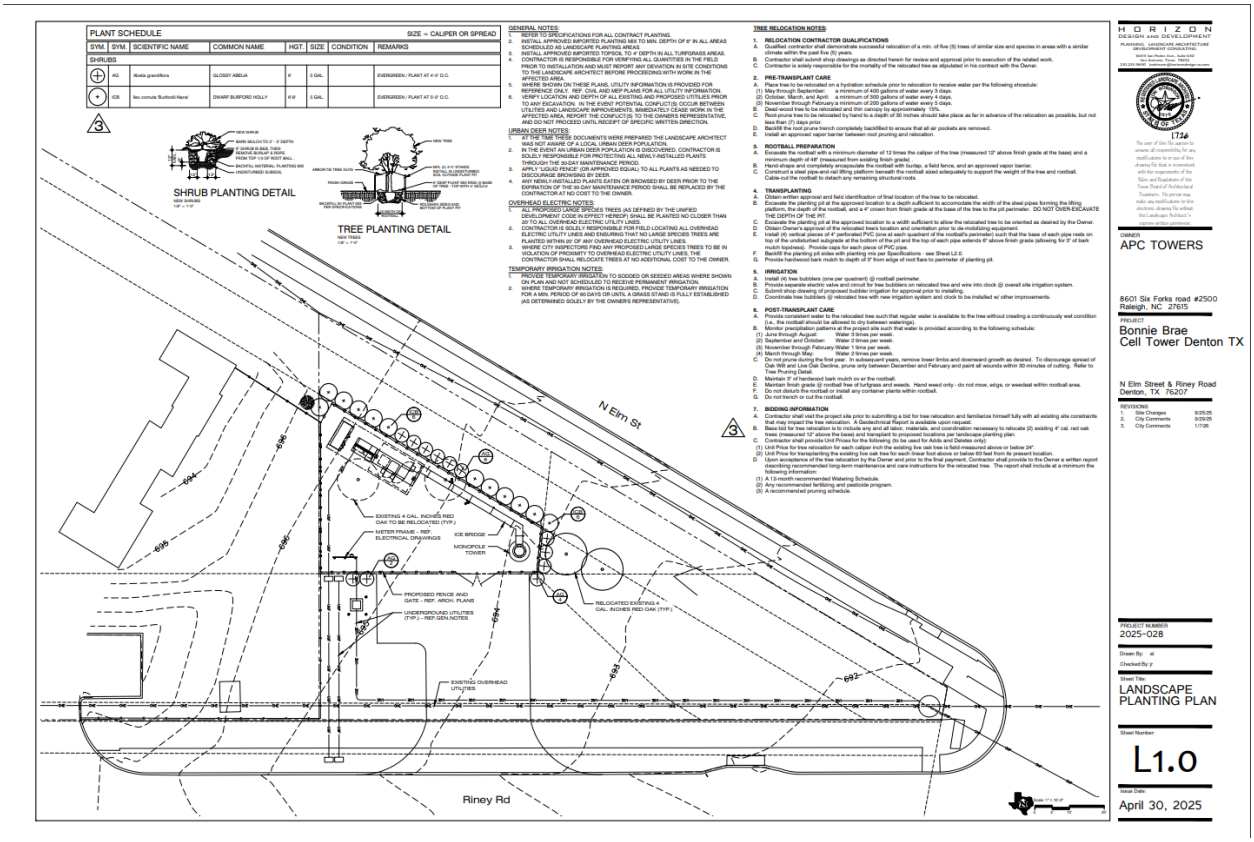
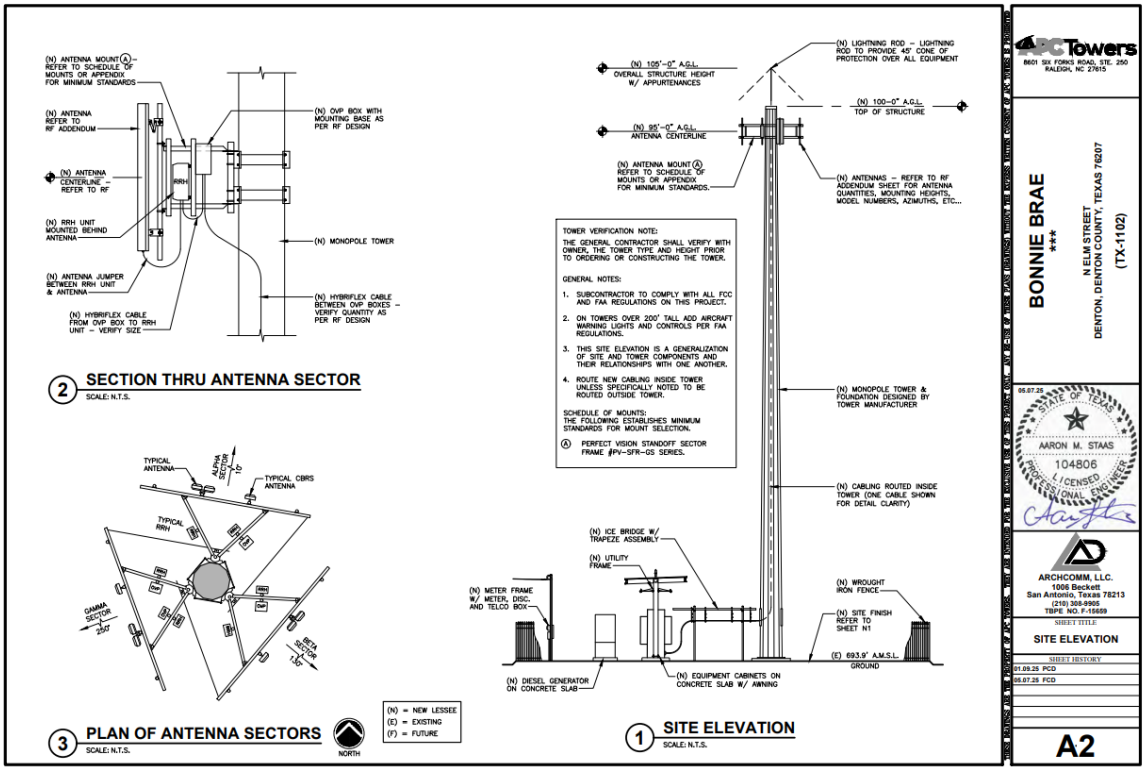


EXHIBIT D

Building Elevations



S25-0008a
APC Towers

Matt Bodine

Assistant Planner

June 2, 2026

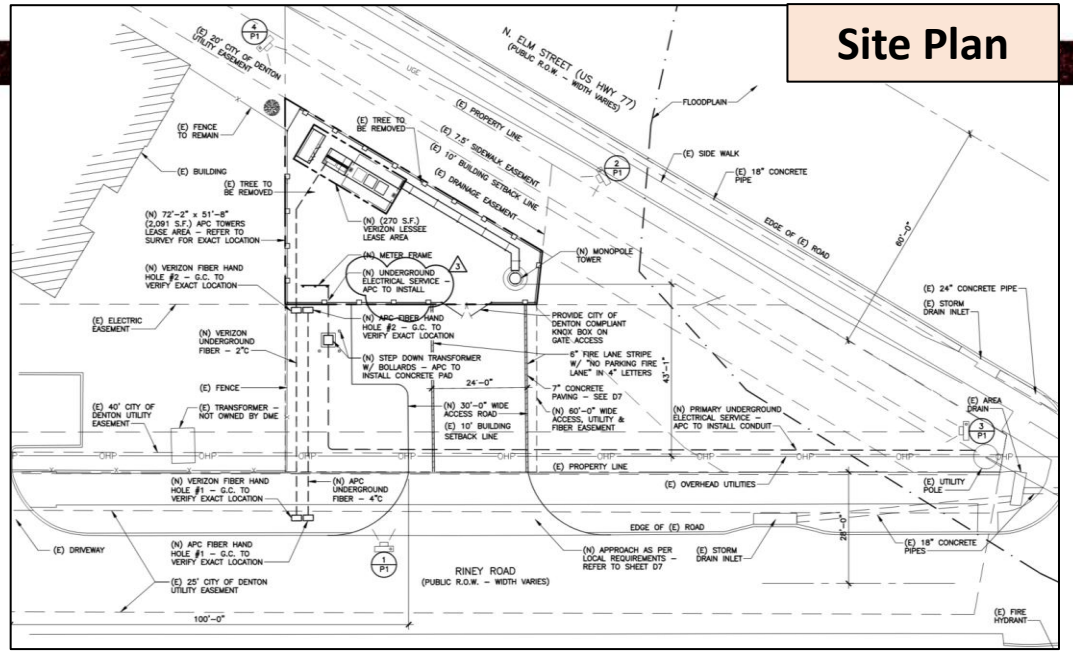
CITY OF DENTON

Request

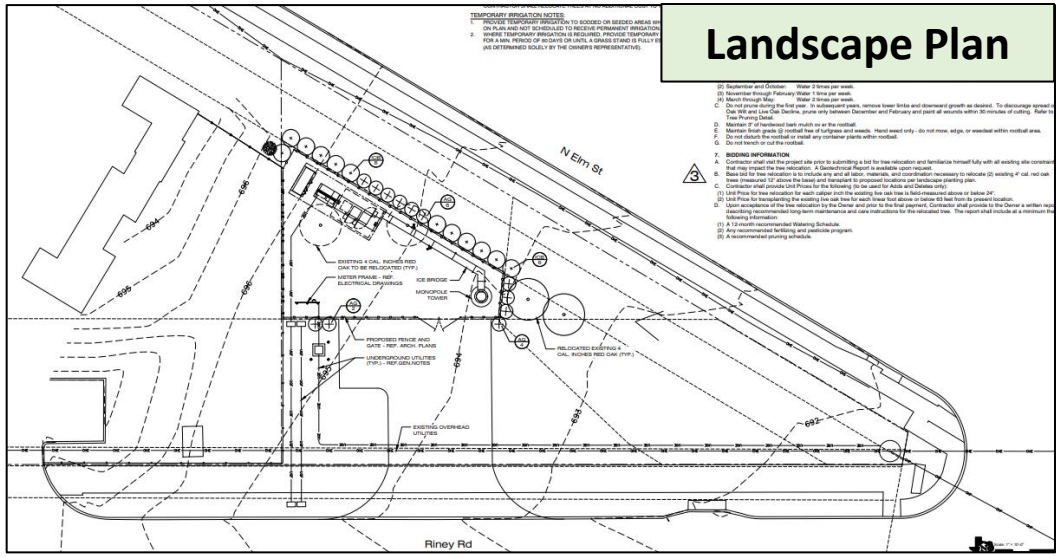
- **Specific-Use Permit** for a Monopole Tower over 85 feet in height.

- **Location:** Western corner of North Elm Street and Riney Road
- **Zoning:** Mixed-Use Neighborhood (MN)
- **Surrounding Area:** Multifamily and Public Facilities.
- **Development Plans:**
- 105 ft tall cell tower
- Row of shrubs along N Elm St.

Site Plan



Landscape Plan



Criteria for Approval – Development Code

General Approval Criteria for All Applications (Sec. 2.4.5E)

1. General Criteria
2. **Prior Approvals**
3. **Consistent with the Comprehensive Plan and Other Applicable Plans**
4. Compliance with this DDC
5. Compliance with other regulations
6. Consistent with Interlocal and Development Agreements
7. Minimizes Adverse Environmental Impacts
8. **Minimizes Adverse Impacts on surrounding Property**
9. Minimizes Adverse Fiscal Impacts
10. Compliance with Utility, Service, and Improvement Standards
11. Provides Adequate Road Systems
12. Provides Adequate Public Services and Facilities
13. Rational Phasing Plan

Specific Use Permit Criteria for Approval (Sec 2.5.2D)

1. The specific use proposed is compatible with the surrounding area;
2. The specific use proposed has no negative impacts on future development of the area; and
3. Any impacts associated with access, traffic, emergency services, utilities, parking, refuse areas, noise, glare, and odor have been adequately mitigated.

Summary:

- ✓ Proposal is consistent with the goals and policies of the Denton 2040 Comprehensive Plan and the Future Land Use Map.
- ✓ Proposal is consistent with Use Specific Standards for Monopole Towers over 85 feet.
- ✓ Approval of the Specific Use Permit is not expected to generate significant adverse environmental, infrastructure, or fiscal impacts.

Denton 2040 Comprehensive Plan

FLUM: Transitional area between Parks/Open Space and Neighborhood Mixed Use

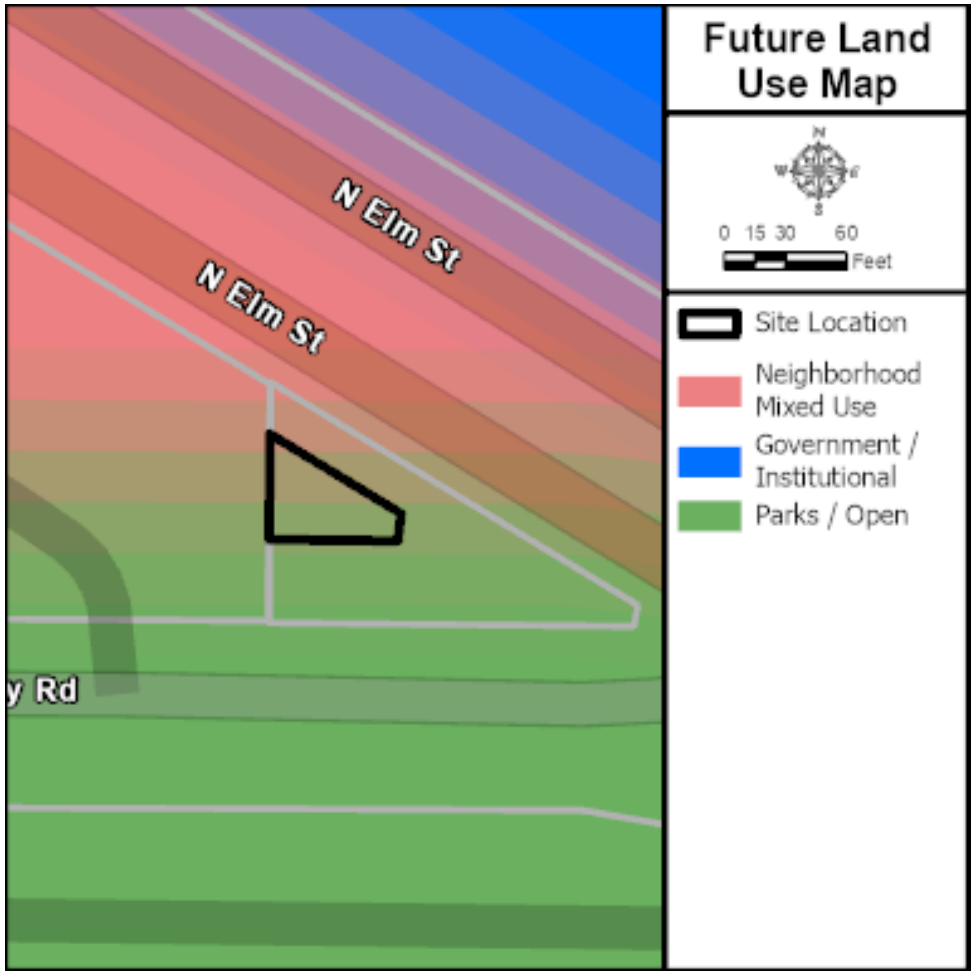
- **Neighborhood Mixed Use a**pplies to the **areas of Denton** which are predominately residential, but with a mix of compatible housing types and densities.

- This designation is also applied in areas of future development suited primarily to single-family development, but where **neighborhood-serving** retail and **services** are **critical to achieving balanced, accessible neighborhoods**

Proposed Use:

- Telecommunications Tower- Monopole Tower over 85 feet
- Compatible with surrounding area.
- Use supports established uses
- Adequately spaced and buffered from sensitive land uses.

✓ **Proposed use conforms** to FLUM goals and purpose



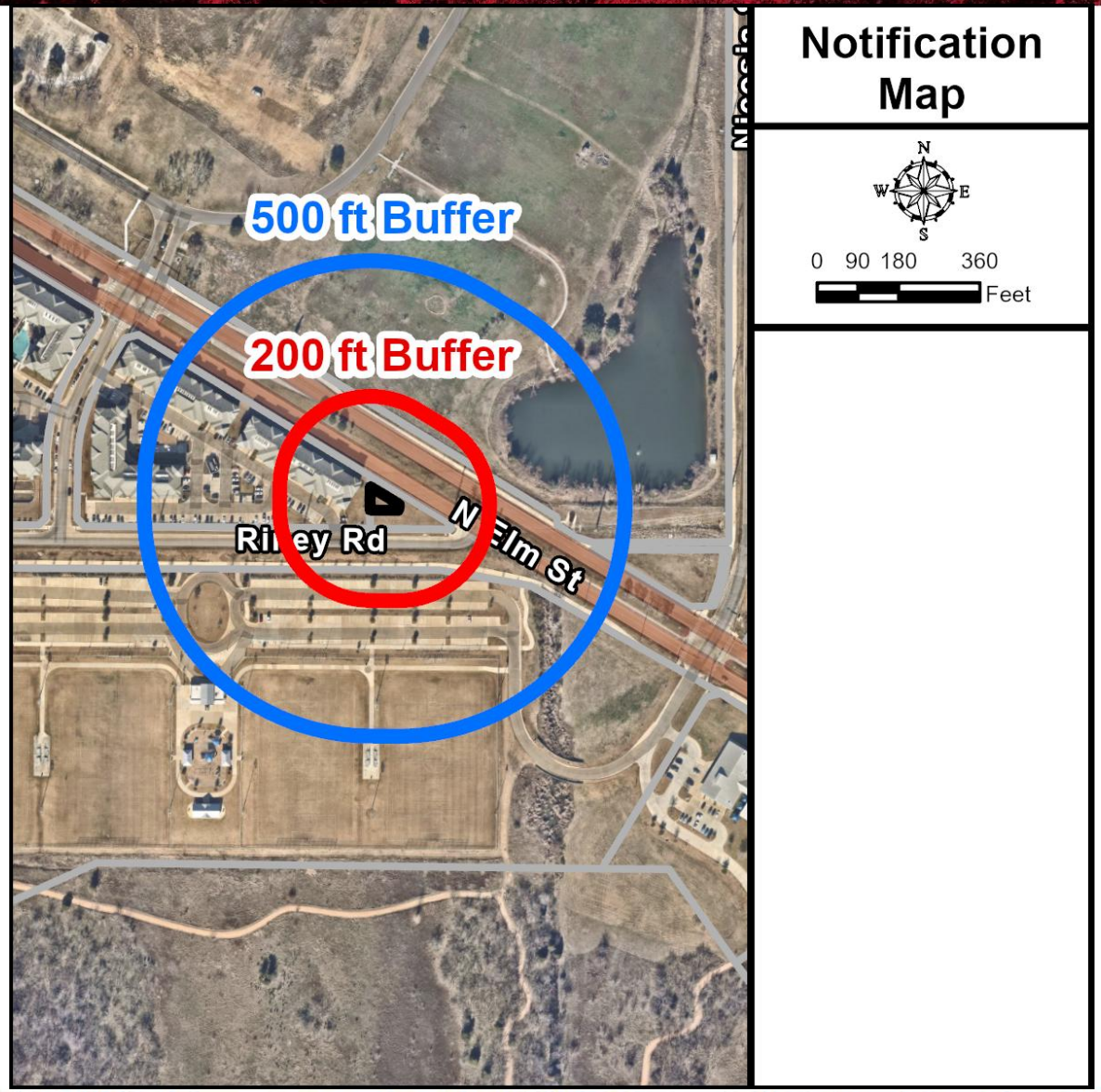
Notification

Newspaper posted: April 12, 2026
City website posted: April 8, 2026
Property posted: April 17, 2026
Mailed notices:

- 200 ft. Public Hearing Notices mailed: 47
- 500 ft. Courtesy Notices mailed: 96

Responses:

- In Opposition:
- In Favor: 0
- Neutral: 0



Recommendation

Staff recommends approval of the SUP with the following conditions:

1. Development of the site shall substantially comply with the attached Site Plan and Landscape Plan. Administrative approval of changes that do not increase the size, height, and number of the Telecommunications Tower buildings and equipment, change the number of parking spaces, decrease the buffer and screening requirements, or result in a decrease of more than 5 percent in the landscape area for the whole site may be administratively approved, if such changes are permissible per the Denton Development Code. All other changes shall require a Specific Use Permit amendment in accordance with the Denton Development Code.
2. The City reserves the right to require approval by ordinance of any amendments or alterations to the SUP, the attached site plan, and the attached landscape plan. The attached site plan and landscape plan are incorporated as requirements of the SUP.
3. The zoning map shall reflect the Specific Use Permit on the property consistent with the DDC.

Planning and Zoning Commission recommended approval of the SUP with the conditions above at their April 29, 2026 meeting.

QUESTIONS?

Matt Bodine
Assistant Planner
Development Services

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: June 2, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Alderink Enterprises, Inc. dba CI Pavement, Diamond M Construction & Land Services LLC, and Solid Foundations Concrete LLC, for construction services for parking lot repair, reconstruction, and maintenance at City facilities for the Facilities Management Department; providing for the expenditure of funds therefor; and providing an effective date (RFQ 8983 – awarded to Alderink Enterprises, Inc. dba CI Pavement, Diamond M Construction & Land Services LLC, and Solid Foundations Concrete LLC, for one (1) year, with the option for four (4) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of $17,808,000.00). The Public Utilities Board recommends approval (6 - 0).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

INFORMATION/BACKGROUND

The City of Denton's Facilities Management Department is proposing a contract for parking lot repair and replacement services across various City facilities. This effort follows a citywide parking lot assessment completed in August 2023 by the Streets Department, which identified maintenance and reconstruction needs to preserve public safety, prolong asset life, and maintain compliance with accessibility standards. These improvements are consistent with the City Council's adoption of the updated ADA Transition Plan on January 11, 2022. The ADA Transition Plan outlined a 30-plus-year strategy to eliminate accessibility barriers and enhance compliance across municipal infrastructure. At the time of adoption, Council direction was to accelerate the Transition Plan to a 15-year horizon, defining the need to coordinate and sequence associated capital improvements to support the condensed timelines.

The pre-qualified list will allow the City to efficiently procure contractors for projects involving pavement striping and marking, asphalt resurfacing, subgrade stabilization, drainage improvements to mitigate ponding or erosion, and complete reconstruction of existing parking lots. Additional services will include the installation of new signage, ADA-compliant markings, and accessibility upgrades where required. Each contractor will be provided with the opportunity to submit a cost proposal on projects put forth by Facilities. The contractor offering the lowest bid that meets the project's schedule requirements will be awarded the work. These contracts do not guarantee a minimum amount of work. This process will be repeated for each project throughout the duration of the contract.

The proposed contract value is derived from the current FY 2025-2026 City Council approved CIP Budget and five-year forecast, which includes parking lot repair and maintenance, such as reconstruction, ADA compliance, and other concrete or related flatwork. The budgeted amount spans across Facilities Management, Parks and Recreation, Streets, Solid Waste, Water and Wastewater. Projections of future deterioration based on current conditions, anticipated usage patterns, and any planned expansions were considered. The detailed assessment also provided a cost analysis, supporting the requested contract value and ensuring its alignment with projected needs.

Category	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	Total
Repair and Maintenance	$1,825,000	$4,300,000	$3,125,000	$2,325,000	$765,000	$12,340,000
ADA Upgrades	1,900,000	1,200,000	400,000	655,000	465,000	4,620,000
Sub Total	**$3,725,000**	**$5,500,000**	**$3,525,000**	**$2,980,000**	**$1,230,000**	**$16,960,000**
Contingency 5%	186,250	275,000	176,250	149,000	61,500	848,000
Total	**$3,911,250**	**$5,775,000**	**$3,701,250**	**$3,129,000**	**$1,291,500**	**$17,808,000**

Request for Qualifications (RFQ) for parking lot construction services was sent to 224 prospective firms, including 19 Denton firms. In addition, the RFQ was placed on the Procurement website for prospective respondents to download and advertised in the local newspaper. Five (5) statements of qualifications (SOQ) were received. The SOQs were evaluated based on published criteria, including qualifications of the provider's subcontractors, experience and qualifications of the vendor, experience and availability of the proposed personnel, work history with local government, legal history, and references. All firms scoring 80 or higher were placed on the list. The evaluation team is recommending approval of the list with three (3) qualified firms.

NIGP Code Used for Solicitation:	988 - (Service Only) - Roadside, Grounds, Recreational and Park Area Services
Notifications sent for Solicitation sent in IonWave:	224
Number of Suppliers that viewed Solicitation in IonWave:	40
HUB-Historically Underutilized Business Invitations sent out:	31
SBE-Small Business Enterprise Invitations sent out:	100
Responses from Solicitation:	5

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 18, 2026, the Public Utilities Board (PUB) recommended this item to the City Council for consideration.

RECOMMENDATION

Award contract with Alderink Enterprises, Inc. dba CI Pavement, Diamond M Construction & Land Services LLC, and Solid Foundations Concrete LLC, for construction services for parking lot repair, reconstruction, and maintenance at City facilities for the Facilities Management Department, in a one (1) year, with the option for four (4) additional one (1) year extension, in the total five (5) year not-to-exceed amount of $17,808,000.

PRINCIPAL PLACE OF BUSINESS

Alderink Enterprises, Inc. dba CI Pavement
Grand Prairie, TX

Diamond M Construction & Land Services LLC
Sanger, TX

Solid Foundations Concrete LLC
Richardson, TX

ESTIMATED SCHEDULE OF PROJECT

This is a one (1) year contract with options to extend the contract for four (4) additional one (1) year periods, with all terms and conditions remaining the same.

FISCAL INFORMATION

These products and services will be funded through General Fund and Utility Fund capital and operating accounts approved through the City's budgeting process. Requisitions will be entered on an as-needed basis. The City will only pay for services rendered and is not obligated to expend the full contract amount.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Evaluation Sheet
Exhibit 3: Presentation
Exhibit 4: Contract and Ordinance

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Tom Gramer, 940-349-7200

Legal point of contact: Leah Bush at 940-349-8333.

Exhibit 2

RFQ 8983 - Evaluation Sheet for Parking Lot Maintenance, Repairs, Construction, and Demolition

Respondent's Business Name:	**Alderink Enterprises, Inc. dba CI Pavement**	**Construction & Land Services LLC**	**Solid Foundations Concrete, LLC**	Cardwell Paving LLC	Prestige Building Group
Principal Place of Business (City and State):	**Grand Prairie, TX**	**Sanger, TX**	**Richardson, TX**	Denton, TX	Houston, TX
Standard Criteria					
Company Experience - 30%	**28.00**	**24.00**	**24.00**	18.00	16.00
Personnel Experience/Resumes - 20%	**18.67**	**16.00**	**14.67**	6.67	9.33
Work History with Local Government - 10%	**9.33**	**7.33**	**8.00**	8.00	4.67
Legal History - 10%	**10.00**	**10.00**	**10.00**	10.00	10.00
Reference Checks - 30%	**24.00**	**26.00**	**26.00**	20.00	14.00
Total Score:	**90.00**	**83.33**	**82.67**	62.67	54.00

Pre-Qualified Vendor List for Municipal Parking Lot Repairs and Maintenance Facilities Management - 8983

Tom Gramer

Director of Facilities and Fleet

6/2/2026

File ID 26-0533

Information

- The Facilities Management Department maintains and repairs municipal parking lots, with Parks, Streets, and Utilities also able to use this contract for ADA upgrades and other flatwork needs.
- The August 2023 parking lot assessment and ADA Transition Plan adopted on January 11, 2022, identified multiple municipal parking areas requiring repair, maintenance, or rehabilitation to ensure safe and effective facility access.
- The proposed pre-qualified list enables job-specific contractor selection to complete required repairs, maintain adequate accessibility for staff and visitors, and support ADA upgrades identified in the Transition Plan.
- The City will only pay for services rendered and is not obligated to pay the full contract amount unless needed.

Contract Estimate

Contract Estimate by Year

Category	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	Total
Parking Surface Repair and Maintenance	$1,825,000	$4,300,000	$3,125,000	$2,325,000	$765,000	$12,340,000
ADA Upgrades	$1,900,000	$1,200,000	$400,000	$655,000	$465,000	$4,620,000
Sub Total	**$3,725,000**	**$5,500,000**	**$3,525,000**	**$2,980,000**	**$1,230,000**	**$16,960,000**
Contingency 5%	$186,250	$275,000	$176,250	$149,000	$61,500	$848,000
Total	**$3,911,250**	**$5,775,000**	**$3,701,250**	**$3,129,000**	**$1,291,500**	**$17,808,000**

FY 25-26 Council Adopted CIP Budget and five-year Capital Funds forecast (Parking, ADA, Flatwork)

Department	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	Total
Facilities Management	$3,725,000	$1,200,000	$1,200,000	$2,425,000	$1,825,000	$10,375,000
Parks and Recreation	$50,000	$398,000	$408,000	$1,118,000	$444,000	$2,418,000
Streets (ROW)	$2,500,000	$2,500,000	$2,500,000	$2,500,000	$2,500,000	$12,500,000
Solid Waste	-	-	$350,000	-	-	$350,000
Water/Wastewater	$25,000	$25,000	$25,000	$25,000	$25,000	$125,000
Total	**$6,300,000**	**$4,123,000**	**$4,483,000**	**$6,068,000**	**$4,794,000**	**$25,768,000**

The charts highlight the contract's estimated cost breakdown by fiscal year, the projected project execution schedule based on the assessment and Transition Plan needs and alignment with the FY 2025–2026 City Council adopted CIP and five-year workplan forecast. All work will be routed through, and subject to approval within, the City's collaborative budgeting process.

ADA Upgrade Example

Civic Center ADA Approach
Project Cost: $ 16,391.02

Recommendation

Staff recommends approval of a one-year, with four additional one-year extension, in the total five-year not-to-exceed amount with CI Pavement, Diamond M Construction LLC, and Solid Foundations LLC, Inc, of $17,808,000.

Questions?

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH ALDERINK ENTERPRISES, INC. DBA CI PAVEMENT, DIAMOND M CONSTRUCTION & LAND SERVICES LLC, AND SOLID FOUNDATIONS CONCRETE LLC, FOR CONSTRUCTION SERVICES FOR PARKING LOT REPAIR, RECONSTRUCTION, AND MAINTENANCE AT CITY FACILITIES FOR THE FACILITIES MANAGEMENT DEPARTMENT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFQ 8983 – AWARDED TO ALDERINK ENTERPRISES, INC. DBA CI PAVEMENT, DIAMOND M CONSTRUCTION & LAND SERVICES LLC, AND SOLID FOUNDATIONS CONCRETE LLC, FOR ONE (1) YEAR, WITH THE OPTION FOR FOUR (4) ADDITIONAL ONE (1) YEAR EXTENSIONS, IN THE TOTAL FIVE (5) YEAR NOT-TO-EXCEED AMOUNT OF $17,808,000.00).

WHEREAS, Alderink Enterprises, Inc. dba CI Pavement, Diamond M Construction & Land Services LLC, and Solid Foundations Concrete LLC, the service providers (the "Provider") set forth in this ordinance, are being selected as the most highly qualified on the basis of its demonstrated competence and qualifications to perform the proposed professional services; and

WHEREAS, this procurement was undertaken as part of the City's governmental function; and

WHEREAS, the fees under the proposed contracts are fair and reasonable and are consistent with, and not higher than, the recommended practices and fees published by the professional associations applicable to the Provider's profession, and such fees do not exceed the maximum provided by law; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Manager, or their designee, is authorized to enter into the service contracts attached hereto with Alderink Enterprises, Inc. dba CI Pavement, Diamond M Construction & Land Services LLC, and Solid Foundations Concrete LLC, for construction services for parking lot repair, reconstruction, and maintenance at City facilities for the Facilities Management Department.

SECTION 2. The City Manager, or their designee, is authorized to expend funds as required by the attached contracts.

SECTION 3. The City Council of the City of Denton, Texas expressly delegates the authority to take any actions that may be required or permitted to be performed by the City of Denton under this ordinance to the City Manager of the City of Denton, or their designee.

SECTION 4. The findings in the preamble of this ordinance are incorporated herein by

reference.

SECTION 5. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____. This ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Leah Bush

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Docusign City Council Transmittal Coversheet

RFQ	8983
File Name	PARKING LOT MAINTENANCE, REPAIRS, CONSTRUCTION & DEMO
Purchasing Contact	Crystal Westbrook
City Council Target Date	
Piggy Back Option	Not Applicable
Contract Expiration	
Ordinance	

Initial
LH

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CONTRACT BY AND BETWEEN
CITY OF DENTON, TEXAS AND ALDERINK ENTERPRISES, INC. dba CI PAVEMENT, INC.
(CONTRACT 8983)

THIS CONTRACT is made and entered into this date _____, by and between ALDERINK ENTERPRISES, INC. dba CI PAVEMENT a Texas corporation, whose address is 104 EAST PIONEER, IRVING, TX 75061, hereinafter referred to as "Contractor," and the CITY OF DENTON, TEXAS, a Texas Municipal Corporation and Home-Rule City, hereinafter referred to as "City," to be effective upon approval of the Denton City Council and the subsequent execution of this Contract by the Denton City Manager, or his duly authorized designee.

For and in consideration of the covenants and agreements contained herein, and for the mutual benefits to be obtained hereby, the parties agree as follows:

SCOPE OF SERVICES

Contractor shall provide construction services in accordance with the City's RFQ 8983 – PARKING LOT MAINTENANCE, REPAIRS, CONSTRUCTION AND DEMO SERVICES, a copy of which is on file at the office of Purchasing Agent and incorporated herein for all purposes as "Exhibit B". The Contract consists of this written agreement and the following items which are attached hereto and incorporated herein by reference:

(a) Special Terms and Conditions **(Exhibit "A");**
(b) City of Denton Request for Proposal #8983 **(Exhibit "B" on file at Office of Purchasing Agent)**
(c) General Provisions-Standard Terms and Conditions **(Exhibit "C");**
(d) Payment and Performance Bond Requirements **(Exhibit "D");**
(e) Insurance Requirements **(Exhibit "E");**
(f) Certificate of Interested Parties Electronic Filing **(Exhibit "F");**
(g) Request for Cost Form **(Exhibit "G")**;
(h) Form CIQ – Conflict of Interest Questionnaire **(Exhibit "H")**

These documents make up the Contract documents and what is called for by one shall be as binding as if called for by all. In the event of an inconsistency or conflict in any of the provisions of the Contract documents, the inconsistency or conflict shall be resolved by giving precedence first to this written Contract, and then to the Contract documents in the sequential order in which they are listed above. These documents shall be referred to collectively as "Contract Documents."

Prohibition on Contracts with Companies Boycotting Israel
Contractor acknowledges that in accordance with Chapter 2270 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services 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 terms "boycott Israel" and "company" shall have the meanings ascribed to those terms in Section 808.001 of the Texas Government Code. ***By signing this agreement, Contractor certifies that Contractor's signature provides written verification to the City that Contractor: (1) does not***

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boycott Israel; and (2) will not boycott Israel during the term of the agreement. Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition On Contracts With Companies Doing Business with Iran, Sudan, or a Foreign Terrorist Organization

Section 2252 of the Texas Government Code restricts CITY from contracting with companies that do business with Iran, Sudan, or a foreign terrorist organization. ***By signing this agreement, Contractor certifies that Contractor's signature provides written verification to the City that Contractor, pursuant to Chapter 2252, is not ineligible to enter into this agreement and will not become ineligible to receive payments under this agreement by doing business with Iran, Sudan, or a foreign terrorist organization***. Failure to meet or maintain the requirements under this provision will be considered a material breach.

The parties agree to transact business electronically. Any statutory requirements that certain terms be in writing will be satisfied using electronic documents and signing. Electronic signing of this document will be deemed an original for all legal purposes.

SIGNATURE PAGE TO FOLLOW

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IN WITNESS WHEREOF, the parties of these presents have executed this Contract in the year and day first above written.

CONTRACTOR

BY: Signed by: Rob Alderink 74435E46FC7041B...
AUTHORIZED SIGNATURE

Printed Name: Rob Alderink

Title: VP

972-721-9796
PHONE NUMBER

rob@cipavement.com
EMAIL ADDRESS

2026- 1438058
TEXAS ETHICS COMMISSION CERTIFICATE NUMBER

CITY OF DENTON, TEXAS
A Texas Municipal Corporation

By: _____

ATTEST:
INGRID REX, CITY SECRETARY

By: _____

APPROVED AS TO LEGAL FORM:

By: Signed by: Leah Bush 3A6254145BDA469...

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

Docusigned by: Tom Gramer 7B58DA8FCE5F49C...
SIGNATURE

Tom Gramer
PRINTED NAME

Director
TITLE

Facilities
DEPARTMENT

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EXHIBIT A
SPECIAL TERMS AND CONDITIONS

1. **Total Contract Amount**
   ALDERINK ENTERPRISES, INC. dba CI PAVEMENT is pre-qualified for RFP 8983 – PARKING LOT MAINTENANCE, REPAIRS, CONSTRUCTION AND DEMO SERVICES. All pre-qualified contractors will be issued a Request for Cost, Exhibit G, that defines the scope of work and project dates. The pre-qualified contractors will have (5) days to respond to such Request for Cost. Thereafter, the City will select the pre-qualified contractor with the lowest price and ability to meet the City's time schedule requirements. The cumulative contract total for all awarded projects to all pre-qualified contractors for contract 8983 shall not exceed $17,808,000. If a response to the Request of Cost is not received in the applicable time period, such pre-qualified contractor will be disqualified from that Request of Cost.

2. **Contract Terms**
   The contract term will be one (1) years, effective from date of award. The City and the Supplier shall have the option to renew this contract for an additional four (4) one-year periods.

   The Contract shall commence upon the issuance of a Notice of Award by the City of Denton and shall automatically renew each year, from the date of award by City Council. The Supplier's request to not renew the contract must be submitted in writing to the Purchasing Manager at least 60 days prior to the contract renewal date for each year. At the sole option of the City of Denton, the Contract may be further extended as needed, not to exceed a total of six (6) months.

3. **Price Escalation and De-escalation**
   On Supplier's request in the form stated herein, the City will implement an escalation/de-escalation price adjustment annually based on these special terms. Any request for price adjustment must be based on the, U.S Department of Labor, Bureau of Labor Statistics, Producer Price Index (PPI) or the manufacturer published pricing list. The maximum escalation will not exceed +/- 8% for any individual year. The escalation will be determined annually at the renewal date. The price will be increased or decreased based upon the annual percentage change in the PPI or the percentage change in the manufacturer's price list. Should the PPI or manufacturer price list change exceed a minimum threshold value of +/-1%, then the stated eligible bid prices shall be adjusted in accordance with the percent change not to exceed the 8% limit per year. The supplier should provide documentation as percentage of each cost associated with the unit prices quoted for consideration.

   Request must be submitted in writing with supporting evidence for need of such increase to the Purchasing Manager at least 60 days prior to contract expiration of each year. Respondent must also provide supporting documentation as justification for the request. If no request is made, then it will be assumed that the current contract price will be in effect.

   Upon receipt of such request, the City of Denton reserves the right to either: accept the escalation as competitive with the general market price at the time, and become effective upon

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the renewal date of the contract award or reject the increases within 30 calendar days after receipt of a properly submitted request. If a properly submitted increase is rejected, the Contractor may request cancellation of such items from the Contract by giving the City of Denton written notice. Cancellation will not go into effect for 15 calendar days after a determination has been issued. Pre-price increase prices must be honored on orders dated up to the official date of the City of Denton approval and/or cancellation.

The request can be sent by e-mail to: purchasing@cityofdenton.com noting the solicitation number.

The City of Denton reserves the right to accept, reject, or negotiate the proposed price changes.

4. **Performance Liquidated Damages**

Contractor recognizes that time is of the essence of this Agreement and that City will suffer financial loss if the Work is not completed within the times specified in each task order, plus any extension thereof allowed in accordance with Article 12 of the General Conditions. The Contractor also recognizes the delays, expense and difficulties involved in proving in a legal proceeding the actual loss suffered by the City if the Work is not completed on time. Accordingly, instead of requiring any such proof, Contractor agree that as liquidated damages for delay (but not as a penalty), Contractor shall pay City one thousand dollars ($1,000) for each day that expires after the time specified in each task order for Final Acceptance until the City issues the Final Letter of Acceptance.

Public Works Construction Standards

NCTCOG 5th Edition

Section 108.8

Schedule 109.8.1 Liquidate Damages

Amount of contract ($)	**Amount of liquidated damages ($)**
Less than 25,000.000	200.00 Per Day
25,000.00 to 99,999.99	350.00 Per Day
100,000.00 to 999,999.99	500.00 Per Day
More Than 1,000,000.00	1000.00 Per Day

5. **Post Award Additional Requirements**

Pre-Construction Meeting: Prior to commencement of the services, the City and the Contractor will conduct a pre-construction meeting to review the overall scope, schedule, deliverables, planning process, and to ensure that all relevant parties to the project are introduced.

Environmental Hazards: There are no known safety or environmental hazards existing on the project site at the time of issue of this solicitation. The City does not warrant or guarantee against the possibility that safety or environmental hazards or potential hazards may exist at

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the City's facilities. The Contractor shall be responsible for identifying any hazardous conditions and notifying the City verbally of such conditions as soon as possible after discovery and shall follow up in writing within 10 days of such discovery. The costs for necessary investigations or any potential corrective actions will be negotiated between the City and the Contractor.

Contractor Standards of Performance: The contractor shall prosecute the work diligently with skilled craftsmen and with state-of-the-art methods to complete the work within the time stated in the contract or such time extensions as may be grant
Monthly Reports: The awarded Contractor shall provide to the City of Denton, detailed reports of daily work conditions, daily man power availability, equipment problems, and work accomplished on a monthly basis.

Safety: All contractors to the City of Denton are required to ensure absolute safety standards are applied and enforced. The City of Denton will not be responsible for individual contractor safety, and the awarded contractor shall not hold the City of Denton responsible. Known hazards shall immediately be reported to the Project Manager and all safety precautions shall be taken to prevent potential safety issues from occurring.

6. **Asbestos Free Materials**
The contractor shall provide asbestos-free materials as represented by the Manufacturer's "Materials Safety Data Sheets".

7. **Prevailing Wage Rates**
In accordance with Texas Government Code 2258, the awarded contractor shall comply with prevailing wage rates as defined by the United States Department of Labor Davis-Bacon Wage Determination at http://www.dol.gov/whd/contracts/dbra.htm and at the Wage Determinations website www.wdol.gov for Denton County, Texas (WD-2509).

Notwithstanding any other provision of this Contract, the awarded contractor hereby represents and warrants that the contractor shall pay to each of its employees a wage not less than what is currently known as the "Federal Minimum Wage" and any increase or amendments thereto. Furthermore, contractor shall produce proof of compliance with this provision by contractor to the City. The City shall withhold payments due to contractor until contractor has complied with this provision. Prior to any payment being made for work satisfactorily completed and accepted, contractor shall submit wage rate affidavits with its billing documents affirming that all employees have been paid not less than the current "Federal Minimum Wage".

8. **Remedies**
a. COMPLETION OF CONTRACTOR'S DEFAULT: If default shall be made by the Contractor or by any subcontractor in the performance of any of the terms of this proposal, the City, without in any manner limiting its legal and equitable remedies in the circumstances, may serve upon the Contractor and the Surety or Sureties upon the Contractor's bond or bonds a written notice requiring the Contractor to cause such default to be corrected forthwith. Unless within twenty (20) days after the service of such notice upon the Contractor such default shall be corrected or arrangements for the correction thereof satisfactory to the City

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and/or Engineer shall be made by the Contractor or its Surety or Sureties, the City may take over the construction of the project and prosecute the same to completion by contract or otherwise for the account and at the expense of the Contractor, and the Contractor and its Surety or Sureties shall be liable to the City for any cost or expense in excess of the contract price occasioned thereby. In such event the City may take possession of and utilize, in completing the construction of the project, any materials, tools, supplies, equipment, appliances, and plant belonging to the Contractor or any of its subcontractors, which may be situated at the site of the project. The City in such contingency may exercise any rights, claims or demands which the Contractor may have against third persons in connection with this contract and for such purpose the Contractor does hereby assign, transfer and set over unto the City all such rights claims and demands.

b. LIQUIDATED DAMAGES: Respondent must agree to commence work on or before a date to be specified in written "Notice to Proceed" by the Owner, and to fully complete the project within the time stated on proposal. As failure to complete project within the stated time, respondent agrees to pay as liquidated damages, the sums indicated in the Solicitation Main Document Section 10, for each working day of delay until work is completed and accepted. Delays because of strikes, fire, weather, or any cause beyond the contractors control shall be granted but claims for extension shall be in writing within a reasonable time after the occurrence. Contractor shall submit request for delay on a monthly basis in a letter form indicating reason and date of delay. Failure to do so on a monthly basis means contractor will forfeit those delay days. Liquidated damages in the amount per day shown in Main Solicitation Document, Section 10 “Liquidated Damages”, will be assessed against the Contractor for each calendar day or portion thereof that:

(1) the Contractor has not fully and timely completed the specific portion or part of the work to be completed by the end of the current month as provided in the detailed description of work and/or schedule previously submitted by the Contractor on the first day of that particular month, after accounting for any agreed-upon changed orders, which will entitle the Owner to withhold the liquidated damages from the payment otherwise owed to the Contractor for work completed in that particular month;

(2) the Contractor has not substantially completed all work following the expiration of the number of calendar days to complete the work as agreed upon in the contract, after accounting for any agreed-upon changed orders; or

(3) all items listed as incomplete and attached to the Certificate of Substantial Completion are not completed or corrected after expiration of the agreed time allotted for completion and correction, including any approved extensions of time granted. These liquidated damages are cumulative. The sum of the liquidated damages will be deducted from any monies due the Contractor. If no money is due the Contractor, said sum may be recovered by the Owner from the Contractor or the Contractor's surety, or from both combined. These deductions are to cover liquidated damages to the Owner for losses to Owner that include, but are not limited to, additional expenses of Contract administration, overhead and other costs resulting from failure of the Contractor to complete the Work within the designated time, and are not to be

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considered as penalties. The Owner shall not be considered liable for any extra or additional payment to the Contractor as a bonus or premium for early completion. Any failure on the part of the Owner to request or require payment or withholding of liquidated damages in any particular month shall not constitute a waiver of Contractor's requirement to pay, or the Owner's ability to withhold from payments owed to Contractor, any liquidated damages for work performed or completed in that particular month, in any prior or subsequent month, or at the time all work has been completed.

c. CUMULATIVE REMEDIES: Every right or remedy herein conferred upon or reserved to the City shall be cumulative, shall be in addition to every right and remedy now or hereafter existing at law or in equity or by statute, and the pursuit of any right or remedy shall not be construed as an election. Provided, however, that the provisions of the REMEDIES SECTION shall be the exclusive measure of damages for failure by the Contractor to complete the construction of the project within the time herein agreed upon.

9. Payment and Performance Requirements

a. PAYMENT AND INVOICES:

Payment processing: The City review, inspection, and processing procedures for invoices ordinarily require thirty (30) days after receipt of invoices, materials, or services. Submissions which call for payment before thirty (30) days from receipt of invoice, or cash discounts given on such payment, will be considered only if, in the opinion of the Purchasing Manager, the review, inspection, and processing procedures can be completed as specified. It is the intention of the City of Denton to make payment within thirty days after receipt of valid invoices for which items or services have been received unless unusual circumstances arise. The 30 day processing period for invoices will begin on the date the invoice is received or the date the items or services are received, whichever is later.

Direct deposit for payments: Contractors are encouraged to arrange for receiving payments through direct deposit. Information regarding direct deposit payments is available from the City of Denton Purchasing website: www.dentonpurchasing.com.

Invoices shall be sent directly to the City of Denton Accounts Payable Department, 215 E McKinney St, Denton, TX, 76201-4299. A pro-forma invoice shall be sent to the contract administrator as identified in the Notice to Proceed. It is the intention of the City of Denton to make payment on completed orders within thirty days after receipt of invoice or items; whichever is later, unless unusual circumstances arise. **Invoices must be fully documented as to labor, materials, and equipment provided, if applicable, and must reference the City of Denton Purchase Order Number in order to be processed. No payments shall be made on invoices not listing a Purchase Order Number.**

b. PAYMENT TO PERFORMANCE MILESTONES: Awarded contractor shall prepare and submit invoices after completion of specific project milestones. The invoice shall detail the major milestones accomplished and detailed cost information for project. These milestones shall be submitted to the City of Denton and the City's Project Staff shall review

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such for completion and accuracy, prior to payment authorization.

c. TAX EXEMPTION: The City of Denton qualifies for sales tax exemption pursuant to the provisions of Article 20.04 (F) of the Texas Limited Sales, Excise and Use Tax Act. Any Contractor performing work under this contract for the City of Denton may purchase materials and supplies and rent or lease equipment sales tax free. This is accomplished by issuing exemption certificates to suppliers. Certificates must comply with State Comptroller's ruling #95-0.07 and #95-0.09.

d. RELEASE OF LIENS AND CERTIFICATE OF CONTRACTOR: Upon award of the contract, the Contractor shall inform the City of the subcontractors and material sources that will be used. Upon the completion by the Contractor of the construction of the project, but prior to final payment to the Contractor, the Contractor shall deliver to the City releases of all liens, and of rights to claim any lien, from all manufacturers, material-men, and subcontractors furnishing services or materials for the project, to the effect that all materials or services used on or for the project have been paid for and indicating that the City is released from all such claims.

e. PAYMENTS TO MATERIAL-MEN AND SUBCONTRACTORS: The Contractor shall pay each material-men, and each subcontractor, if any, not later than five (5) days after receipt of any payment from the City, the amount thereof allowed the Contractor for and on account of materials furnished or construction performed by each material-men or each subcontractor.

10. General Provisions – Special Notices and Requirements

a. CONTRACT ADMINISTRATION SUBMITTALS AND REQUIREMENTS:

General: The General Conditions, Supplementary Conditions and Special Conditions provide definite times for Contractor to submit certain lists, qualifications, price breakdowns and schedules for administrative procedures including but not necessarily limited to the following:

List of Subcontractors: Before the execution of the Contract, the respondent awarded the contract will submit to the City for approval a list of all Subcontractors, and/or his major Subcontractors, proposed to use. This list will include each Subcontractor's correct name, mailing address and phone number.

Contractor's Superintendent: The Contractor shall submit the name and qualifications of the person designated as Project Superintendent within ten (10) days of the receipt of the Notice of Award Letter.

Contract Price Breakdown: Upon execution of the Contract, the Contractor shall submit to the City for approval a breakdown of the Contract price, itemizing material and labor for various classifications of work.

1. The City will provide forms for the Contractor to use to prepare the schedule of values.
2. Unit Price items will be multiplied by the estimated quantities to give the item totals. The total item will then be divided into "material" and "labor" and listed on

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the breakdown. The breakdown of unit price items into material and labor is required so the City may make progress payments on materials delivered before the labor is performed.

Work Progress Schedule: Within three (3) weeks after receipt of a work order, the Contractor shall submit in duplicate to the City for approval an estimated progress schedule for the work in relation to the entire project, over the total contract time. Schedules showing less than the stipulated contract time will be rejected. See details for this requirement in the attached STANDARD PURCHASE TERMS AND CONDITIONS FOR FACILITY CONSTRUCTION SERVICES, Article1, paragraph 3.10 “Contractors Construction Schedule”.

Testing and Quality Control: Observation of the Contractor's work to determine compliance with the plans and specifications may include testing of material installed on the project. A Testing Laboratory located by the Contractor shall do testing of materials furnished and work performed. The Contractor shall use only materials in the work, which meet the requirements of the specifications. The Contractor shall furnish at his own expense all necessary tests and specimens for testing of the material and when requested shall furnish a complete written statement of the origin, composition, and/or manufacturer of any or all materials that are to be used in the work. All materials not conforming to the requirements of the specifications will be rejected.

THIS QUALITY CONTROL SERVICE DOES NOT RELIEVE THE CONTRACTOR OF HIS RESPONSIBILITY WITH REGARD TO CONSTRUCTING THE WORK IN ACCORDANCE WITH THE CONTRACT.

Contractor shall submit appropriate tests including, but not limited to:

- Any test required in the technical specifications
- Any structural element called for on the plans, including, but not limited to dam construction, concrete asphalt roads or paths, shelters, bridges or other structure tests, pressure test of irrigation.
- Test to prove adequacy of design and construction of any feature that may have been accepted by Owner under contractor's "Alternate Proposal".
- Any test that may be occasioned by any local, state, or federal law.

As-Built Drawings: The contractor shall maintain a complete set of contract drawings in his possession, upon which he is required to note in red, or other clear manner, all deviations, final dimensions and explanatory notes arising out of actual work installed or performed in the field, and showing exact locations of such work, including trades. Notes on these drawings shall indicate installed locations and dimensioned clearances. Contractor to furnish an as- built drawn from an aerial photo identifying course, irrigation (including all components, buried or otherwise), major and minor drainage lines and related structures, all underground utilities, location of buried trees and debris, limits of topsoil, extra borrow areas, and other significant construction which could reasonably be foreseen to affect future operation. All as-built(s) shall be supplied in CAD format.

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Project Manuals: Contractor shall supply City a project manual for operations of all mechanical systems to be included under this contract in a manner satisfactory to the design professional, his sub-consultants and City's representatives.

Schedule of Tests, Submittals: A schedule of anticipated tests and submittals begins on the next page. Additional submittals may be required.

b. MEETINGS:

Pre-Construction Conference: Prior to start of work, a conference between the City and Contractor will be held to discuss provisions of the contract documents, explain administrative procedures and coordinate the work effort. Time of pre-construction conference will be stated in the Work Order letter for the Contractor. Attendance by Contractor and Contractor's Superintendents is mandatory.

1. City will schedule meeting and provide meeting place.
2. Attendance: The following are expected to attend:
    - City's Representative.
    - Consultant's Construction Administrator.
    - Representatives from Sub-Consultants Contractor's Project Manager, Project Superintendent and Project Coordinator Representatives of major subcontractors
3. Agenda Items:
    - List of major Subcontractors and Suppliers
    - Tentative construction schedule
    - Critical work sequencing
    - Major equipment deliveries
    - Designation of responsible personnel
    - Procedures and processing of field decisions, proposal requests, submittals color coordination, change orders, and applications for payment.
    - Adequacy of distribution of Contract Documents.
    - Procedures for maintaining Record Documents
    - Use of Premises: office, work, storage, staging areas; Owner's requirements
    - Construction facilities, controls and construction aids
    - Temporary utilities
    - Safety and first aid procedures
    - Security procedures
    - Housekeeping procedures
    - Other business

4. The City's Representative will preside over the meeting.

Progress Meetings: Construction progress meetings may be called by the Project Manager, Project Inspector or the General Contractor to review job progress or problems.

1. Schedule meeting and notify in writing those concerned at least one week in advance of meeting.

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2. Provide a convenient, comfortable meeting place.
3. Contractor's Project Superintendent or Project Manager shall preside over meeting.
4. Attendance: The following are expected to attend: City's Representative Consultant's Construction Administrator Sub-consultant's unless notified otherwise Contractor's General Superintendent, Project Superintendent and Project Coordinator. Subcontractors having work in progress Subcontractors whose work will start within the next month Others as requested by City, A/E, or Contractor
5. Agenda Review, approval of minutes or previous meeting Review of work progress since previous meeting Field observation, problems, conflicts Problems which impede construction schedule Review of off-site fabrication, and delivery schedules Corrective measures and procedures to regain projected schedule. Revisions to construction schedules Progress schedules for succeeding period Schedule coordination Review proposed changes for effect on construction schedule, on completion date, and effect on other contracts of project Maintenance of quality standards Pending changes and substitutions Other business
6. The Contractors Project Manager will preside over the meeting. C. Minutes of Meetings: Contractor shall take notes at pre- construction and progress meetings and distribute them to those concerned in the form of minutes within four (4) calendar days after meeting.

c. SURVEYS, MEASUREMENTS AND LAYOUTS

General: The City will provide property surveys. The Contractor shall be responsible for all control point staking as required. The Contractor's responsibility for verifying conditions is defined in the Standard General Conditions.

Surveys, Measurements and Layout Out of Work: The Contractor will establish from survey information on drawings all lines, grades, and levels and will be responsible for maintenance and accuracy thereof.

d. MISCELLANEOUS REQUIREMENTS

Additional safety precautions shall be instituted by the awarded contractor, as the work environment will be in an area where citizens and employees may be present, and work safety must be coordinated with the owner.

The Contractor shall be responsible for all spoil removals, and any excess soil that will require removal.

It is understood that the basis for payment on the work to be done according to the final plans and specifications shall be a lump sum fee as set forth in Contractor's submission. Any quantity estimates supplied by Designer or City are intended only as a guide to the respondent. Respondent is responsible for making his own quantity estimates and pricing from his own examination of the work to be done.

A schedule of Respondent's Quantities and Unit Prices is to be filled out as a part of this solicitation. Extensions of units and unit prices must total up correctly.

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EXHIBIT C

CITY OF DENTON STANDARD PURCHASE TERMS AND CONDITIONS FOR CONSTRUCTION SERVICES

ARTICLE 1 GENERAL PROVISIONS

GENERAL DEFINITIONS

1.1 The following definitions apply throughout these General Conditions and to the other Contract Documents:

a) THE CONTRACT DOCUMENTS

The Contract Documents consist of the formal Building Construction Services Agreement between the Owner and the Prime Contractor, these General Conditions and other supplementary conditions included by special provisions or addenda, drawings, specifications, addenda issued prior to execution of the Contract, other documents listed in the Contract, and Amendments issued after execution of the Contract. For purposes of these General Conditions, an Amendment is:

(1) a written Supplemental Agreement to the Contract signed by authorized representatives of both parties;

(2) a Change Order, including Change Orders signed only by the Owner as described in Subparagraph 7.1(b) and Subparagraph 7.1(e); or

(3) a written order for a minor change in the Work issued by the Architect/Engineer as described in Paragraph 7.3.

The Contract Documents also include bid documents such as the Owner's Instructions to Bidders, sample forms, the Prime Contractor's Bid Proposal and portions of addenda relating to any of these documents, and any other documents, exhibits or attachments specifically enumerated in the Building Construction Services Agreement, but specifically exclude geotechnical and subsurface reports that the Owner may have provided to the Prime Contractor.

b) THE CONTRACT

The Contract Documents, as defined in Paragraph 1.1, are expressly incorporated into and made a part of the formal Building Construction Services Agreement between the Owner and the Prime Contractor by reference in this Paragraph and Paragraph 1.1 (which documents are sometimes also referred to collectively in these General Conditions as the "Contract"). The Contract Documents represent the entire and integrated agreement between the Owner and the Prime Contractor and supersede all prior negotiations, representations or agreements, either written or oral. The terms and conditions of the

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Contract Documents may be changed only by an Amendment. The Contract Documents shall not be construed to create a contractual relationship of any kind:

(1) between the Architect/Engineer and Prime Contractor;

(2) between the Owner and a Subcontractor or -subcontractor; or

(3) between any persons or entities other than the Owner and Prime Contractor.

The Architect/Engineer shall, however, be entitled to performance and enforcement of obligations under the Contract Documents intended to facilitate performance of the Architect/Engineer's duties.

c) THE WORK

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all labor, materials, equipment, and services provided or to be provided by the Prime Contractor, or any Subcontractors, Sub-subcontractors, material suppliers, or any other entity for whom the Prime Contractor is responsible, to fulfill the Prime Contractor's obligations. The Work may constitute the whole or a part of the Project.

d) THE PROJECT

The Project is the total construction more particularly described in the Building Construction Services Agreement, of which the Work performed under the Contract Documents may be the whole or a part of the Project and which may include construction by the Owner or by separate contractors. All references in these General Conditions to or concerning the Work or the site of the Work will use the term "Project," notwithstanding that the Work may only be a part of the Project.

e) THE DRAWINGS

The Drawings (also known as the "Plans") are the graphic and pictorial portions of the Contract Documents, wherever located and whenever issued, showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules, and diagrams.

f) THE SPECIFICATIONS

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, construction systems, standards, and workmanship for the Work, performance of related services, and other technical requirements.

g) THE PROJECT MANUAL

The Project Manual is the volume or volumes which contain the bidding requirements,

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sample forms, General Conditions for Building Construction, special provisions, and Specifications. The Project Manual may be modified by written addendums issued by the Owner during bidding, in which case the written addendums become a part of the Project Manual upon their issuance, unless otherwise indicated by the Owner in writing.

h) ALTERNATE

An Alternate is a variation in the Work on which the Owner requires a price separate from the City Building General Conditions Base Bid. If an Alternate is accepted by the Owner, the variation will become a part of the Contract through the execution of a change order or amendment to the Contract and the Base Bid will be adjusted to include the amount quoted. If an alternate is accepted by the Owner, and later deleted prior to any Work under the alternate being performed or materials delivered to the Project site, the Owner will be entitled to a credit in the full value of the alternate as priced in the Prime Contractor's Bid.

i) BASE BID

The Base Bid is the price quoted for the Work before Alternates are considered.

j) HAZARDOUS SUBSTANCE

The term Hazardous Substance is defined to include the following:

(1) any asbestos or any material which contains any hydrated mineral silicate, including chrysolite, amosite, crocidolite, tremolite, anthophyllite or actinolite, whether friable or non-friable;

(2) any polychlorinated biphenyls ("PCBs"), or PCB-containing materials, or fluids;

(3) radon;

(4) any other hazardous, radioactive, toxic or noxious substance, material, pollutant, or solid, liquid or gaseous waste;

(5) any pollutant or contaminant (including but not limited to petroleum, petroleum hydrocarbons, petroleum products, crude oil or any fractions thereof, any oil or gas exploration or production waste, any natural gas, synthetic gas or any mixture thereof, lead, or other toxic metals) which in its condition, concentration or area of release could have a significant effect on human health, the environment, or natural resources;

(6) any substance that, whether by its nature or its use, is subject to regulation or requires environmental investigation, monitoring, or remediation under any federal, state, or local environmental laws, rules, or regulations;

(7) any underground storage tanks, as defined in 42 U.S.C. Section 6991(1)(A)(I) (including those defined by Section 9001(1) of the 1984 Hazardous and Solid Waste Amendments to the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901

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et seq.; the Texas Water Code Annotated Section 26.344; and Title 30 of the Texas Administrative Code Sections 334.3 and 334.4), whether empty, filled or partially filled with any substance; and

(8) any other hazardous material, hazardous waste, hazardous substance, solid waste, and toxic substance as those or similar terms are defined under any federal, state, or local environmental laws, rules, or regulations.

k) OTHER DEFINITIONS

As used in the Contract Documents, the following additional terms have the following meanings:

(1) "provide" means to furnish, install, fabricate, deliver and erect, including all services, materials, appurtenances and other expenses to complete in place, ready for operation or use;

(2) "shall" means the action of the party to which reference is being made is mandatory;

(3) "as required" means as prescribed in the Contract Documents; and

(4) "as necessary" means all action essential or needed to complete the work in accordance with the Contract Documents and applicable laws, ordinances, construction codes, and regulations.

1.2 EXECUTION, CORRELATION AND INTENT

(a) The Building Construction Services Agreement shall be signed by duly authorized representatives of the Owner and Prime Contractor as provided in the Agreement.

(b) Execution of the Building Construction Services Agreement by the Prime Contractor is a representation that the Prime Contractor has visited the site, has become familiar with local conditions, including but not limited to subsurface conditions, under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

(c) The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Prime Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Prime Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the intended results.

(d) Organization of the Specifications into divisions, sections, and articles, and arrangement of Drawings shall not control the Prime Contractor in dividing the Work among Subcontractor(s) or in establishing the extent of Work to be performed by any trade.

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(e) Unless otherwise stated in the Contract Documents, words which have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

(f) The Drawings and Specifications are intended to agree with one another, and Work called for by Drawings and not mentioned in Specifications, or vice versa, shall be furnished as if set forth by both. Specifications shall govern materials, methods and quality of work. In the event of a conflict on the Drawings between scale and dimension, figured dimensions shall govern over scale dimensions and large scale drawings shall govern over small scale drawings. Conflict between two or more dimensions applying to a common point shall be referred to the Architect/Engineer/Engineer for final adjustment. If discrepancies or conflicts occur within or between the Drawings and Specifications regarding the Work, or within or between other Contract Documents, the Prime Contractor shall not perform such Work without having obtained a clarification from the Architect/Engineer and resolution by the Owner. The Owner's decision as to the appropriate resolution of a conflict or discrepancy shall be final. Should the Drawings or the Specifications disagree within themselves or with each other; the Base Bid will be based on the most expensive combination of quality and quantity of Work indicated.

(g) Deviations from Contract Documents shall be made only after written approval is obtained from Architect/Engineer and Owner, as provided in Article 7.

(h) The intention of the Contract Documents is to include all materials, labor, tools, equipment, utilities, appliances, accessories, services, transportation, and supervision required to completely perform the fabrication, erection and execution of the Work in its final position.

(i) The most recently issued Drawing or Specification takes precedence over previous issues of the same Drawing or Specification. In the event of a conflict, the order of precedence of interpretation of the Contract Documents is as follows:

(1) Amendments (see Paragraph 7.2 for order of precedence between Amendments);

(2) the Building Construction Services Agreement;

(3) addenda, with those addenda of later date having precedence over those of an earlier date;

(4) the Supplementary General Conditions and Special Provisions, if any;

(5) the General Conditions for Building Construction;

(6) 0the Specifications and Drawings.

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1.3OWNERSHIP AND USE OF ARCHITECT/ENGINEER'S DRAWINGS, SPECIFICATIONS AND OTHER DOCUMENTS

All Drawings, Specifications, and copies thereof furnished by the Architect/Engineer are and shall remain the property of the Owner and are, with the exception of the Contract set for each party, to be returned to the Owner upon request at the completion of the Work.

1.4 CAPITALIZATION

Terms capitalized in these General Conditions include those which are:

(1) specifically defined in these General Conditions (except the terms defined in Subparagraph 1.1(j), which terms are of common grammatical usage and are not normally capitalized);

(2) the titles of numbered articles and identified references to Paragraphs, Subparagraphs, and Clauses;

(3) the titles of other documents published or used by the Owner as manuals or official policy statements; or

(4) proper nouns or other words required under standard grammatical rules to be capitalized.

ARTICLE 2 - THE OWNER

2.1 DEFINITION OF OWNER

The Owner is the City of Denton, a Texas municipal corporation, and is identified as such in the Building Construction Services Agreement, and is referred to throughout the Contract Documents as if singular in number. The term "Owner" means the Owner or the Owner's authorized representatives.

2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER

(a) The Owner shall furnish the most recent survey describing the physical characteristics, legal limits, utility locations, and a permanent benchmark for the site of the Project. The Owner shall also furnish any environmental site assessments that may have been given to the Owner or conducted for the property upon which the Project is to be constructed. THIS INFORMATION IS FURNISHED TO THE PRIME CONTRACTOR ONLY IN ORDER TO MAKE DISCLOSURE OF THIS MATERIAL AND FOR NO OTHER PURPOSE. BY FURNISHING THIS MATERIAL, THE OWNER DOES NOT REPRESENT, WARRANT, OR GUARANTEE ITS ACCURACY EITHER IN WHOLE, IN PART, IMPLICITLY OR EXPLICITLY, OR IN ANY OTHER WAY, AND THE OWNER SHALL HAVE NO LIABILITY FOR THIS MATERIAL.

(b) Except for permits and fees which are provided for in Subparagraph 3.7(a), the Owner shall secure and pay for necessary approvals, easements, assessments, and charges required for

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construction, use, or occupancy of permanent structures or for permanent changes in existing facilities.

(c) Information or services under the Owner's control shall be furnished by the Owner with reasonable promptness to avoid delay in the orderly progress of the Work. It is incumbent upon the Prime Contractor to identify, establish, and maintain a current schedule of latest dates for submittal and approval, as required in Paragraph 3.10, including when such information or services must be delivered. If Owner delivers the information or services to the Prime Contractor as scheduled and Prime Contractor is not prepared to accept or act on such information or services, then Prime Contractor shall reimburse Owner for all extra costs incurred of holding, storage, or retention, including redeliveries by the Owner to comply with the current schedule.

(d) Unless otherwise provided in the Contract Documents, the Prime Contractor will be furnished electronic copies of the Drawings and Specifications for bid purposes and one hard copy approved by Building Inspections upon execution of the Contract. Prime Contractor may obtain additional copies by paying the cost of additional printing or reproduction.

(e) The obligations described above are in addition to other duties and responsibilities of the Owner enumerated in the Contract Documents and especially those in respect to Article 6 (Construction by Owner or by Separate Contractors), Article 9 (Payments and Completion), and Article 11 (Insurance and Bonds).

(f) The Owner shall forward all instructions to the Prime Contractor through the Architect/Engineer, except for the Owner's Notice to Proceed and the Owner's decision to carry out Work as described in Paragraph 2.4.

(g) The Owner's employees, agents, and consultants may be present at the Project site during performance of the Work to assist the Architect/Engineer in the performance of the Architect/Engineer's duties and to verify the Prime Contractor's record of the number of workmen employed on the Work, their occupational classification, the time each is engaged in the Work, the equipment used in the performance of the Work, and for purpose of verification of Prime Contractor's Applications for Payment.

2.3 OWNER'S RIGHT TO STOP THE WORK

If the Prime Contractor fails to correct any portion of the Work which is not in accordance with the requirements of the Contract Documents as required by Paragraph 12.2 or refuses or fails to carry out all or any part of the Work in accordance with the Contract Documents, the Owner, by written order, may order the Prime Contractor to stop the Work, or any portion of the Work, until the cause for the order has been eliminated. The right of the Owner however, to stop the Work shall not create or imply a duty on the part of the Owner to exercise this right for the benefit of the Prime Contractor or any other person or entity. The rights of the Owner under this Paragraph 2.3 shall be in addition to, and not in restriction of, the Owner's rights under Paragraph 12.2.

2.4 OWNER'S RIGHT TO CARRY OUT THE WORK

If the Prime Contractor fails or refuses to carry out the Work or perform any of the terms, covenants, or obligations of the Contract Documents, and fails or refuses to correct any failure

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or refusal with diligence and promptness within fourteen (14) days after receipt of written notice from the Owner, the Owner may correct the Prime Contractor's failure or refusal or cause such failure or refusal to be corrected, without affecting, superseding, or waiving any other contractual, legal, or equitable remedies the Owner has, including but not limited to the Owner's termination rights under Article 13. In that case, an appropriate Change Order will be issued deducting the Owner's cost of correction, including Architect/Engineer's compensation for additional services and expenses made necessary by the failure or refusal of the Prime Contractor from payments then or thereafter due to the Prime Contractor. The cost of correction is subject to verification (but not approval) by the Architect/Engineer. If payments then or thereafter due the Prime Contractor are not sufficient to cover the cost of correction, the Prime Contractor shall pay the difference to the Owner.

2.5 NOTICE TO PROCEED

After final execution of the Contract and receipt and approval of the required performance and payment bonds and evidence of required insurance, the Owner will issue a written Notice to Proceed with the Work, including the designated Contract Time within which Substantial Completion of the Work must be achieved. If the Owner unreasonably delays issuance of a written Notice to Proceed through no fault of the Prime Contractor, the Prime Contractor shall be entitled only to an equitable adjustment of the Contract Time, if properly claimed pursuant to the requirements of Paragraph 4.3; but the Prime Contractor shall not be entitled to any increase to the Contract Sum whatsoever for this reason.

ARTICLE 3 - THE CONTRACTOR

3.1 DEFINITION OF CONTRACTOR

The Prime Contractor is the person or business entity identified as such in the Building Construction Services Agreement, and is referred to throughout the Contract Documents as if singular in number. The term "Prime Contractor" means the Prime Contractor or the Prime Contractor's authorized employees or representatives.

3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

(a) The Prime Contractor shall carefully check, study, and compare the Contract Documents with each other and shall at once report to the Architect/Engineer in writing any inconsistency, ambiguity, error, omission, conflict, or discrepancy the Prime Contractor may discover. The Prime Contractor shall also verify all dimensions, field measurements, and field conditions before laying out the Work. The Prime Contractor will be held responsible for any subsequent error, omission, conflict, or discrepancy which might have been avoided by the above-described check, study, comparison, and reporting. In the event the Prime Contractor continues to work on an item where an inconsistency, ambiguity, error, omission, conflict, or discrepancy exists without obtaining such clarification or resolution or commences an item of the Work without giving written notice of an error, omission, conflict, or discrepancy that might have been avoided by the check, study, and

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comparison required above, it shall be deemed that the Prime Contractor bid and intended to execute the more stringent, higher quality, or state of the art requirement, or accepted the condition "as is" in the Contract Documents, without any increase to the Contract Sum or Contract Time. The Prime Contractor shall also be responsible to correct any failure of component parts to coordinate or fit properly into final position as a result of Prime Contractor's failure to give notice of and obtain a clarification or resolution of any error, omission, conflict, or discrepancy, without any right to any increase to the Contract Sum or Contract Time.

(b) The Prime Contractor shall perform the Work in accordance with the Contract Documents and submittals approved pursuant to Paragraph 3.12.

3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

(a) The Prime Contractor shall supervise and direct the Work, using the Prime Contractor's best skill and attention. The Prime Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences, and procedures and for coordinating all portions of the Work, unless the Contract Documents set forth specific instructions concerning these matters.

(b) The Prime Contractor shall be responsible to the Owner for the acts and omissions of the Prime Contractor's employees, Subcontractors, Sub-subcontractors, and their respective agents and employees, and any other persons performing portions of the Work under a subcontract with the Prime Contractor, or with any Subcontractor, and all other persons or entities for which the Prime Contractor is legally responsible. All labor shall be performed by mechanics that are trained and skilled in their respective trades. Standards of work required throughout shall be of a quality that will bring only first class results. Mechanics whose work is unsatisfactory, or who are considered careless, incompetent, unskilled, or otherwise objectionable shall be dismissed promptly from the Work and immediately replaced with competent, skilled personnel. Any part of the Work adversely affected by the acts or omissions of incompetent, unskilled, careless, or objectionable personnel shall be immediately corrected by the Prime Contractor.

(c) The Prime Contractor shall not be relieved of its obligation to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect/Engineer in the Architect/Engineer's administration of the Contract, or by tests, inspections, or approvals required or performed by persons other than the Prime Contractor.

(d) The Prime Contractor shall be responsible for inspection of portions of Work already performed under this Contract to determine that such portions are in proper condition to receive subsequent Work. The Prime Contractor's responsibility under this paragraph will not in any way eliminate the Architect/Engineer's responsibility to the Owner under the Architect/Engineer/Owner Agreement.

(e) Any Prime Contractor, Subcontractor, Sub-subcontractor, or separate contractor who commences Work over, in, or under any surface prepared by the Owner or by any other

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contractor, subcontractor, sub-subcontractor or any separate contractor, without the Prime Contractor having given written notice to the Architect/Engineer of the existence of any faulty surface or condition in the surface that prevents achieving the quality of workmanship specified by the Contract Documents and without having obtained the prior approval of the Architect/Engineer and the Owner to proceed is deemed to have accepted the surface or condition in the surface as satisfactory at the commencement of such Work. Any unsatisfactory Work subsequently resulting from such a faulty surface or condition in the surface that was not pre-approved by the Architect/Engineer or the Owner after notice as provided above may be rejected and replacement required, without any increase to the Contract Sum or Contract Time.

(f) All grades, lines, levels, and benchmarks shall be established and maintained on an ongoing basis by the Prime Contractor. The Prime Contractor is solely responsible for any errors made in establishing or maintaining proper grades, lines, levels, or benchmarks. Contractor shall verify all grades, lines, levels, and dimensions as indicated on Drawings. He shall report any errors, omissions, conflicts, or inconsistencies to Architect/Engineer before commencing any Work affected by these conditions. Contractor shall establish and safeguard benchmarks in at least two widely separated places and, as Work progresses, establish benchmarks at each level and lay out partitions on rough floor in exact locations as guides to all trades. The Contractor shall, from the permanent benchmark provided by the Owner, establish and maintain adequate horizontal and vertical control.

3.4 LABOR AND MATERIALS

(a) Except as is otherwise specifically provided in the Contract Documents as being the responsibility of the Owner, the Prime Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

(b) The Prime Contractor shall enforce strict discipline and good order among the Prime Contractor's employees and all other persons carrying out the Contract. The Prime Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

(c) The Prime Contractor shall give preference, when qualified labor is available to perform the Work to which the employment relates, to all labor hired for the Project in the following order:

(1) residents of the City of Denton, Texas;

(2) residents of the County of Denton, Texas;

3.5 WARRANTY

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(a) General Warranty. The Contractor warrants to the Owner that all Work shall be accomplished in a good and workmanlike manner and that all materials and equipment furnished under the Contract will be of good quality, new (unless otherwise specified), and free from faults or defects, and that the Work will otherwise conform to the Contract Documents. Work not conforming to these requirements, including substitutions not properly approved and authorized, will be considered defective or nonconforming. The Contractor's warranty excludes any remedy for damage or defect caused by abuse, modifications not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear under normal usage. If required by the Architect/Engineer, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment. The commencement date, duration, and other conditions related to the scope of this general warranty are established in Subparagraphs 9.9 (a) and 12.2(b) of these General Conditions. THE GENERAL WARRANTY PROVIDED IN THIS SUBPARAGRAPH IS IN ADDITION TO AND DOES NOT LIMIT OR DISCLAIM ANY OTHER WARRANTY OR REMEDY REQUIRED OR PROVIDED BY LAW OR THE CONTRACT DOCUMENTS AND SUCH WARRANTY SHALL REQUIRE THE CONTRACTOR TO REPLACE DEFECTIVE MATERIALS AND RE-EXECUTE DEFECTIVE WORK THAT IS DISCLOSED BY THE OWNER TO THE CONTRACTOR WITHIN A PERIOD OF TWO (2) YEARS AFTER SUBSTANTIAL COMPLETION OF THE ENTIRE WORK; OR, IF A LATENT DEFECT IS DISCOVERED WITHIN TWO YEARS OF SUBSTATIONAL COMPLETION OF THE ENTIRE WORK.

(b) Special Warranties. The Contractor shall assign to the Owner in writing, as a condition precedent to final payment, the terms and conditions of all special warranties required under the Contract Documents.

3.6 TAXES

The Owner qualifies for exemption from state and local sales and use taxes, pursuant to the provisions of Section 151.309 of the Texas Tax Code, as amended. Therefore, the Owner shall not be liable for, or pay the Contractor's cost of, such sales and use taxes which would otherwise be payable in connection with the purchase of tangible personal property furnished and incorporated into the real property being improved under the Contract Documents or the purchase of materials, supplies and other tangible personal property, other than machinery or equipment and its accessories and repair and replacement parts, necessary and essential for performance of the Contract which is to be completely consumed at the job site. The Contractor shall issue an exemption certificate in lieu of the tax on such purchases.

3.7 PERMITS, FEES AND NOTICES

(a) The Architect/Engineer will apply and arrange for the issuance of the City of Denton Building Permit. The Prime Contractor and Subcontractors will apply and arrange for the issuance of all other required permits, and will not be required to pay a fee for any City of Denton permits required for the Project. The Owner will pay all service extension charges, including tap fees, assessed by the Water Utilities Department.

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(b) The Prime Contractor shall comply with and give notices required by laws, ordinances, rules, regulations, and lawful orders of governmental entities or agencies applying to performance of the Work.

(c) Except as provided in Subparagraph (d) below, it is not the Prime Contractor's responsibility to ascertain that the Contract Documents are in accordance with applicable laws, ordinances, construction codes, and rules and regulations. However, if the Prime Contractor observes that portions of the Contract Documents are at variance with applicable laws, ordinances, construction codes, rules or regulations, the Prime Contractor shall promptly notify the Architect/Engineer and the Owner in writing, and necessary changes shall be accomplished by appropriate Amendment.

(d) If the Prime Contractor performs Work knowing it to be contrary to laws, ordinances, construction codes, or rules and regulations without notifying the Architect/Engineer and the Owner, the Prime Contractor shall assume full responsibility for the Work and shall bear the attributable costs of the correction of the Work and any other Work in place that may be adversely affected by the corrective work.

3.8 ALLOWANCES

(a) The Prime Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for the amounts identified in the Contract and by persons or entities as the Owner may direct, but the Prime Contractor shall not be required to employ persons or entities against which the Prime Contractor makes reasonable objection.

(b) Unless otherwise provided in the Contract Documents:

(1) materials and equipment under an allowance shall be selected promptly by the Owner to avoid delay in the Work;

(2) the amount of each allowance shall cover the cost to the Prime Contractor of materials and equipment delivered at the site less all exempted taxes and applicable trade discounts;

(3) the amount of each allowance includes the Prime Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit, and other expenses contemplated for stated allowance Work;

(4) whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect:

(i) the difference between actual costs and the allowances under Clause (b) (2); and

(ii) changes in Contractor's costs under Clause (b) (3);

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(5) the Owner retains the right to review and approve Subcontractors selected by the Prime Contractor to perform work activities covered by allowances.

3.9 SUPERINTENDENT

The Prime Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project Site during performance of the Work. The superintendent shall represent the Prime Contractor, and communications given to the superintendent shall be as binding as if given to the Prime Contractor. Important communications shall be confirmed in writing. Other communications shall be similarly confirmed on written request in each case. The Owner reserves the right to request that the Prime Contractor replace its superintendent at any time and the Prime Contractor will replace said superintendent at the Owner's direction.

3.10 PRIME CONTRACTOR'S CONSTRUCTION SCHEDULES

(a) The Prime Contractor shall, immediately after award of the Contract and before submittal of the first Application for Payment, prepare and submit the construction schedule for the Architect/Engineer's and Owner's information, review, and approval in accordance with the following provisions:

(1) Unless otherwise approved in writing by the Owner, the construction schedule shall not exceed the Contract Time limits currently in effect under the Contract Documents and shall provide for expeditious and practicable execution of the Work.

(2) The construction schedule shall include all shop drawing and submittal data requirements, indicating for each:
(i) the latest date to be submitted by the Prime Contractor; and
(ii) the latest date for approval by the Architect/Engineer.

(3) The construction schedule shall be in the form of a critical path management schedule, and shall indicate each critical task (the "predecessor") of all the major construction activities of the Work in a logical and sequential order (the "project network") which requires completion prior to commencement of the task next following (the "successor"). Each task shall be identified with:

(i) actual work time, exclusive of slack time, for accomplishment;

(ii) the latest start date;

(iii) the latest finish date;

(iv) the amount of float associated with each task;

(v) the amount of labor, material, and equipment associated with each task; and

(vi) the percentage of completion as of the date of the current schedule.

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(4) The construction schedule shall be revised and updated monthly to reflect the actual status of the Work and shall be submitted with each Application for Payment.

(5) On or before the first day of each month, following the date of commencement of the Work as stated in the notice to proceed, the Prime Contractor shall prepare and submit to the Architect/Engineer and the Owner an up-to-date status report of the progress of the various construction phases of the Work in the form of an updated construction schedule. This status report shall consist of a time scale drawing indicating actual progress of the various phases of the Work and the percentage of completion of the entire Work. The original construction schedule shall be updated or changed to indicate any adjustments to the Contract Time granted by the Owner. The updated schedule must be submitted with the Prime Contractor's Application for Payment. No such application will be certified without a satisfactory update to the construction schedule.

(6) The construction schedule will also be revised to show the effect of change orders and other events on Contract Time. No request for an increase in Contract Time will be considered unless it is accompanied by a schedule revision demonstrating the amount of time related to the cause of the request. If the Contractor's status schedules reflect that the Prime Contractor has fallen behind the pace required to complete the Work within the Contract Time, through no fault of the Owner, the Prime Contractor shall prepare a recovery schedule demonstrating how it intends to bring its progress back within the Contract Time. This recovery schedule shall be in a form acceptable to the Owner.

(7) Costs incurred by the Prime Contractor in preparing and maintaining the required construction schedule, any updated schedule, and any recovery schedule required by the Owner will not be paid as an additional or extra cost and shall be included in the Contract Sum.

(8) The Contract Sum is deemed to be based upon a construction schedule requiring the full Contract Time. NO CLAIM FOR ADDITIONAL COMPENSATION SHALL BE ALLOWED AS A RESULT OF THE PRIME CONTRACTOR BASING HIS BID ON AN EARLY COMPLETION SCHEDULE, OR AS A RESULT OF DELAYS AND COSTS ATTRIBUTABLE TO COMPLETION LATER THAN THE PLANNED EARLY COMPLETION DATE.

(b) The Prime Contractor shall also prepare and keep current, for the Architect/Engineer's approval, a schedule of submittals which is coordinated with the Prime Contractor's construction schedule and allows the Architect/Engineer reasonable time to review submittals.

(c) The Prime Contractor shall conform to the most recent schedules approved as to form by the Architect/Engineer and the Owner. Any subsequent revisions made by the Prime Contractor to schedules in effect shall conform to the provisions of Subparagraph 3.10(a)

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(d) If the Work falls behind the approved construction schedule, the Prime Contractor shall take such steps as may be necessary to improve his progress, and the Architect/Engineer and the Owner may require him to increase the number of shifts, overtime operations, days of work, or the amount of construction plant, and to submit for approval revised schedules in the form required above in order to demonstrate the manner in which the agreed rate of progress will be regained, all without additional cost to the Owner.

3.11 DOCUMENTS AND SAMPLES AT THE PROJECT SITE

The Contractor shall maintain at the Project site for the Owner one record copy of the Drawings, Specifications, addenda, and Amendments in good order and marked currently to record changes and selections made during construction, and in addition shall maintain at the Project site approved Shop Drawings, Product Data, Samples, and similar required submittals. These shall be available to the Architect/Engineer and shall be delivered to the Architect/Engineer for submittal to the Owner upon completion of the Work.

3.12 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

(a) Shop Drawings are drawings, diagrams, schedules, and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, materialmen, manufacturer(s), supplier(s), or distributor(s) to illustrate some portion of the Work.
(b) Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams, and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.
(c) Samples are physical examples which illustrate materials, equipment, or workmanship and establish standards by which the Work will be judged.
(d) Shop Drawings, Product Data, Samples, and similar submittals are not Contract Documents. The purpose of their submittal is to demonstrate for those portions of the Work for which submittals are required the way the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents. Review by the Architect/Engineer is subject to the limitations of Paragraph 4.2.
(e) The Prime Contractor shall review, approve and submit to the Architect/Engineer Shop Drawings, Product Data, Samples, and similar submittals required by the Contract Documents with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner, or of separate contractors. Submittals made by the Prime Contractor which are not required by the Contract Documents may be returned without action.
(f) The Prime Contractor shall perform no portion of the Work requiring submittal and review of Shop Drawings, Product Data, Samples, or similar submittals until the respective submittal has been approved by the Architect/Engineer. Work requiring this submittal and review shall be in accordance with approved submittals and any identified exceptions noted by the Architect/Engineer.
(g) By approving and submitting Shop Drawings, Product Data, Samples and similar submittals, the Prime Contractor represents that the Prime Contractor has determined and verified materials, field measurements, and related field construction criteria, or will do so, and has checked and coordinated the information contained within submittals with the

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requirements of the Work and of the Contract Documents. The Prime Contractor's attention is directed to Paragraph 3.2 of these General Conditions and the requirements stated in that Paragraph.

(h) The Prime Contractor shall not be relieved of responsibility for deviations, substitutions, changes, additions, deletions or omissions from requirements of the Contract Documents by the Architect/Engineer's approval of Shop Drawings, Product Data, Samples, or similar submittals unless the Prime Contractor has specifically informed the Architect/Engineer in writing of such substitutions, changes, additions, deletions, omissions, or deviations involved in the submittal at the time of submittal and the Architect/Engineer, subject to a formal Change Order signed by the Owner, Architect/Engineer and Prime Contractor, has given written approval to the specific substitutions, changes, additions, deletions, omissions, or deviations. The Prime Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples, or similar submittals by the Architect/Engineer's approval thereof. Further, notwithstanding any approval of a submittal by the Architect/Engineer, the Prime Contractor shall be responsible for all associated Project costs, including costs of coordination's, modifications, or impacts, direct or indirect, resulting from any and all substitutions, changes, additions, deletions, omissions, or deviations, whether or not specifically identified by the Prime Contractor to the Architect/Engineer at the time of the above-mentioned submittals, including additional consulting fees, if any, in any and all accommodations associated with such substitutions, changes, additions, deletions, omissions, or deviations to the requirements of the Contract Documents.

(i) The Prime Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples, or similar submittals, to additional revisions other than those requested by the Architect/Engineer on previous submittals. In the absence of such written notice, the Architect/Engineer's approval of a resubmission shall not apply to the additional revisions not requested.

(j) Informational submittals upon which the Architect/Engineer is not expected to take responsive action may be so identified in the Contract Documents.

(k) When professional certification of performance criteria of materials, systems, or equipment is required by the Contract Documents, the Architect/Engineer shall be entitled to rely upon the accuracy and completeness of such calculations and certifications.

3.13 USE OF THE PROJECT SITE

The Prime Contractor shall confine operations at the Project site to areas permitted by law, ordinances, permits, and the Contract Documents and shall not unreasonably encumber the Project site with materials or equipment.

3.14 CUTTING AND PATCHING

(a) The Prime Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly.

(b) The Prime Contractor shall not damage or endanger a portion of the Work or any fully or partially completed construction of the Owner or separate contractors by cutting, patching, or otherwise altering the construction, or by excavating. The Prime Contractor

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shall not cut or otherwise alter the construction by the Owner or a separate contractor except with the written consent of the Owner and of the separate contractor; consent shall not be unreasonably withheld. The Prime Contractor shall not unreasonably withhold from the Owner or a separate contractor the Prime Contractor's consent to cutting or otherwise altering the Work.

(c) A "Hot Work Permit" must be obtained from the City of Denton's Facilities Management Department, 869 S. Woodrow Lane, Denton, Texas (940 349-7200) for any temporary operation involving open flames or producing heat and/or sparks. This includes, but is not limited to: Brazing, Cutting, Grinding, Soldering, Torch Applied Roofing and Welding.

3.15 CLEANING UP

(a) The Prime Contractor shall keep the Project site and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. Upon the completion of the Work the Prime Contractor shall remove from and about the Project site all waste materials, and rubbish, and all of the Prime Contractor's tools, construction equipment, machinery, and surplus materials.

(b) If the Prime Contractor fails to clean up as provided in the Contract Documents, the Owner may, at Owner's option, clean up the Project site, and the Owner's cost of cleaning up shall be charged to the Contractor.

3.16 ACCESS TO WORK

The Prime Contractor shall provide the Owner and the Architect/Engineer access to the Work in preparation and progress wherever located during the course of construction.

3.17 TESTS AND INSPECTIONS

(a) Tests, inspections, and approvals of portions of the Work required by the Contract Documents or by laws, ordinances, rules, regulations, or orders of governmental entities or agencies having jurisdiction over the Work shall be made at appropriate times. Unless otherwise provided, the Prime Contractor shall make arrangements for such tests, inspections, and approvals with an independent testing laboratory or entity acceptable to the Owner or with the appropriate governmental entity or agency, and the Prime Contractor shall bear all related costs of tests, inspections, and approvals. The Prime Contractor shall give the Architect/Engineer timely notice of when and where tests and inspections are to be made so the Architect/Engineer may observe such procedures. The Owner shall bear costs of tests, inspections, or approvals which become requirements after bids or proposals are received.

(b) If the Architect/Engineer, the Owner or other public authorities having jurisdiction over the Work determine that portions of the Work require additional testing, inspection or approval not included under Subparagraph 3.17(a), the Architect/Engineer will, upon written authorization from the Owner, instruct the Prime Contractor to make arrangements

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for such additional testing, inspection or approval by an entity acceptable to the Owner, and the Prime Contractor shall give timely notice to the Architect/Engineer of when and where tests and inspections are to be made so that the Architect/Engineer may observe such procedures. The Owner shall bear such costs except as provided in Subparagraph 3.17(c).

(c) If procedures for testing, inspection, or approval under Subparagraphs 3.17(a) and 3.17(b) reveal deficiencies or nonconformities in the Work, the Prime Contractor shall bear all costs made necessary to correct the deficiencies or nonconformities, including those of repeated procedures and compensation for the Architect/Engineer's services and expenses, if any. The Prime Contractor shall bear the costs of any subsequent testing, inspection, or approval of the corrected Work.

(d) Required certificates of testing, inspection or approval shall, unless otherwise required by the Contract Documents, be secured by the Prime Contractor and promptly delivered to the Architect/Engineer.

(e) If the Architect/Engineer is to observe tests, inspections or approvals required by the Contract Documents, the Architect/Engineer will do so promptly and, where practicable, at the normal place of testing or inspection.

(f) Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

3.18 ROYALTIES AND PATENTS

The Contractor shall pay all royalties and license fees. CONTRACTOR SHALL COMPLETELY DEFEND, INDEMNIFY AND HOLD OWNER AND ARCHITECT/ENGINEER HARMLESS FROM ANY AND ALL LIABILITIES, SUITS OR CLAIMS FOR INFRINGEMENT OF PATENT RIGHTS, REGARDLESS OF WHETHER OR NOT THE OWNER OR THE ARCHITECT/ENGINEER SPECIFIED A PARTICULAR DESIGN, PROCESS OR PRODUCT IN THE CONTRACT DOCUMENTS THAT MAY BE THE SUBJECT OF A PATENT INFRINGEMENT OR OTHERWISE ACTIVELY INDUCED OR CONTRIBUTED TO THE PATENT INFRINGEMENT. In the event the Prime Contractor has reason to believe that a particular design, process or product specified infringes a patent, the Prime Contractor shall immediately notify the Owner and the Architect/Engineer of same.

3.19 INDEMNIFICATION

(a) THE PRIME CONTRACTOR AGREES TO DEFEND, INDEMNIFY AND HOLD THE OWNER, ITS OFFICERS, AGENTS AND EMPLOYEES, AND THE ARCHITECT/ENGINEER, HARMLESS AGAINST ANY AND ALL CLAIMS, LIABILITIES, LAWSUITS, JUDGMENTS, FINES, PENALTIES, COSTS AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM OR VIOLATIONS FOR WHICH RECOVERY OF DAMAGES, FINES, OR PENALTIES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS, THAT MAY ARISE OUT OF OR BE OCCASIONED BY CONTRACTOR'S

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BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS CONTRACT, VIOLATIONS OF LAW, OR BY ANY NEGLIGENT, GROSSLY NEGLIGENT, INTENTIONAL, OR STRICTLY LIABLE ACT OR OMISSION OF THE PRIME CONTRACTOR, ITS OFFICERS, AGENTS, EMPLOYEES, SUBCONTRACTORS, OR SUB-SUBCONTRACTORS AND THEIR RESPECTIVE OFFICERS, AGENTS, OR REPRESENTATIVES, OR ANY OTHER PERSONS OR ENTITIES FOR WHICH THE PRIME CONTRACTOR IS LEGALLY RESPONSIBLE IN THE PERFORMANCE OF THIS CONTRACT; EXCEPT THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OR FAULT OF THE OWNER, ITS OFFICERS, AGENTS, EMPLOYEES OR SEPARATE CONTRACTORS, OR OF THE ARCHITECT/ENGINEER, AND IN THE EVENT OF JOINT AND CONCURRENT NEGLIGENCE OR FAULT OF THE CONTRACTOR, THE OWNER, AND THE ARCHITECT/ENGINEER, RESPONSIBILITY AND INDEMNITY, IF ANY, SHALL BE APPORTIONED IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE OWNER UNDER TEXAS LAW, AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. THE PROVISIONS OF THIS PARAGRAPH ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER THIRD PERSON OR ENTITY.

(b) In claims against any person or entity indemnified under this Paragraph 3.19 by an employee of the Prime 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 3.19 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Prime Contractor or any Subcontractor, under workers compensation acts, disability benefit acts or other employee benefit acts.

(c) Indemnification under this Paragraph 3.19 shall include, but is not limited to, liability which could result to or be created for the Owner, its officers, agents, or employees, or the Architect/Engineer pursuant to State or Federal laws or regulations relating to pollution of the environment and State or Federal laws or regulations relating to the occupational safety and health of workers. The Prime Contractor specifically agrees to comply with the above-mentioned laws and regulations in the performance of the Work by the Prime Contractor and that the obligations of the Owner, its officers, agents, and employees, and the Architect/Engineer under the above-mentioned laws and regulations are secondary to those of the Prime Contractor.

ARTICLE 4 - CONTRACT ADMINISTRATION

4.1 THE DESIGN PROFESSIONAL (ARCHITECT/ENGINEER)

(a) The design professional is the person lawfully licensed to practice architecture or engineering or a firm or other business entity lawfully practicing architecture/engineering identified as such in the formal Building Construction Services Agreement and is referred to throughout the Contract Documents as if singular in number. The term

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"Architect/Engineer" means the Architect/Engineer or the Architect/Engineer's authorized representative. The Owner may, at its option, designate a qualified Owner representative to serve as the Architect/Engineer on the Project instead of an outside firm or person. In such event, the references in these General Conditions that refer to the Architect/Engineer shall apply to the Owner-designated Architect/Engineer representative and the Owner-designated Architect/Engineer representative shall be accorded that same status by the Prime Contractor.

(b) In the event the Architect/Engineer is an outside person or firm and the Architect/Engineer's employment is terminated, the Owner may, at its option, contract with a new outside Architect/Engineer to replace the former, or may designate a qualified Owner representative to serve as the Architect/Engineer. The replacement Architect/Engineer, whether an Owner representative, an independent Architect/Engineer or any other qualified person or entity, shall be regarded as the Architect/Engineer for all purposes under the Contract Documents and shall be accorded that same status by the Prime Contractor. Any dispute in connection with such appointment shall be reviewed and settled by the Owner, whose decision shall be final and binding.

(c) Owner reserves the right to appoint a representative empowered to act for the Owner during the Construction Phase and to supersede the Architect/Engineer's Construction Phase responsibility. Similarly, from time to time the Owner may expand or reduce the Owner's delegation of powers to the Architect/Engineer, with the Owner notifying the Prime Contractor of any such changes. The Architect/Engineer shall not be construed as a third party beneficiary to the Contract and can in no way object to any expansion or reduction of powers as set forth in this Subparagraph (c). In no event, however, shall the Owner have control over charge of, or be responsible for, construction means, methods, techniques, sequences, or procedures, or for safety precautions or programs in connection with the Work since these are solely the Contractor's responsibility. The Owner will not be responsible for the Prime Contractor's failure to carry out the Work in accordance with the Contract Documents. The Owner will not have control over or charge of and will not be responsible for acts or omissions of Prime Contractor, Subcontractors, or their agents or employees, or of any other persons performing portions of the Work.

4.2 ARCHITECT/ENGINEER'S RESPONSIBILITIES DURING CONSTRUCTION

(a) The Architect/Engineer will administer the Contract as described in the Contract Documents and in accordance with the terms of the Architect/Engineer's agreement with the Owner, where applicable, subject to the direction and approval of the Owner. If requested by the Prime Contractor, the provisions of the Owner/Architect/Engineer Agreement will be made available to the Prime Contractor.

(b) The Architect/Engineer shall provide, during performance of the Work, adequate and competent periodic on-site construction observation, periodically visiting the Project site to the extent necessary to personally familiarize themselves with the progress and quality of the Work, and to determine if the Work is proceeding in accordance with the Contract Documents. The Architect/Engineer shall not, however, be required to make continuous on-site inspections to check the Work. Field reports of each visit shall be prepared by the

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Architect/Engineer and submitted to the Owner. The Architect/Engineer shall employ all reasonable measures to safeguard the Owner against defects and nonconformities in the Work. The Architect/Engineer shall not be responsible for the construction means, methods, techniques, sequences of procedures, nor for the safety precautions and programs employed in connection with the Work. The Architect/Engineer will, however, immediately inform the Owner whenever defects or nonconformities in the Work are observed, or when any observed actions or omissions are undertaken by the Prime Contractor or any Subcontractor which are not in the best interests of the Owner or the Project.

(c) The Architect/Engineer and the Owner will not have control over or charge of and will not be responsible for construction means, methods, techniques, sequences, or procedures, or for safety precautions and programs in connection with the Work, since these are solely the Prime Contractor's responsibility as provided in Paragraph 4.3. The Architect/Engineer and the Owner will not be responsible for the Prime Contractor's failure to carry out the Work in accordance with the Contract Documents. The Architect/Engineer and the Owner will not have control over or charge of and will not be responsible for acts or omissions of the Prime Contractor, Subcontractors, Sub-subcontractors, or their respective agents or employees, or of any other persons performing portions of the Work for which the Prime Contractor is responsible.

(d) Except as otherwise provided in the Contract Documents or when direct communications have been specially authorized, the Owner and Prime Contractor shall endeavor to communicate through the Architect/Engineer. Communications by and with the Architect/Engineer's consultants shall be through the Architect/Engineer. Communications by and with Subcontractors and material suppliers shall be through the Prime Contractor. Communications by and with separate contractors will be through the Owner. The Prime Contractor shall provide written confirmation of communications made directly with the Owner and provide copies of such confirmation to the Architect/Engineer.

(e) Based on the Architect/Engineer's observations and evaluations of the Prime Contractor's Applications for Payment, the Architect/Engineer will review and certify the amounts due the Prime Contractor and will issue Certificates for Payment in such amounts.

(f) The Architect/Engineer and the Owner will each have authority to reject Work which does not conform to the Contract Documents. Whenever the Architect/Engineer considers it necessary or advisable for implementation of the intent of the Contract Documents, the Architect/Engineer will have authority to require additional inspection or testing of the Work in accordance with Subparagraphs 3.17(b) and 3.17(c), whether or not such Work is fabricated, installed or completed. However, neither this authority of the Architect/Engineer nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to any duty or responsibility of the Architect/Engineer to the Prime Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons performing portions of the Work.

(g) The Architect/Engineer will review and approve or take other appropriate action upon the Prime Contractor's submittals such as Shop Drawings, Product Data, and Samples, but

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only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect/Engineer's action will be taken with such reasonable promptness as to not delay the Work or the activities of the Owner, Contractor, or separate contractors. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Prime Contractor as required by the Contract Documents. The Architect/Engineer's review of the Prime Contractor's submittals shall not relieve the Prime Contractor of any obligations under Paragraphs 3.3, 3.5, and 3.12. The Architect/Engineer's review shall not constitute approval of safety precautions or, unless otherwise specifically stated in writing by the Architect/Engineer, of any construction means, methods, techniques, sequences, or procedures. The Architect/Engineer's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

(h) The Architect/Engineer will prepare Change Orders and may authorize minor changes in the Work as provided in Paragraph 7.3.

(i) The Architect/Engineer will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion, will receive and forward to the Owner for the Owner's review and records written warranties and related documents required by the Contract and assembled by the Prime Contractor, and will issue a final Certificate for Payment upon compliance with the requirements of the Contract Documents.

(j) If the Owner and Architect/Engineer agree, the Architect/Engineer will provide one or more Project representatives to assist in carrying out the Architect/Engineer's responsibilities at the site. The duties, responsibilities, and limitations of authority of such Project representatives shall be as set forth in an exhibit to be incorporated into the Contract Documents.

(k) The Architect/Engineer will interpret and make recommendations to the Owner concerning performance under and requirements of the Contract Documents upon written request of either the Owner or Contractor. The Architect/Engineer's response to such requests will be made with reasonable promptness and within any time limits agreed upon. The Architect/Engineer shall secure the Owner's written approval before issuing instructions, interpretations, or judgments to the Prime Contractor which change the scope of the Work or which modify or change the terms and conditions of any of the Contract Documents.

(l) Interpretations and decisions of the Architect/Engineer will be consistent with the intent of and reasonably inferable from the Contract Documents and will be in writing or in the form of Drawings. When making such interpretations and decisions, the Architect/Engineer will endeavor to secure faithful performance by the Prime Contractor.

(m) The Architect/Engineer's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents; provided that the Architect/Engineer has the prior written approval of the Owner.

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4.3 CLAIMS AND DISPUTES

(a) Definition; General Notice of Claim Procedure. As used in these General Conditions, a "Claim" means a demand or assertion by one of the parties to the Contract seeking an adjustment of the terms of the Contract Documents, of the Contract Sum, of the Contract Time, or some other relief in respect to the terms of the Contract Documents. The term also includes all other disputes between the Owner and the Contractor arising out of or relating to the Project or the Contract Documents, including but not limited to claims that work was outside the scope of the Contract Documents. The responsibility to substantiate the Claim and the burden of demonstrating compliance with this provision shall rest with the party making the Claim. Except where otherwise provided in the Contract Documents, a Claim by the Prime Contractor, whether for additional compensation, additional time, or other relief, including but not limited to claims arising from concealed conditions, WITHOUT EXCEPTION, MUST BE MADE BY WRITTEN NOTICE TO THE ARCHITECT/ENGINEER AND TO THE OWNER WITHIN FOURTEEN (14) DAYS IMMEDIATELY AFTER OCCURRENCE OF THE EVENT OR EVENTS GIVING RISE TO THE PARTICULAR CLAIM. Every Claim of the Prime Contractor, whether for additional compensation, additional time, or other relief, including but not limited to claims arising from concealed conditions, shall be signed and sworn to by an authorized corporate officer (if not a corporation, then an official of the company authorized to bind the Prime Contractor by his signature) of the Prime Contractor, verifying the truth and accuracy of the Claim. THE PRIME CONTRACTOR SHALL BE CONCLUSIVELY DEEMED TO HAVE WAIVED ANY CLAIM NOT MADE STRICTLY IN ACCORDANCE WITH THE PROCEDURES AND TIME LIMITS SET OUT IN THIS PARAGRAPH.

(b) Referral to the Architect/Engineer. Claims, disputes, and other matters in question between the Prime Contractor and the Owner relating to the progress or execution of the Work or the interpretation of the Contract Documents shall be referred to the Architect/Engineer for recommendation to the Owner, which recommendation the Architect/Engineer will furnish in writing within a reasonable time, provided proper and adequate substantiation has been received. Failure of the Prime Contractor to submit the Claim to the Architect/Engineer for rendering of a recommendation to the Owner shall constitute a waiver of the Claim.

(c) Continuing Contract Performance. Pending final resolution of a claim the Prime Contractor shall proceed diligently with performance of the Work and the Owner shall continue to make payments in accordance with the Contract Documents.

(d) Claims for Concealed or Unknown Conditions. No adjustment in the Contract Sum or Time associated with concealed or unknown conditions will normally be considered or allowed; provided, however, that the Contract Sum or Time may be adjusted by the Owner in such circumstances only if:

(1) a concealed subsurface condition is encountered in the course of performance of the Work;
(2) a concealed or unknown condition in an existing structure is at variance with conditions indicated by the Contract Documents; or

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(3) an unknown physical condition is encountered below the surface of the ground or in an existing structure which is of an unusual nature and materially different from those ordinarily encountered and generally recognized as inherent in the character of the Work; and
(4) a notice of claim with proper and adequate substantiation is presented pursuant to Subparagraph 4.3(a) of these General Conditions; and
(5) the Owner and the Architect/Engineer determine that:

(i) prior to submitting its bid for the Work, the Contractor used reasonable diligence to fully inspect the portion of the Project site where the condition was discovered; and

(ii) the work caused or required by the concealed or unknown condition at issue can be considered extra work to the extent that additional new Drawings must be prepared and issued and new construction beyond the scope of the Contract Documents is required.

(e) Disclaimer of Warranties as to Reports, Drawings, and Specifications. PROJECT SITE INFORMATION AND REPORTS (INCLUDING BUT NOT LIMITED TO SOILS TESTING REPORTS, GEOTECHNICAL REPORTS, OR ENVIRONMENTAL SITE ASSESSMENTS) PROVIDED BY THE OWNER AND THE ARCHITECT/ENGINEER IN THE PROJECT MANUAL OR BY OTHER MEANS SHALL BE UTILIZED BY THE PRIME CONTRACTOR AT THE PRIME CONTRACTOR'S OWN RISK. THE OWNER AND THE ARCHITECT/ENGINEER DO NOT GUARANTEE OR WARRANT ANY INFORMATION SHOWN IN THE PROJECT SITE INFORMATION AND REPORTS.

(f) Claims for Additional Cost. If the Prime Contractor wishes to make a claim for an increase in the Contract Sum, written notice as provided in this Paragraph 4.3 shall be given before proceeding to execute the Work. Prior notice is not required for claims relating to an emergency endangering life or property arising under Paragraph 10.3. In addition, the Prime Contractor's request for an increase in the Contract Sum for any reason (other than work performed under emergency conditions) shall be made far enough in advance of required work to allow the Owner and the Architect/Engineer a sufficient amount of time, without adversely affecting the construction schedule, to review the request, prepare and distribute such additional documents as may be necessary to obtain suitable estimates or proposals and to negotiate, execute and distribute a Change Order for the required work if the Prime Contractor believes that additional cost is involved for reasons including but not limited to:

(1) a written interpretation from the Architect/Engineer;

(2) a written order for a minor change in the Work issued by the Architect/Engineer;

(3) failure of payment by the Owner;

(4) termination of the Contract by the Owner;

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(5) the Owner's temporary suspension of all or any portion of the Work where the Prime Contractor was not at fault; or

(6) other reasonable grounds.

(g) Injury or Damage to Person or Property. If the Prime Contractor suffers injury or damages to person or property because of an act or omission of the Owner, or of any of the Owner's officers, employees or agents, written, sworn-to notice of any claim for damages or injury shall be given as provided in Subparagraph 4.3(a). The notice shall provide sufficient detail to enable the Architect/Engineer and the Owner to investigate the matter.

(h) Subcontractor Pass-Through Claims. In the event that any Subcontractor of the Prime Contractor asserts a claim to the Prime Contractor, that the Prime Contractor seeks to pass through to the Owner under the Contract Documents, any entitlement of the Prime Contractor to submit and assert the claim against the Owner shall be subject to:

(1) the requirements of Paragraph 4.3 of these General Conditions; and

(2) the following additional three requirements listed below, all three of which additional requirements shall be conditions precedent to the entitlement of the Prime Contractor to seek and assert such claim against the Owner:

(ii) The Prime Contractor shall either (A) have direct legal liability as a matter of contract, common law, or statutory law to the Subcontractor for the claim that the Subcontractor is asserting or (B) the Prime Contractor shall have entered into a written liquidating agreement with the Subcontractor, under which agreement the Prime Contractor has agreed to be legally responsible to the Subcontractor for pursuing the assertion of such claim against the Owner under the Contract and for paying to the Subcontractor any amount that may be recovered, less Prime Contractor's included markup (subject to the limits in the Contract Documents for any markup). The liability or responsibilities shall be identified in writing by the Prime Contractor to the Owner at the time such claim is submitted to Owner, and a copy of any liquidating agreement shall be included by the Prime Contractor in the claim submittal materials.

(ii) The Prime Contractor shall have reviewed the claim of the Subcontractor prior to its submittal to Owner and shall have independently evaluated such claim in good faith to determine the extent to which the claim is believed in good faith to be valid. The Prime Contractor shall also certify, in writing and under oath to the Owner, at the time of the submittal of such claim, that the Prime Contractor has made a review, evaluation, and determination that the claim is made in good faith and is believed by the Contractor to be valid.

(iii) The Subcontractor making the claim to the Prime Contractor shall certify in writing and under oath that it has compiled, reviewed and evaluated the merits of such claim and that the claim is believed in good faith by the Subcontractor to be valid. A copy of the certification by the Subcontractor shall be included by Prime Contractor in the claim submittal materials made by Contractor to the Owner..

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(3) Any failure of the Prime Contractor to comply with any of the foregoing requirements and conditions precedent with regard to any such claim shall constitute a waiver of any entitlement to submit or pursue such claim against Owner.

(4) Receipt and review of a claim by the Owner under this Subparagraph shall not be construed as a waiver of any defenses to the claim available to the Owner under the Contract Documents or by applicable law.

(i) Owner's Right to Order Acceleration and to Deny Claimed and Appropriate Time Extensions, in Whole or in Part. The Prime Contractor acknowledges and agrees that Substantial Completion of the Work by or before the Scheduled Completion Date is of substantial importance to Owner. The following provisions, therefore, will apply:

(1) If the Prime Contractor falls behind the approved construction schedule for whatever reason, the Owner shall have the right, in the Owner's sole discretion, to order the Prime Contractor to develop a recovery schedule as described in Paragraph 3.10 or to accelerate its progress in such a manner as to achieve Substantial Completion on or before the Contract Time completion date or such other date as the Owner may reasonably direct and, upon receipt, the Prime Contractor shall take all action necessary to comply with the order. In such event, any possible right, if any, of the Prime Contractor to additional compensation for any acceleration shall be subject to the terms of this Subparagraph (i).

(2) In the event that the Prime Contractor is otherwise entitled to an extension of Contract Time and has properly initiated a Claim for a time extension in accordance with Subparagraph 4.3(a) above, the Owner shall have the right, in the Owner's sole discretion, to deny all, or any part, of the Claim for extension of Contract Time by giving written notice to the Prime Contractor provided within fourteen (14) days after receipt of the Prime Contractor's Claim. If the Owner denies the Prime Contractor's claim for an extension of Contract Time under this Clause (i)(2), either in whole or in part, the Prime Contractor shall proceed to prosecute the Work in such a manner as to achieve Substantial Completion on or before the then existing Scheduled Completion Date.

(3) If the Prime Contractor would have been entitled to a time extension for a reason specifically allowed under the Contract Documents, for an amount of time that would have justified approval by the Owner if not for the need and right to accelerate, the Prime Contractor may initiate a Claim for acceleration costs pursuant to Subparagraph 4.3(a). Any resulting Claim for acceleration costs properly initiated by the Prime Contractor under Subparagraph 4.3(a) above shall be limited to those reasonable and documented direct costs of labor, materials, equipment, and supervision solely and directly attributable to the actual acceleration activity necessary to bring the Work back within the then existing approved construction schedule. These direct costs include the premium portion of overtime pay, additional crew, shift, or equipment costs if requested in advance by the Contractor and approved in writing by the Owner. A percentage markup for the prorated cost of premium on the existing performance and payment bonds and

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required insurance; provided however, not to exceed five (5%) per cent, will be allowed on the claimed acceleration costs. NO OTHER MARKUP FOR PROFIT, OVERHEAD (INCLUDING BUT NOT LIMITED TO HOME OFFICE OVERHEAD) OR ANY OTHER COSTS WILL BE ALLOWED ON ANY ACCELERATION CLAIM. The Owner shall not be liable for any costs related to an acceleration claim other than those described in this Clause (i)(3).

(i) Waiver of Claims; Final Payment. The making of final payment shall constitute a waiver of claims by the Owner except those arising from:

(1) claims, security interests, purported liens, or other attempted encumbrances arising out of the Contract and remaining unsettled;

(2) defective or nonconforming Work appearing after Substantial Completion;

(3) latent defects, as defined in Subparagraph 12.2(d), appearing after Final Completion; or

(4) the terms of general and special warranties required by the Contract Documents or allowed or implied by law.

(k) THE CONTRACTOR SHALL NOT BE ENTITLED TO RECOVER ATTORNEY'S FEES AS A PART OF ANY CLAIM MADE UNDER THE CONTRACT DOCUMENTS OR IN ANY SUBSEQUENT LAWSUIT OR ALTERNATIVE DISPUTE RESOLUTION PROCEEDING.

(l) No Waiver of Governmental Immunity. NOTHING IN THE CONTRACT DOCUMENTS SHALL BE CONSTRUED TO WAIVE THE OWNER'S GOVERNMENTAL IMMUNITY FROM LAWSUIT, WHICH IMMUNITY IS EXPRESSLY RETAINED TO THE EXTENT IT IS NOT CLEARLY AND UNAMBIGUOUSLY WAIVED BY APPLICABLE STATE LAW.

ARTICLE 5 - SUBCONTRACTORS

5.1 DEFINITIONS OF SUBCONTRACTOR

(a) A Subcontractor is person or entity who has a direct Contract with the Prime Contractor to perform a portion of the Work at the Project site or to supply materials or equipment to the Prime Contractor by purchase or lease for use in performance of or incorporation into the Work. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a separate contractor or subcontractors of a separate contractor.

(b) A Sub-subcontractor is a person or entity who has a direct or indirect Contract with a Subcontractor to perform a portion of the Work at the Project site or to supply materials or equipment to the Subcontractor or another Sub-subcontractor by purchase or lease for use

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in performance of or incorporation into the Work. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

(a) Immediately after the award of the Contract by the Owner, and before the Building Construction Services Agreement is signed by the Prime Contractor and the Owner, the Prime Contractor shall furnish to the Architect/Engineer in writing, for acceptance by the Owner and the Architect/Engineer, a list of the names, addresses, telephone numbers, M/WBE certification numbers (where applicable), and type of work of the Subcontractors (including those who are to furnish materials or equipment fabricated to a special design), proposed for the principal portions of the Work, including furnishings when made a part of the Contract. The Prime Contractor shall immediately notify the Owner in writing of any changes in the list as they occur. The Architect/Engineer will promptly reply to the Contractor in writing stating whether or not the Owner or the Architect/Engineer, after due investigation, has reasonable objection to any such proposed person or entity. Failure of the Owner or Architect/Engineer to reply promptly shall constitute notice of no reasonable objection.

(b) The Prime Contractor shall not Contract with a proposed person or entity to whom the Owner or Architect/Engineer has made reasonable and timely objection.

(c) Architect/Engineer's and Owner's approval of or objection to any Subcontractor or of a particular process or material will not relieve the Prime Contractor of his responsibility for performance of Work as called for under the Contract Documents, and shall not provide a basis for any claim for additional time or money on the part of the Prime Contractor. Approval shall not be construed to create any contractual relationship between the Subcontractor and either the Owner or Architect/Engineer. In no event shall the Contract Sum be increased as a result of the rejection of any Subcontractor.

(d) The Prime Contractor shall not change a Subcontractor previously selected if the Owner or Architect/Engineer makes reasonable objection to such change.

5.3 SUBCONTRACTUAL RELATIONS

(a) By appropriate agreement, written where legally required for validity, the Prime Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Prime Contractor by the terms of the Contract Documents (including but not limited to these General Conditions), and to assume toward the Prime Contractor all the obligations and responsibilities which the Prime Contractor, by the Contract Documents, assumes toward the Owner and the Architect/Engineer. Each subcontract agreement shall preserve and protect the rights of the Owner and the Architect/Engineer under the Contract Documents (including but not limited to these General Conditions) with respect to the Work to be performed by the Subcontractor so that subcontracting will not prejudice the rights of the Owner and the Architect/Engineer.

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Where appropriate, the Prime Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Prime Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor is to be bound. Subcontractors shall similarly make copies of applicable portions of such Documents available to their respective proposed Sub-subcontractors.

(b) The Prime Contractor is solely responsible for making payments properly to the Prime Contractor's Subcontractors on the Project. During performance of the Work, the Prime Contractor shall comply with the following additional rules regarding Subcontractor payments:

(1) The Prime Contractor shall submit, beginning with the Second Application and Certificate for Payment, a Subcontractor Payment Report (the "Report") with each Application and Certificate for Payment. The Report shall show all payments made to date by the Prime Contractor (plus existing retainage) to each Subcontractor involved in the Project. The Report shall be made on a form approved and supplied by the Owner. As an alternative to the Report, the Prime Contractor may furnish Affidavits of Payment Received with the Application and Certificate for Payment, which affidavits shall be executed by each Subcontractor owed money and paid by Subcontractor during the previous progress payment period for work or materials furnished on the Project. RECEIPT BY THE OWNER OF THE REPORT OR AFFIDAVITS OF PAYMENT RECEIVED SHALL BE A CONDITION PRECEDENT TO PAYMENT ON ANY APPLICATION FOR PAYMENT.

(2) If, for any reason, the Prime Contractor is withholding payment to a Subcontractor due to a dispute or other problem with performance, the Prime Contractor shall note the amount withheld and further note that the payment is in dispute. The Owner may, in its sole discretion, require the Prime Contractor to document and verify the dispute or other problem in question.

(3) The Owner reserves the right in its sole discretion, to withhold payment to the Prime Contractor pursuant to Paragraph 9.5(a) of the General Conditions, should it appear from the Report, statements of payment received or other information furnished to the Owner that:

(i) the Report has not been properly completed;

(ii) the Prime Contractor has knowingly provided false information regarding payment of any Subcontractor; or

(iii) the Prime Contractor has otherwise failed to make payments properly to any Subcontractor.

(4) THE PRIME CONTRACTOR SHALL NOT HAVE ANY RIGHT TO MAKE A CLAIM FOR ADDITIONAL TIME OR ADDITIONAL COMPENSATION AS A RESULT OF THE OWNER'S OR ARCHITECT/ENGINEER'S ENFORCEMENT OF

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THIS SUBPARAGRAPH 5.3(b). NO PROVISION OF THIS SUBPARAGRAPH OR ANY OF THE CONTRACT DOCUMENTS SHALL BE CONSTRUED TO CREATE A CONTRACTUAL RELATIONSHIP, EXPRESS OR IMPLIED, BETWEEN ANY SUBCONTRACTOR AND EITHER THE OWNER OR THE ARCHITECT/ENGINEER AND SHALL NOT BE CONSTRUED TO MAKE ANY SUBCONTRACTOR OR ANY OTHER PERSON OR ENTITY, A THIRD-PARTY BENEFICIARY OF THE CONTRACT BETWEEN THE OWNER AND THE PRIME CONTRACTOR.

5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS

In the event of a termination of this Contract by the Owner under Article 14, the Prime Contractor shall, if requested in writing by the Owner, within fifteen (15) days after the date notice of termination is sent, deliver and assign to Owner, or any person or entity acting on the Owner's behalf, any or all subcontracts made by Prime Contractor in the performance of the Work, and deliver to the Owner true and correct originals and copies of the subcontract documents. In the event assignment is not requested by the Owner, Prime Contractor shall terminate all subcontracts to the extent that Owner has not directed assignment of same and to the extent that they relate to the performance of Work terminated by the notice of termination.

ARTICLE 6 - CONSTRUCTION BY THE OWNER/ SEPARATE CONTRACTORS

6.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

(a) The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the Project site under Conditions of the Contract identical or substantially similar to these General Conditions, including those portions related to insurance and waiver of subrogation. If the Prime Contractor claims that delay or additional cost is involved because of such action by the Owner, the Prime Contractor shall make a claim as provided elsewhere in, and in accordance with the Contract Documents.

(b) When separate Contracts are awarded for different portions of the Project or other construction or operations on the Project site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Building Construction Services Agreement with the Owner.

(c) The Owner shall provide for coordination of the activities of the Owner's own forces and of each separate contractor with the Work of the Prime Contractor, who shall cooperate with them. The Prime Contractor shall participate with other separate contractors and the Owner in reviewing their construction schedules when directed to do so. The Prime Contractor shall, with the approval of the Owner, make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Prime Contractor, separate

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contractors, and the Owner until subsequently revised by mutual agreement or by written Change Order. If the Prime Contractor believes it is entitled to an adjustment of the Contract Sum under the circumstances, the Prime Contractor shall submit a written proposal for a Change Order pursuant to Article 7 of the General Conditions. In the event the Prime Contractor's Change Order proposal is denied by the Owner, the Prime Contractor must submit any Claim pursuant to Paragraph 4.3 of the General Conditions.

(d) Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces, the Owner shall be deemed to be subject to the same obligations and to have the same rights which apply to the Prime Contractor under these General Conditions, including, without excluding others, those stated in Article 3, this Article 6, and Articles 10, 11 and 12.

6.2 MUTUAL RESPONSIBILITY

(a) The Prime Contractor shall afford the Owner and separate contractors' reasonable opportunity for access to and storage of their materials and equipment and the performance of their activities and shall coordinate the Prime Contractor's construction and operations with the separate contractors as required by the Contract Documents.

(b) If part of the Prime Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a separate contractor, the Prime Contractor shall, prior to proceeding with that portion of the Work, promptly report to the Architect/Engineer apparent discrepancies or defects in the other construction that would render it unsuitable for proper execution and results. Failure of the Prime Contractor to so report shall constitute an acknowledgment that the Owner's or separate contractors completed or partially completed construction is fit and proper to receive the Prime Contractor's Work, except as to defects not then reasonably discoverable.

(c) The Owner shall not be liable to the prime Contractor for damages suffered by the Prime Contractor due to the fault or negligence of a separate contractor or through failure of a separate contractor to carry out the directions of the Owner or the Architect/Engineer. Should any interference occur between the Prime Contractor and a separate contractor, the Architect/Engineer or the Owner may furnish the Prime Contractor with written instructions designating priority of effort or change in methods, whereupon the Prime Contractor shall immediately comply with such direction. In such event, the Prime Contractor shall be entitled to an extension of the Contract Time only for unavoidable delays verified by the Architect/Engineer; no increase in the Contract Sum, however, shall be due to the Prime Contractor.

(d) The Prime Contractor shall promptly remedy damage wrongfully caused by the Prime Contractor to completed or partially completed construction or to property of the Owner or separate contractors as provided in Subparagraph 10.2(e).

(e) Should the Prime Contractor cause damage to the work or property of any separate contractor on the Project, the Prime Contractor shall, upon due notice, settle with the separate contractor by agreement, if the separate contractor will so settle. If the separate

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contractor sues the Owner or submits a claim on account of any damage alleged to have been so sustained, the Owner shall notify the Prime Contractor who shall defend such proceedings, at the Prime Contractor's sole expense, and if any judgment or award against the Owner arises from the separate contractor's claim, the Prime Contractor shall fully pay or satisfy it and shall reimburse the Owner for any and all attorney's fees and costs which the Owner has incurred.

(f) The Owner and each separate contractor shall have the same responsibilities for cutting and patching as are described for the Prime Contractor in Paragraph 3.14.

6.3 OWNER'S RIGHT TO CLEAN UP

If a dispute arises among the Contractor, separate contractors and the Owner as to the responsibility under their respective contracts for maintaining the Project Site and surrounding area free from waste materials and rubbish as described in Paragraph 3.15, the Owner may clean up, but is not obligated to do so, and Owner shall allocate the cost among those parties responsible, as the Architect/Engineer recommends to be just.

ARTICLE 7 - AMENDMENTS

7.1 CHANGE ORDERS

(a) A Change Order is a written order to the Contractor, signed by the Owner and the Architect/Engineer, issued after execution of the Contract, authorizing a change in the Work, an adjustment in the Contract Sum, or an adjustment to the Contract Time, consistent with other applicable provisions of this Contract. The Owner, without invalidating the Contract and without requiring notice of any kind to the sureties, may order changes to the scope of Work under the Contract by additions, deletions, or other revisions, the Contract Sum and Contract Time to be adjusted consistent with other applicable provisions of this Contract. All Change Orders shall be executed on a Change Order form approved by the Owner and the Owner's City Attorney.

(b) In addition to the Owner and the Architect/Engineer, the Contractor shall sign all Change Orders to verify and confirm the terms and conditions established by Change Order; however, should the Contractor refuse to sign a Change Order, this shall not relieve him of his obligation to perform the change directed by the Owner and the Architect/Engineer to the best of his ability in accordance with the provisions of this Article 7. A Change Order signed by the Contractor indicates his agreement with all of the changes approved, including the adjustment in the Contract Sum or the Contract Time. EACH CHANGE ORDER SHALL BE SPECIFIC AND FINAL AS TO PRICES AND EXTENSIONS OF TIME, WITH NO RESERVATIONS OR OTHER PROVISIONS ALLOWING FOR FUTURE ADDITIONAL MONEY OR TIME AS A RESULT OF THE PARTICULAR CHANGES IDENTIFIED AND FULLY COMPENSATED IN THE CHANGE ORDER. 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. The Contractor forever releases any claim against the Owner for additional time or compensation for matters relating to or arising out of or resulting from the Work included within or affected by the

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executed Change Order. This release applies to claims related to the cumulative impact of all Change Orders and to any claim related to the effect of a change on other Work.

(c) No extra work (except under emergency conditions) or changes shall be made nor shall any substitutions, changes or additions to or omissions or deviations from the requirements of the Drawings and Specifications be made unless pursuant to a written Change Order signed by the Owner and the Architect/Engineer, it being expressly understood that the Owner shall not be liable for the cost of extra work or any substitution, change, addition, omission or deviation from the requirements of the Drawings or Specifications unless the same shall have been authorized in writing by the Owner and the Architect/Engineer in a written change order or other Amendment. The provisions of this Paragraph 7.1 shall control in the event of any inconsistency between such provisions and the other provisions of this Article 7. See Subparagraph 10.3(a) of the General Conditions for Change Orders under emergency conditions.

(d) The method of determining the cost or credit to the Owner for any change in the Work shall be one of the following:

(1) mutual acceptance of a not-to-exceed lump-sum amount properly itemized and supported by sufficient substantiating data to permit evaluation; or

(2) unit prices stated in the Contract Documents or subsequently agreed upon; or

(3) cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or

(4) the force account method provided in Subparagraph 7.1(e)

(e) If the parties cannot agree to one of the methods of calculating cost provided in Clauses (d) (1), (d) (2), or (d) (3), or if the parties agree to a method but cannot agree on a final dollar figure; or if the Contractor for whatever reason refuses to sign the Change Order in question; the Contractor, provided he receives a written order signed by the Owner, shall promptly proceed with the Work involved. The cost of the Work involved shall then be calculated on the basis of the reasonable jobsite expenditures and savings of those performing the Work attributable to the changes, including a reasonable allowance for overhead and profit, such allowance in any case never to exceed fifteen (15%) per cent. In such case, the Contractor shall keep an itemized accounting of the Work involved, on a daily basis, in such form and with the appropriate supporting data as the Architect/Engineer and Owner may prescribe. Sworn copies of the itemized accounting shall be delivered to the Architect/Engineer each day during the performance of force account work, with copies to the Owner.

FAILURE OF THE CONTRACTOR TO SUBMIT THE SWORN-TO ITEMIZED ACCOUNTING DAILY AS REQUIRED HEREIN SHALL CONSTITUTE A WAIVER BY THE CONTRACTOR OF ANY RIGHT TO DISPUTE THE OWNER'S DETERMINATION OF THE AMOUNT DUE THE CONTRACTOR FOR FORCE ACCOUNT WORK. Costs to be charged under this Subparagraph for force account work

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are limited to the following:

(1) costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and worker's compensation insurance;

(2) costs of materials, supplies and equipment (but not to include off-site storage unless approved in writing by the Owner), whether incorporated or consumed;

(3) rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;

(4) costs of premiums for all bonds and insurance related to the Work; and

(5) additional costs of supervision and field office personnel directly attributable to the changed Work. Pending final determination of cost to the Owner, payment of undisputed amounts on force account shall be included on the Architect/Engineer's Certificate of Payment as work is completed.

(f) The amount of credit to be allowed to the Owner for any deletion of Work or any other change which results in a net decrease of the Contract Sum shall be the amount of actual net cost confirmed by the Architect/Engineer plus the stated percentage for overhead and profit. When both additions and deletions or credits covering related Work or substitutions are involved in any one change, the allowance for overhead and profit shall be figured on the basis of the net increase or decrease with respect to that change.

7.2 SUPPLEMENTAL AGREEMENTS

A written Supplemental Agreement can also be used to implement changes in the Work instead of a Change Order form, including but not limited to situations involving partial occupancy of the Work under Paragraph 9.8, a change made to the Drawings or the Specifications without an increase in the Contract Sum, or special circumstances where it is necessary or more appropriate for the Owner to use a Supplemental Agreement. Written Supplemental Agreements shall have a status equal to that of Change Orders for purposes of priority of Contract Documents interpretation, except that to the extent of a conflict, later Supplemental Agreements in time control over earlier Supplemental Agreements, and the latest Change Order or Supplemental Agreement in time controls over earlier dated Change Orders and Supplemental Agreements. The rules of Subparagraphs 7.1(b) through (f) shall also apply to the negotiation and execution of Supplemental Agreements.

7.3 MINOR CHANGES IN THE WORK

The Architect/Engineer, after notifying the Owner, shall be authorized to order minor changes in the Work not involving an adjustment in the Contract Sum or an extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Minor changes shall be effected by written order, and shall be binding on the Owner and the Contractor. The Contractor shall carry out such written orders promptly. These written orders shall not be deemed to change or impact the Contract Sum or the Contract Time. Contractor shall have no

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Claim for any minor change ordered to the Work under this Paragraph 7.3 unless the Contractor submits its change proposal, prior to complying with the minor change ordered and in no event later than ten (10) working days from the date the minor change was ordered, to the Owner for approval.

7.4 TIME REQUIRED TO PROCESS AMENDMENTS

(a) All of the Contractor's responses to proposal requests shall be accompanied by a complete, itemized breakdown of costs. Responses to proposal requests shall be submitted sufficiently in advance of the required work to allow the Owner and the Architect/Engineer a minimum of thirty (30) calendar days after receipt by the Architect/Engineer to review the itemized breakdown and to prepare or distribute additional documents as may be necessary. All of the Prime Contractor's responses to proposal requests shall include a statement that the cost described in the response represents the complete, total and final cost and additional Contract Time associated with the extra work, change, addition to, omission, deviation, substitution, or other grounds for seeking extra compensation under the Contract Documents, without reservation or further recourse.

(b) All Amendments require approval by either the City Council or, where authorized by the State law and City ordinance, by the City Manager pursuant to Administrative Action. The approval process requires a minimum of forty-five (45) calendar days after submission to the Owner in final form with all supporting data. Receipt of a submission by Owner does not constitute acceptance or approval of a proposal, nor does it constitute a warranty that the proposal will be authorized by City Council Resolution, Ordinance or Administrative Action. THE TIME REQUIRED FOR THE APPROVAL PROCESS SHALL NOT BE CONSIDERED A DELAY AND NO EXTENSIONS TO THE CONTRACT TIME OR INCREASE IN THE CONTRACT SUM WILL BE CONSIDERED OR GRANTED AS A RESULT OF THIS PROCESS. Pending the approval described above, the Contractor will proceed with the work under a pending Amendment only if directed in writing by the Owner.

ARTICLE 8 - CONTRACT TIME

8.1 DEFINITIONS

(a) Unless otherwise provided, the Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

(b) The date of commencement of the Work is the date established in the Notice to Proceed from the Owner. The date of commencement shall not be postponed by the failure of the Prime Contractor, or of persons or entities for whom the Prime Contractor is responsible to act promptly to commence the Work. If the Owner unreasonably delays the issuance of the notice to proceed, through no fault of the Prime Contractor, the Prime Contractor shall be entitled only to an equitable extension of the Contract Time; the Contract Sum shall remain unchanged.

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(c) The date of Substantial Completion is the date certified by the Architect/Engineer in accordance with Paragraph 9.7.

(d) The term "day" as used in the Contract Documents shall mean a calendar day, beginning and ending at 12:00 midnight, unless otherwise specifically defined by special provision.

8.2 PROGRESS AND COMPLETION

(a) **Time limits stated in the Contract Documents are of the essence of the Contract**. By executing the Building Construction Services Agreement, the Prime Contractor confirms that the Contract Time is a reasonable period for performing the Work.

(b) The Prime Contractor shall not knowingly, except by agreement with or instruction of the Owner in writing, prematurely commence operations on the Project site or elsewhere prior to the effective date of insurance to be furnished by the Prime Contractor as required by Article 11. The date of commencement of the Work shall not be changed by the effective date of insurance required by Article 11.

8.3 DELAYS AND EXTENSIONS OF TIME

(a) If the Prime Contractor is delayed at any time in the progress of the Work by an act or neglect of the Owner or Architect/Engineer, or of an employee of either, or of a separate contractor employed by the Owner, or by changes ordered in the Work, or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond the Prime Contractor's control, or by delay authorized by the Owner pending a claim, or by other causes which the Architect/Engineer determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Architect/Engineer and Owner may determine.

(b) Claims relating to Contract Time and time extensions shall be made in accordance with the applicable provisions of Paragraph 4.3.

(c) No Damages for Delay. NOTWITHSTANDING ANY OTHER PROVISIONS OF THE CONTRACT DOCUMENTS, INCLUDING THE GENERAL CONDITIONS, NO ADJUSTMENT SHALL BE MADE TO THE CONTRACT SUM AND THE PRIME CONTRACTOR SHALL NOT BE ENTITLED TO CLAIM OR RECEIVE ANY ADDITIONAL COMPENSATION AS A RESULT OF OR ARISING OUT OF ANY DELAY, HINDRANCE, DISRUPTION, FORCE MAJEURE, IMPACT, OR INTERFERENCE, INTENTIONAL OR UNINTENTIONAL, FORESEEN OR UNFORESEEN, WHICH INCREASES THE TIME TO COMPLETE THE WORK, INCLUDING BUT NOT LIMITED TO ANY DELAYS CAUSED IN WHOLE OR IN PART BY THE ACTS, OMISSIONS, FAILURES, NEGLIGENCE, OR FAULT OF THE OWNER, THE ARCHITECT/ENGINEER, OR THE OWNER'S REPRESENTATIVE, AN EXTENSION OF THE CONTRACT TIME UNDER SUBPARAGRAPH 8.3(a) BEING THE PRIME CONTRACTOR'S SOLE REMEDY.

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(d) The Owner shall have the right to occupy, without prejudice to the right of either party, any completed or largely completed portions of the structure or Work, notwithstanding the fact that the Contract Time for completing all or a portion of the Work may not have expired. Partial occupancy and use shall not be deemed as an acceptance of the Work taken or used.

(e) The Prime Contractor shall promptly suspend the Work when either the Prime Contractor or the Owner is ordered to do so by a court order from a court having lawful jurisdiction, and the Prime Contractor will not be entitled to additional compensation by virtue of any delays resulting from the court order. The Prime Contractor will also not be liable to the Owner for a delay caused in fact by the Work being suspended by a court order.

(f) The Architect/Engineer, with the consent of the Owner, shall have the authority to suspend the Work, in whole or in part, for such period or periods as the Architect/Engineer deems necessary due to unusual or severe weather conditions as are considered unfavorable for the suitable prosecution of the Work, or due to failure on the part of the Prime Contractor to correct conditions considered unsafe for workmen or the general public. If it should become necessary to stop the Work for an indefinite period, the Prime Contractor shall store all materials in such a manner that they will not obstruct or impede the public unnecessarily or become damaged in any way, and shall take every precaution to prevent damage or deterioration of the Work performed. In cases of suspension of the Work under this Subparagraph, the Prime Contractor shall also provide suitable drainage about the Work and erect temporary structures where necessary. The Prime Contractor shall not suspend the Work in whole or in part without written authority from the Architect/Engineer or the Owner, and shall resume the Work promptly when notified by the Architect/Engineer or the Owner to resume operations.

(g) In the event of a delay that is the responsibility of the Prime Contractor or any of the Subcontractors, for which the Prime Contractor is not entitled to a time extension under the provisions of this Contract, the Owner may direct that the Work be accelerated by means of overtime, additional crews or additional shifts, or resequencing. This acceleration shall be at no cost to the Owner and will continue until the Contract Time is restored. In the event of a delay for which the Prime Contractor is entitled to a time extension, as determined by the Architect/Engineer, Owner may similarly direct acceleration and the Prime Contractor agrees to perform same on the basis that the Prime Contractor will be reimbursed only to the extent described in Subparagraph 4.3(i). THE PRIME CONTRACTOR EXPRESSLY WAIVES ANY OTHER COMPENSATION RESULTING FROM ACCELERATION, SUCH AS LOSS OF LABOR PRODUCTIVITY OR EFFICIENCY.

ARTICLE 9 - PAYMENTS AND COMPLETION

9.1 CONTRACT SUM

The Contract Sum is stated in the Building Construction Services Agreement and, including authorized adjustments, is the total amount of compensation payable by the Owner to the Prime Contractor for the performance of the Work under the Contract Documents.

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9.2 SCHEDULE OF VALUES

Before the first Application for Payment, the Prime Contractor shall submit to the Architect/Engineer a schedule of values allocated to various portions of the Work, prepared in such form and supported by such data to substantiate its accuracy as the Architect/Engineer may require. This schedule, when approved by the Architect/Engineer and the Owner, shall be used as a basis for the Prime Contractor's Application for Payment. The schedule of values shall follow the trade division of the Specifications. Prime Contractor's Application for Payment shall be filed on the current version of AIA Form G702 (Application and Certificate for Payment), as approved by the Owner.

9.3 APPLICATIONS FOR PAYMENT

(a) At least ten (10) days before the date established for each progress payment, the Prime Contractor shall submit to the Architect/Engineer an itemized Application for Payment for Work completed in accordance with the schedule of values. The Application shall be notarized, if required, and supported by data substantiating the Prime Contractor's right to payment as the Owner or Architect/Engineer may require, including but not limited to copies of requisitions from Subcontractors and material suppliers, and reflecting the applicable retainage as required in the Contract Documents. Prime Contractor's Application for Payment shall also provide other supporting documentation as the Owner or the other applicable provisions of the Contract Documents may require.

(b) Applications for Payment may not include requests for payment of amounts the Prime Contractor does not intend to pay to a Subcontractor because of a good faith dispute, unless the Prime Contractor complies with Clause 5.3(b) (2) of these General Conditions and the Prime Contractor's Payment Bond Surety consents in writing to payment to the Prime Contractor of the funds deemed to be in dispute.

(c) Unless otherwise provided in the Contract Documents, progress payments shall include payment for materials and equipment delivered and suitably stored at the Project site for subsequent incorporation into the Work within thirty (30) days after delivery to the Project site. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored away from the Project site at a location agreed upon in writing. Payment for costs incurred in storage of materials or equipment away from the Project site will NOT be made by Owner unless:

(1) the Owner has given prior approval of such off-site storage in writing;
(2) the materials or equipment are stored in a bonded warehouse located in Denton County and identified with the Project for which they are stored, as evidenced by warehouse receipts and appropriate documents of title; and
(3) the materials or equipment stored off-site will be incorporated into the Work within thirty (30) days after delivery. STORAGE IN FACILITIES OF THE MANUFACTURER OR THE PRIME CONTRACTOR WILL NOT BE PERMITTED OR PAID FOR, UNLESS THE OWNER HAS EXPRESSLY GIVEN PRIOR APPROVAL OF SUCH STORAGE IN WRITING.

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(d) The Prime Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Prime Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall be free and clear of liens, claims, security interests or encumbrances in favor of the Prime Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials, and equipment relating to the Work.

(e) All materials or equipment delivered to the Project site earlier than thirty (30) days prior to an approved schedule for delivery to the Project site shall be classified as an "early delivery." All early delivery materials or equipment must have the express written permission of the Owner to be stored on the Project site. If any unauthorized early delivery occurs, Prime Contractor shall, at Prime Contractor's expense or at the expense of the responsible Subcontractor or Supplier, cause such early delivery to be removed from the Project site and stored off-site until required at the Project site. All costs of labor, transportation and storage will be included as part of the expense. If the Prime Contractor fails or refuses to remove unauthorized early delivery materials, the Owner may cause such materials to be removed at the Prime Contractor's sole expense, and amounts may be withheld from the Prime Contractor's Application for Payment to reimburse the Owner for any costs incurred in removing unauthorized early delivery materials. OWNER WILL NOT BE RESPONSIBLE FOR THE PROTECTION OF OR RISK OF LOSS ON ANY EARLY DELIVERY MATERIALS OR EQUIPMENT, NOR WILL OWNER BE LIABLE FOR ANY PAYMENT FOR THE EARLY DELIVERY MATERIALS OR EQUIPMENT. Any materials or equipment classified as early delivery will not be approved for payment as stored materials prior to thirty (30) days before the incorporation of the materials or equipment into the Work, unless storage and payment at an earlier date is expressly approved in writing by the Owner.

(f) If the Contract Sum is equal to or less than $25,000, and if performance and payment bonds are not furnished by the Contractor, then no payment applied for will be payable under the Contract until the Work has been finally completed and accepted.

9.4 CERTIFICATES FOR PAYMENT

(a) The Architect/Engineer will, within ten (10) days after receipt of the Prime Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Prime Contractor, for such amount as the Architect/Engineer determines is properly due, or notify the Prime Contractor and Owner in writing of the Architect/Engineer's reasons for withholding certification in whole or in part as provided in:
(a) City of Denton "General Conditions for Building Construction."
(b) Subparagraph 9.5(a). The Certificate for Payment shall be issued on the current version of AIA Form G702 (Application and Certificate for Payment) as approved by the Owner.
(c) The issuance of a Certificate for Payment will constitute a representation by the Architect/Engineer to the Owner, based on the Architect/Engineer's observations at the site and the data comprising the Application for Payment, that the Work has progressed to the point indicated and that, to the best of the Architect/Engineer's knowledge, information and belief, quality of the Work is in accordance with the Contract Documents. The

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foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial and Final Completion, to results of subsequent tests and inspections, to minor deviations from the Contract Documents correctable prior to Final Completion and to specific qualifications expressed by the Architect/Engineer. The issuance of a Certificate for Payment will further constitute a representation that the Prime Contractor is entitled to payment in the amount certified, subject to the Owner's approval. The issuance of a Certificate for Payment is not a representation that the Architect/Engineer has:

(1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work;

(2) reviewed construction means, methods, techniques, sequences or procedures;

(3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Prime Contractor's right to payment; or

(4) made examination to ascertain how or for what purpose the Prime Contractor has used money previously paid on account of the Contract Sum.

(d) Whenever the Application for Payment for Work done since the last previous Application for Payment exceeds one hundred dollars ($100.00) in amount, Owner will pay a percentage of the Application, less applicable retainage, to the Prime Contractor within thirty (30) days following Owner's receipt and approval of the Certificate for Payment certified by the Architect/Engineer. The Application may include acceptable nonperishable materials delivered to the Work or stored as provided for in Paragraph 9.3(c) and the payment will be allowed on the net invoice value, less taxes and applicable retainage.

(e) The City is required to withhold retainage for public works contracts in which the total contract price estimate at the time of execution is more than $400,000; however, this requirement is applied by the City for all public works contracts in excess of $50,000. The retainage will be withheld by the Owner from each progress payment until final completion of the Work by the Contractor, approval of final completion by the Architect/Engineer, and final acceptance of the Work by the Owner. Unless otherwise required by state law, the retainage percentage as specified in Exhibit A is based upon the original Contract Sum, and will not be affected in the event the original Contract Sum is subsequently increased by Change Order.

(f) No progress payments shall be made on contracts where performance and payment bonds are not required or furnished. In such instances, payment for the Work performed will be made upon final completion and acceptance by the Owner of all Work.

9.5 DECISIONS TO WITHHOLD CERTIFICATION

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(a) The Architect/Engineer or the Owner may decide not to certify payment and may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner's interest, if in the Architect/Engineer's or Owner's opinion the representations to the Owner required by Subparagraph 9.4(b) cannot be made. If the Architect/Engineer or the Owner is unable to certify payment in the amount of the Application, the Architect/Engineer or the Owner will notify the Prime Contractor as provided in Subparagraph 9.4(a). If the Prime Contractor and Architect/Engineer or the Owner cannot agree on a revised amount, the Architect/Engineer will promptly issue a Certificate for Payment for the amount for which the Architect/Engineer is able to make the required representations to the Owner. The Architect/Engineer or the Owner may also decide not to certify payment or, because of subsequently discovered evidence or subsequent observations, may nullify the whole or a part of a Certificate for Payment previously issued to such extent as may be necessary, in the Architect/Engineer's or Owner's opinion, to protect the Owner from loss because of:

(1) defective or nonconforming Work not remedied;

(2) third-party claims filed or reasonable evidence indicating probable filing of such claims;

(3) failure of the Prime Contractor to make payments properly to Subcontractors or for labor, materials, or equipment;

(4) reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;

(5) damage to the Owner or another contractor;

(6) reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or damages for the anticipated delay;

(7) persistent failure to carry out the Work in accordance with the Contract Documents; or

(8) mathematical or other errors that are discovered in the Application for Payment.

(b) When all of the above reasons that existed for withholding certification are removed or remedied, then, at that time, certification will be made for amounts previously withheld.

(c) The Owner may, at its option, offset any progress payment or final payment under the Contract Documents against any debt (including taxes) lawfully due to the Owner from the Prime Contractor, regardless of whether the amount due arises pursuant to the terms of the Contract Documents or otherwise, and regardless of whether or not the debt due to the Owner has been reduced to judgment by a court.

9.6 PROGRESS PAYMENTS

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(a) After the Architect/Engineer has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect/Engineer. The Owner shall not be liable for interest on any late or delayed progress payment or final payment caused by any claim or dispute, any discrepancy in quantities, any failure to provide supporting documentation or other information required with the Application for Payment or as a precondition to payment under the Contract Documents, or due to any payment the Owner or the Architect/Engineer has a right to withhold or not certify under the Contract Documents. Notwithstanding the foregoing, the Owner may refuse to make payment on any Certificate for Payment (including, without limitation, the final Certificate for Payment) for any default under the Contract Documents, including but not limited to those defaults set forth in Subparagraph 9.5(a), Clauses (1) through (7). The Owner shall not be deemed in default by reason of withholding payment while any Prime Contractor default remains uncured.

(b) The Prime Contractor shall promptly pay each Subcontractor, upon receipt of payment from the Owner, out of the amount paid to the Prime Contractor on account of each Subcontractor's portion of the Work, the amount to which said Subcontractor is entitled, reflecting percentages actually retained from payments to the Prime Contractor on account of such Subcontractors portion of the Work. The Prime Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in similar manner.

(c) The Architect/Engineer will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Prime Contractor and action taken thereon by the Architect/Engineer and the Owner on account of portions of the Work done by such Subcontractor.

(d) Neither the Owner nor the Architect/Engineer shall have an obligation to pay or to see to the payment of money to a Subcontractor except as may otherwise be required by law. That obligation belongs to the Prime Contractor or, in the event of the Prime Contractor's failure to pay a Subcontractor, to the Surety on the Payment Bond as required under Paragraph 11.3.

(e) Payment to material suppliers shall be treated in a manner similar to that provided in Subparagraphs 9.6(b), (c), and (d).

(f) A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not performed in accordance with the Contract Documents.

9.7 SUBSTANTIAL COMPLETION

(a) The Date of Substantial Completion of the Work, or designated portion of the Work, is the date certified by the Architect/Engineer when construction is sufficiently completed in accordance with the City Of Denton General Conditions For Building Construction.

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(a) the Contract Documents such that the Owner may beneficially occupy and use the Work, or designated portions of the Work, for the purposes for which it is intended and only trivial and insignificant items remain which do not affect the Work as a whole.

(b) When the Prime Contractor considers that the Work, or the portion of the Work which the Owner agrees to accept separately, is Substantially Complete, the Prime Contractor shall prepare and submit to the Architect/Engineer a comprehensive list of remaining items to be completed or corrected. The Prime Contractor shall proceed promptly to complete and correct items on the list (hereinafter called the "punch list"). Failure to include an item on the punch list does not alter the responsibility of the Prime Contractor to complete all Work in accordance with the Contract Documents. Upon receipt of the punch list, the Architect/Engineer will make an inspection to determine whether the Work, or designated portion of the Work, is Substantially Complete. If the Architect/Engineer's inspection discloses any item, whether or not included on the punch list, which is not in accordance with the requirements of the Contract Documents and which renders the Work inspected not Substantially Complete the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct the item upon notification by the Architect/Engineer. The Prime Contractor shall then submit a request for another inspection by the Architect/Engineer to determine Substantial Completion. When the Work or designated portion of the Work is Substantially Complete, the Architect/Engineer will prepare a Certificate of Substantial Completion which shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and the Prime Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Prime Contractor shall finish all items on the punch list accompanying the Certificate.

(c) The Certificate of Substantial Completion shall be submitted to the Owner and the Prime Contractor for their written acceptance of responsibilities assigned to them in the Certificate.

(d) Upon Substantial Completion of the Work or designated portion thereof and upon application by the Prime Contractor and certification by the Architect/Engineer, the Owner shall make payment, reflecting adjustment in retainage, if any, for the Work, or portion of the Work, as provided in the Contract Documents.

9.8 PARTIAL OCCUPANCY OR USE

(a) The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate Supplemental Agreement with the Prime Contractor, provided such occupancy or use is consented to by the insurer as required under Subparagraph 11.2(e) and authorized by public authorities having jurisdiction over the Work. Such partial occupancy or use may commence whether or not the portion is Substantially Complete, provided the Owner and Prime Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of

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warranties required by the Contract Documents. When the Prime Contractor considers a portion Substantially Complete, the Prime Contractor shall prepare and submit a list to the Architect/Engineer as provided under Subparagraph 9.7(b). Consent of the Prime Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Prime Contractor or, if no agreement is reached, by decision of the Architect/Engineer.

(b) Immediately prior to such partial occupancy or use, the Owner, Prime Contractor, and Architect/Engineer shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

(c) Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

9.9 FINAL COMPLETION AND FINAL PAYMENT

(a) Upon receipt of written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect/Engineer, accompanied by the Owner's representative, will promptly make final inspection and, when the Architect/Engineer finds the Work acceptable under the Contract Documents and the Contract Documents fully performed, the Architect/Engineer will promptly issue a final Certificate for Payment stating that to the best of the Architect/Engineer's knowledge, information and belief, and on the basis of the Architect/Engineer's observations and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Prime Contractor and noted in said final Certificate is due and payable. The Architect/Engineer's final Certificate for Payment will constitute a further representation that conditions listed in Subparagraph 9.9(b) as a condition precedent to the Prime Contractor's being entitled to final payment have been fulfilled. Owner will normally make final payment within thirty (30) days after Owner's receipt and approval of the final Certificate for Payment. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work, unless otherwise provided by separate agreement between the Owner and the Prime Contractor.

(b) Neither final payment nor any remaining retained percentage shall become due until the Prime Contractor submits to the Architect/Engineer:

(1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied;
(2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be cancelled or allowed to expire until at least thirty (30) days prior written notice has been given to the Owner;

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(3) a written statement that the Prime Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents;
(4) a consent of surety to final payment; and
(5) if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner.

(c) As a precondition to final payment by the Owner under this Contract, the Prime Contractor's affidavit under Clause (b)(1) shall state that the Prime Contractor has paid each of his subcontractors, laborers or materialmen in full for all labor and materials provided to Contractor for the Work performed under this Contract. In the event the Prime Contractor has not paid each of his subcontractors, laborers or materialmen in full, the Prime Contractor shall state in the affidavit the amount owed and the name of each subcontractor, laborer or materialmen to whom such payment is owed. IN ANY EVENT, THE PRIME CONTRACTOR SHALL BE REQUIRED TO EXECUTE THE OWNER'S STANDARD AFFIDAVIT OF FINAL PAYMENT AND RELEASE AS A PRECONDITION TO RECEIPT OF FINAL PAYMENT.

(d) If, after Substantial Completion of the Work, final completion of the Work is materially delayed through no fault of the Prime Contractor or by issuance of Change Orders affecting final completion and the Architect/Engineer confirms the delay, the Owner shall, upon application by the Prime Contractor and certification by the Architect/Engineer, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect/Engineer prior to certification of payment. Payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

(e) The acceptance by the Prime Contractor of the final payment shall operate as and shall be a complete release of the Owner from all claims or liabilities under the Contract, for anything done or furnished or relating to the Work or the Project, or for any act or neglect of the Owner relating to or connected with the Work or the Project.

ARTICLE 10 - SAFETY, SECURITY AND UTILITY PROVISIONS; ENVIRONMENTAL COMPLIANCE

10.1 SAFETY PRECAUTIONS AND PROGRAMS

The Prime Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract, and will comply with all applicable City, County, State and Federal health and safety regulations.

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10.2 SAFETY OF PERSONS AND PROPERTY

(a) The Prime Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to:

(1) employees on the Work and other persons who may be affected thereby;

(2) the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Prime Contractor or the Prime Contractor's Subcontractors or Sub-subcontractors; and

(3) other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

(b) The Prime Contractor shall give notices and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

(c) The Prime Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities.

(d) When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Prime Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

(e) USE OF EXPLOSIVES - CLAIMS AND TOTAL INDEMNIFICATION. The Owner shall have the right to pre-approve the use of any explosives on the Project; the Prime Contractor shall not assume in its bid that permission to use explosives will be granted. The Owner shall NOT be liable for any claim for additional time or compensation as a result of the Owner's denial of permission to use explosives. Where use of explosives is permitted by the Owner, the Prime Contractor EXPRESSLY AGREES TO BE SOLELY RESPONSIBLE for the determination as to whether explosives shall actually be used, and for any result from the use, handling or storage of explosives, and shall INDEMNIFY, DEFEND AND HOLD COMPLETELY HARMLESS the Owner, its officers, agents and employees, and the Architect/Engineer against any and all claims, lawsuits, judgments, costs or expenses for personal injury (including death), property damage or other harm for which recovery of damages is sought, suffered by any person or persons, as the result of the use, handling or storage of the explosives by the Prime Contractor or any Subcontractor, REGARDLESS OF WHETHER SAID USE, HANDLING OR STORAGE WAS NEGLIGENT OR NOT, AND REGARDLESS OF WHETHER THE DAMAGE OR INJURY WAS CONTRIBUTED TO IN ANY WAY BY THE NEGLIGENCE OR FAULT OF THE OWNER, ITS OFFICERS, AGENTS, EMPLOYEES, OR REPRESENTATIVES, OR THE ARCHITECT/ENGINEER AND ITS OFFICERS, AGENTS, EMPLOYEES, OR REPRESENTATIVES. In the event of conflict with any

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other indemnity paragraph in this Contract, this paragraph controls. This indemnity paragraph is intended solely for the benefit of the parties to this Contract and is not intended to create or grant any rights, contractual or otherwise, to or for any other person or entity. The Prime Contractor shall furnish the Owner and the Architect/Engineer with evidence of insurance sufficient to cover possible damage or injury, which insurance shall either include the Owner and the Architect/Engineer as additional insureds or be sufficiently broad in coverage as to fully protect the Owner and the Architect/Engineer. All explosives shall be stored in a safe and secure manner, under the care of a competent watchman at all times, and all storage places shall be marked clearly and conspicuously: "DANGEROUS-EXPLOSIVES." The method of storing and handling explosives and highly flammable materials shall conform to Federal and State laws, City of Denton ordinances, and the City of Denton Fire Department regulations. The Prime Contractor shall notify any telecommunications and public utility company and any private property owners having structures in the proximity of the Project Site of the Prime Contractor's intention to use explosives, and such notice shall be given sufficiently in advance to enable the telecommunications and public utility companies and private property owners to take such steps as they may deem necessary to protect their property from injury. The notice shall not relieve the Prime Contractor of any responsibility for damage resulting from any blasting operations.

(f) The Prime Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Clauses 10.2(a)(2) and 10.2(a)(3) caused in whole or in part by the Prime Contractor, a Subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Prime Contractor is responsible under Clauses 10.2(a)(2) and 10.2(a)(3), except damage or loss attributable to acts or omissions of the Owner or Architect/Engineer or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Prime Contractor or any of its Subcontractors. The foregoing obligations of the Prime Contractor are in addition to the Prime Contractor's obligations under Paragraph 3.l9. To the extent that any such damage or loss may be covered by property insurance or other insurance required by the Contract Documents, the Owner and the Prime Contractor shall exercise their best efforts to make a claim and obtain recovery from the insurers to provide for the cost, in whole or in part, of the repair work or to provide for reimbursement for such damage or loss.

(g) The Prime Contractor shall designate a responsible member of the Prime Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Prime Contractor's superintendent unless otherwise designated by the Prime Contractor in writing to the Owner and Architect/Engineer.

(h) The Prime Contractor shall not load or permit any part of the Work or the Project site to be loaded so as to endanger its safety.

10.3 EMERGENCIES

In an emergency affecting safety, health, or security of persons or property, the Prime

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Contractor shall act, at the Prime Contractor's discretion, to prevent threatened damage, injury, or loss. Additional compensation or extension of time claimed by the Prime Contractor on account of an emergency shall be determined as provided in Paragraph 4.3 and Article 7.

10.4 PUBLIC CONVENIENCE AND SAFETY

(a) The Prime Contractor shall place materials stored about the Work and shall conduct the Work at all times in a manner that causes no greater obstruction to the public than is considered necessary by the Owner. Sidewalks or streets shall not be obstructed, except by special permission of the Owner. The materials excavated and the construction materials or plant used in the performance of the Work shall be placed in a manner that does not endanger the Work or prevent free access to all fire hydrants, water mains and appurtenances, water valves, gas valves, manholes for the telephone, telegraph signal or electric conduits, wastewater mains and appurtenances, and fire alarm or police call boxes in the vicinity.

(b) The Owner reserves the right to remedy any neglect on the part of the Prime Contractor in regard to public convenience and safety which may come to the Owner's attention, after twenty-four (24) hours notice in writing to the Prime Contractor. In case of an emergency, the Owner shall have the right to immediately remedy any neglect without notice. In either case, the cost of any work done by the Owner to remedy the Prime Contractor's neglect shall be deducted from the Contract Sum. The Prime Contractor shall notify the City Traffic Control Department when any street is to be closed or obstructed. The notice shall, in the case of major thoroughfares or street upon which transit lines operate, be forty-eight (48) hours in advance. The Owner reserves the right to postpone or prohibit any closure or obstruction of any streets or thoroughfares to the extent necessary for the safety and benefit of the traveling public. The Prime Contractor shall, when directed by the Architect/Engineer or the Owner, keep any street or streets in condition for unobstructed use by City departments. When the Prime Contractor is required to construct temporary bridges or make other arrangements for crossing over ditches or around structures, the Prime Contractor's responsibility for accidents shall include the roadway approaches as well as the crossing structures.

10.5 BARRICADES, LIGHTS AND WATCHMEN

If the Work is carried on or adjacent to any street, alley or public place, the Prime Contractor shall, at the Prime Contractor's own cost and expense, furnish, erect and maintain sufficient barricades, fences, lights and danger signals, shall provide sufficient watchmen, and shall take such other precautionary measures as are necessary for the protection of persons or property and of the Work. All barricades shall be painted in a color that will be visible at night, shall indicate in bold letters thereon the Prime Contractor's name and shall be illuminated by lights from sunset to sunrise. The term "lights," as used in this Paragraph, shall mean flares, flashers, or other illuminated devices. A sufficient number of barricades with adequate markings and directional devices shall also be erected to keep vehicles from being driven on or into any Work under construction. The Prime Contractor will be held responsible for all damage to the Work due to failure of barricades, signs, lights and

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watchmen to protect the Work. Whenever evidence is found of such damage, the Architect/Engineer may order the damaged portion immediately removed and replaced by the Prime Contractor at Prime Contractor's cost and expense. The Prime Contractor's responsibility for maintenance of barricades, signs, and lights, and for providing watchmen, shall not cease until the Project has been finally accepted by the Owner.

10.6 PUBLIC UTILITIES AND OTHER PROPERTIES TO BE CHANGED

In case it is necessary to change or move the property of the Owner or of any telecommunications or public utility, such property shall not be removed or interfered with until ordered to do so by the Architect/Engineer. The right is reserved to the owner of any public or private utilities to enter upon the Project site for the purpose of making such changes or repairs of their property that may become necessary during the performance of the Work. The Owner reserves the right of entry upon the Project site for any purpose, including repairing or relaying sewer and water lines and appurtenances, repairing structures, and for making other repairs, changes, or extensions to any of the Owner's property. The Owner's actions shall conform to the Prime Contractor's current and approved schedule for the performance of the Work, provided that proper notification of schedule requirements has been given to the Owner by the Prime Contractor.

10.7 TEMPORARY STORM SEWER AND DRAIN CONNECTIONS

When existing storm sewers or drains have to be taken up or removed, the Prime Contractor shall at his own expense provide and maintain temporary outlets and connections for all public and private storm sewers and drains. The Prime Contractor shall also take care of all storm sewage and drainage which will be received from these storm drains and sewers; for this purpose, the Prime Contractor shall provide and maintain, at the Prime Contractor’s own expense, adequate pumping facilities and temporary outlets or diversions. The Prime Contractor shall, at the Prime Contractor’s own expense, construct such troughs, pipes, or other structures necessary and shall be prepared at all times to dispose of storm drainage and sewage received from these temporary connections until such time as the permanent connections are built and in service. The existing storm sewers and connections shall be kept in service and maintained under the Contract, except where specified or ordered to be abandoned by the Architect/Engineer. All storm water and sewage shall be disposed of in a satisfactory manner so that no nuisance is created and that the Work under construction will be adequately protected.

10.8 ARRANGEMENT AND CHARGE FOR WATER FURNISHED BY THE OWNER; ELECTRICITY FOR THE PROJECT

(a) When the Prime Contractor desires to use the Owner's water in connection with the Work, the Prime Contractor shall make complete and satisfactory arrangements with the Denton Water Utilities Department and shall be responsible for the cost of the water the Prime Contractor uses. Where meters are used, the charge will be at the regular established rate; where no meters are used, the charge will be as prescribed by City ordinance, or where no ordinance applies, payment shall be based on estimates made by the Denton Water Utilities Department.

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(b) The Prime Contractor shall make complete and satisfactory arrangements for electricity and metered electrical connections with the Owner or with Denton Municipal Electric in the event that separately metered electrical connections are required for the Project. The Prime Contractor shall pay for all electricity used in the performance of the Work through separate metered electrical connections obtained by the Prime Contractor through the City of Denton.

10.9 USE OF FIRE HYDRANTS

The Prime Contractor, Subcontractors, and any other person working on the Project shall not open, turn off, interfere with, attach any pipe or hose to, or connect anything with any fire hydrant, stop valve, or stop cock, or tap any water main belonging to the Owner, unless duly authorized to do so by the Denton Water Utilities Department in accordance with the Denton City Code.

10.10 ENVIRONMENTAL COMPLIANCE

(a) The Prime Contractor and its Subcontractors are deemed to have made themselves familiar with and at all times shall comply with all applicable federal, state or local laws, rules, regulations, ordinances, and rules of common law now in effect (including any amendments now in effect), relating to the environment, Hazardous Substances or exposure to Hazardous Substances, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C.A. §§ 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C.A. §§ 1801, et seq.; the Resource Conservation and Recovery Act of 1976, 42 U.S.C.A. §§ 6901, et seq.; the Federal Water Pollution Control Act, 33 U.S.C.A §§ 1201, et seq.; the Toxic Substances Control Act, 15 U.S.C.A. §§ 2601, et seq.; the Clean Air Act, 42 U.S.C.A. §§ 7401, et seq.; the Safe Drinking Water Act, 42 U.S.C.A. §§ 3808, et seq., and any current judicial or administrative interpretation of these laws, rules, regulations, ordinances, or rules of common law, including but not limited to any judicial or administrative order, consent decree, or judgment affecting the Project.

(b) In the event the Prime Contractor encounters on the site materials reasonably believed to be a Hazardous Substance that have not been rendered harmless, and removal of such materials is not a part of the scope of Work required under the Contract Documents, the Prime Contractor shall immediately stop Work in the affected area and report in writing the facts of such encounter to the Architect/Engineer and the Owner. Work in the affected area shall not thereafter be resumed except by written order of the Owner unless and until the material is determined not to be a Hazardous Substance or the Hazardous Substance is remediated. The Owner may choose to remediate the Hazardous Substance with a separate contractor or through a Change Order with the Prime Contractor. If the Owner determines that the Hazardous Substance exists in the affected area due to the fault or negligence of the Prime Contractor or any of its Subcontractors, the Prime Contractor shall be responsible for remediating the condition at the sole expense of the Prime Contractor in accordance with the Prime Contractor's APPROVED Spill Remediation Plan. An extension of the Contract Time for any delay in the progress schedule caused as a result of the discovery and remediation of a

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Hazardous Substance may be granted by the Owner only if all remaining Work on the Project must be suspended and the delay cannot be made up elsewhere in the progress schedule. Any request for an extension of the Contract Time related to the discovery and remediation of a Hazardous Substance is subject to the provisions of Paragraph 4.3 and Article 8.

(c) The Prime Contractor shall be responsible for identification, abatement, cleanup, control, removal, remediation, and disposal of any Hazardous Substance brought into or upon the site by the Prime Contractor or any Subcontractor or Supplier. The Prime Contractor shall obtain any and all permits necessary for the legal and proper handling, transportation, and disposal of the Hazardous Substance and shall, prior to undertaking any abatement, cleanup, control, removal, remediation, and disposal, notify the Owner and the Architect/Engineer so that they may observe the activities; provided, however, that it shall be the Prime Contractor's sole responsibility to comply with all applicable laws, rules, regulations, or ordinances governing the activities.

(d) Spill Prevention Plan. At least seventy-two (72) hours prior to commencing performance of any of the Work at the Project site, the Prime Contractor shall submit to the Owner for review and approval a Spill Prevention and Response Plan (SPRP) meeting the requirements of federal and state law, rules, and regulations. The SPRP shall be specially designed for the Prime Contractor's planned work methods and procedures. The SPRP shall be designed to complement all applicable safety standards, fire prevention regulations, and pollution prevention policies and procedures. The SPRP shall include estimates of the quantity and rate of flow should equipment fail, and detail containment or diversionary structures to prevent spills from leaving the site or migrating into adjacent properties or navigable waters. The SPRP shall include methods of recovery of spilled materials and all applicable twenty-four (24) hour emergency phone numbers, including without limitation that of the Owner's Project Manager or other designated representative. The Prime Contractor shall not commence any field work prior to approval of such plan by the Owner. The following additional rules shall apply with respect to spills caused by the Prime Contractor or a Subcontractor:

(1) The Prime Contractor shall immediately report any spill or release at the Project site, whether or not it is associated with this Contract, to the Owner's Project Manager or other designated representative. Thereafter, within two (2) working days after the occurrence of such event, the Prime Contractor shall submit a written report describing such event in a degree of detail reasonably acceptable to the Owner.

(2) The Prime Contractor shall immediately respond in accordance with the SPRP in the event of a spill.

(3) The Prime Contractor shall dispose of spilled materials in accordance with EPA and Texas Commission on Environmental Quality (TCEQ) regulations and any other applicable federal, state, or local laws, rules, or regulations. In connection with such disposals, the Prime Contractor shall use only those transporters and

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disposal facilities that are approved in advance in writing by the Owner. A copy of all transport manifests for the spilled materials shall be obtained and retained in the Prime Contractor's records for reference purposes, to be provided upon request of the Architect/Engineer, the Owner, or any governmental regulatory agency with jurisdiction over the matter. ALL COSTS OF COLLECTION, CONTAINMENT, AND DISPOSAL OF SPILLED MATERIALS SHALL BE THE SOLE RESPONSIBILITY OF THE PRIME CONTRACTOR.

(4) For purposes of this Subparagraph (e), the term "spill" includes any kind of environmental discharge or release.

(e) Clean Air Management Plan. The Prime Contractor shall comply with the Clean Air Management Plan submitted to and approved by the Owner during the contractor selection process. The Owner reserves the right, at the Prime Contractor's sole expense, to require the removal or retrofitting of any equipment used in the course of construction that does not comply with the Plan submitted to and approved by the Owner.

(f) The Prime Contractor shall deposit surplus or waste excavation or other materials removed as part of the Work at a legal disposal site in accordance with all applicable state, federal, and local laws, rules, regulations, and ordinances. The Prime Contractor shall submit to the Owner for review and approval all planned disposal sites or proposed uses for the surplus or waste excavation or other materials prior to removal of any excavation or other material from the Project site. A copy of all transport manifests for surplus or waste excavation or other materials shall be obtained and retained in the Prime Contractor's records for reference purposes, to be provided upon request to the Architect/Engineer, the Owner, or any governmental regulatory agency with jurisdiction over the matter.

(g) The Prime Contractor is responsible for obtaining all TXPDES Storm Water Permits from TCEQ for construction of the Project under regulations contained in 40 CFR Part 122, as amended, pursuant to the Clean Water Act, 33 U.S.C.A. §§1251 et seq. These regulations require the filing of a notice of intent to obtain and abide by the general storm water permit for construction activities promulgated by EPA, including but not limited to cleaning, grading, and excavation that disturb the applicable amount of total land area. In addition, the Prime Contractor shall comply with all regulations of the Owner relating to storm water and storm water runoff management at the Project site pursuant to Chapter 19, Article IX, Denton City Code, as amended.

(h) The Prime Contractor shall not install any materials in the performance of the Work that contain asbestos or asbestos-related material such as hydrated mineral silicate, including chrysolite, amosite, crocidolite, tremolite, anthophyllite or actinolite, whether friable or non-friable.

(i) The Owner reserves the right in its sole option to exercise the following remedies (without waiving the right to pursue the imposition of any civil or criminal fines or penalties that may be imposed under state, federal, or local laws or ordinances), at no additional cost to the Owner and without an extension of the Contract Time, in the

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event the Prime Contractor fails or refuses after seven (7) days advance written notice from the Owner to comply with the provisions of this Paragraph 10.10, the terms of the SPRP, the terms of the Clean Air Management Plan, any storm water permit or other environmental permit issued in connection with the Work, or any applicable environmental law, rule, regulation, or ordinance:

(1) suspend all or any portion of the Work until the noncompliance is corrected, or until a detailed plan to achieve compliance within a reasonably prompt period of time is prepared by the Prime Contractor and approved by the Owner;

(2) if the Prime Contractor fails to properly address the noncompliance within the time stipulated by the Owner, perform the necessary remediation or correction work and backcharge the Prime Contractor for the cost of the remediation or correction; or

(3) terminate the Contract for cause as provided in Article 13.

ARTICLE 11 INSURANCE AND BONDS

11.1 PRIME CONTRACTOR'S INSURANCE

Prime Contractors shall refer to the requirements listed within the solicitation document and resulting contract for all City of Denton insurance requirements. Should a conflict arise between the solicitation document and the resulting contract, the requirements set forth in the actual contract shall prevail.

11.2 PROPERTY INSURANCE

Prime Contractors shall refer to the requirements listed within the solicitation document and resulting contract for all City of Denton insurance requirements. Should a conflict arise between the solicitation document and the resulting contract, the requirements set forth in the actual contract shall prevail.

11.3 'UMBRELLA' LIABILITY INSURANCE

Prime Contractors shall refer to the requirements listed within the solicitation document and resulting contract for all City of Denton insurance requirements. Should a conflict arise between the solicitation document and the resulting contract, the requirements set forth in the actual contract shall prevail.

11.4 POLICY ENDORSEMENTS AND SPECIAL CONDITIONS

Prime Contractors shall refer to the requirements listed within the solicitation document and resulting contract for all City of Denton insurance requirements. Should a conflict arise between the solicitation document and the resulting contract, the requirements set forth in the actual contract shall prevail.

11.5 PERFORMANCE AND PAYMENT BONDS

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(a) Subject to the provisions of Subparagraph 11.5(b), the Prime Contractor shall, with the execution and delivery of the Construction Services Agreement, furnish and file with the Owner in the amounts required in this Paragraph, the surety bonds described in Clauses (a)(1) and (a)(2) below, which surety bonds shall be in accordance with the Charter of the City of Denton and the provisions of Chapter 2253, Texas Government Code, as amended; each bond shall be signed by the Prime Contractor, as Principal, and by an established bonding company, as surety, meeting the requirements of Subparagraph 11.5(c) and approved by the Owner. The surety bonds shall be accompanied by an appropriate Power-of-Attorney clearly establishing the extent and limitations of the authority of each signer to so sign:

(1) Performance Bond. A good and sufficient bond in the amount of $1,000,000, guaranteeing the full and faithful execution of the Work and performance of the Contract in accordance with Plans, Specifications and all other Contract Documents, including any Amendments thereof, for the protection of the Owner. This bond shall also provide for the repair and maintenance of all defects due to faulty materials and workmanship that appear within a period of two (2) years from the date of final completion and acceptance of the improvements by the Owner or lesser or longer periods as may be otherwise designated in the Contract Documents.

(2) Payment Bond. A good and sufficient bond in the amount of $1,000,000, guaranteeing the full and prompt payment of all claimants supplying labor or materials in the prosecution of the Work provided for in the Contract Documents and any Amendments thereto, and for the use and protection of each claimant.

(b) No surety will be accepted by the Owner who is now in default or delinquent on any bonds or who is a party to any litigation against the Owner. All bonds shall be made and executed on the Owner's standard forms, shall be approved by the Owner, and shall be executed by not less than one corporate surety that is authorized and admitted to do business in the State of Texas, is licensed by the State of Texas to issue surety bonds, is listed in the most current United States Department of the Treasury List of Acceptable Sureties, and is otherwise acceptable to the Owner. Each bond shall be executed by the Prime Contractor and the surety, and shall specify that legal venue for enforcement of each bond shall lie exclusively in Denton County, Texas. Each surety shall designate an agent resident in Denton County, Texas to whom any requisite statutory notices may be delivered and on whom service of process may be had in matters arising out of the suretyship.

(c) Contractor will be required to furnish original performance and payment bonds for $1,000,000 before work is to commence. The Contractor shall assume all costs in increasing the bond limits if change orders are formally approved. Bonds shall be in accordance with the V.T.C.A Government Code Section 2253.021, as amended, from a surety licensed to do business in the State of Texas. The City, at its option, may waive the payment and performance bond requirements for projects of less than $50,000. The contractor shall obtain an independent payment and performance bonds for 100% of the project value for any single project in excess of $400,000.

Bond forms are attached and shall be returned upon notice of contract award by the City. Bonds

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should be forwarded to the City of Denton within fourteen (14) calendar days from contract award. This contract is not fully executed until payment and performance bonds are received and accepted by the City. Upon approval, a purchase order will be issued.

(d) The failure of the Contractor to deliver the required statutory bonds and evidence of insurance within fourteen (14) calendar days after the Contract is awarded shall constitute a material breach of the Prime Contractor's bid proposal and the Owner may rescind the Contract award and collect or retain the proceeds of the bid security. By reason of the uncertainty of the market prices or materials and labor, and it being impracticable and difficult to determine accurately the amount of damages occurring to the Owner by reason of the Prime Contractor's failure to execute and furnish the statutory bonds within fourteen (14) calendar days, the filing of a bid proposal with the accompanying bid security will be considered as an acceptance of this Subparagraph 11.5(e). In the event the Owner should re-advertise for bids, the defaulting Prime Contractor shall not be eligible to bid, and the lowest responsible bid obtained in the re-advertisement shall be the bid referred to in this Paragraph.

ARTICLE 12 DEFECTIVE AND NONCONFORMING WORK

12.1 UNCOVERING OF WORK

(a) If a portion of the Work is covered contrary to the Architect/Engineer's request or to requirements specifically expressed in the Contract Documents, the Work must, if required in writing by the Architect/Engineer, be uncovered for the Architect/Engineer's observation and be replaced at the Prime Contractor's expense without change in the Contract Time.

(b) If a portion of the Work has been covered which the Architect/Engineer has not specifically requested to observe prior to it being covered, the Architect/Engineer may request to see such Work and it shall be uncovered by the Prime Contractor. If such Work is in accordance with the Contract Documents, costs of uncovering and replacement shall, by appropriate Change Order, be charged to the Owner. If any Work is not in accordance with the Contract Documents, the Prime Contractor shall pay the costs of uncovering, repair, replacement unless the condition was caused by the Owner or a separate contractor in which event the Owner shall be responsible for payment of such costs.

12.2 CORRECTION OF WORK

(a) The Prime Contractor shall promptly correct Work rejected by the Architect/Engineer as failing to conform to the requirements of the Contract Documents, whether observed before or after Substantial Completion and whether or not fabricated, installed or completed. The Prime Contractor shall bear costs of correcting such rejected Work, including additional testing and inspections and compensation for the Architect/Engineer's services and expenses made necessary thereby.

(b) If any of the Work is found to be defective or nonconforming with the requirements of the Contract Documents, the Prime Contractor shall correct it promptly after receipt of

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written notice from the Architect/Engineer or the Owner to do so unless the Owner has previously given the Prime Contractor a written acceptance or waiver of the defect or nonconformity. The Prime Contractor's obligation to correct defective or nonconforming Work remains in effect for:

(1) one year after the date of Substantial Completion of the Work or designated portion of the Work;

(2) one year after the date for commencement of warranties established by agreement in connection with partial occupancy under Subparagraph 9.8(a); or

(3) the stipulated duration of any applicable special warranty required by the Contract Documents.

(c) The one-year period described in Clauses (b)(1) and (b)(2) shall be extended with respect to portions of the Work performed, repaired, or corrected after Substantial Completion by the period of time between Substantial Completion and the actual completion of the Work.

(d) The obligations of the Prime Contractor under this Paragraph 12.2 shall survive final acceptance of the Work and termination of this Contract. The Owner shall give notice to the Prime Contractor promptly after discovery of a defective or nonconforming condition in the Work. The one-year period stated in Clauses (b)(1) and (b)(2) does not limit the ability of the Owner to require the Prime Contractor to correct latent defects or nonconformities in the Work, which defects or nonconformities could not have been discovered through reasonable diligence by the Owner or the Architect/Engineer at the time the Work was performed or at the time of inspection for certification of Substantial Completion or Final Completion. The one year period also does not relieve the Prime Contractor from liability for any defects or deficiencies in the Work that may be discovered after the expiration of the one year correction period.

(e) The Prime Contractor shall remove from the Project site portions of the Work which are not in accordance with the requirements of the Contract Documents and are neither corrected by the Prime Contractor nor accepted by the Owner.

(f) If the Prime Contractor fails to correct defective or nonconforming Work within a reasonable time after notice from the Owner or the Architect/Engineer, the Owner may correct it in accordance with Paragraph 2.4. If the Prime Contractor does not proceed with correction of defective or nonconforming Work within a reasonable time fixed by written notice from the Architect/Engineer, the Owner may remove or replace the defective or nonconforming Work and store the salvageable materials or equipment at the Prime Contractor's expense. If the Prime Contractor does not pay costs of removal and storage within ten days after written notice, the Owner may, upon ten (10) additional days written notice, sell the materials and equipment at auction or at private sale and shall account for the proceeds after deducting costs and damages that should have been borne by the Prime Contractor, including compensation for the Architect/Engineer's services and expenses made necessary as a result of the sale. If the proceeds of sale do not cover

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costs which the Prime Contractor should have borne, the Contract Sum shall be reduced by the deficiency. If payments due to the Prime Contractor then or thereafter are not sufficient to cover the deficiency, the Prime Contractor shall pay the difference to the Owner.

(g) The Prime Contractor shall bear the cost of correcting destroyed or damaged construction of the Owner or separate contractors, whether the construction is completed or partially completed, that is caused by the Prime Contractor's correction or removal of Work which is not in accordance with the requirements of the Contract Documents.

(h) Nothing contained in this Paragraph 12.2 shall be construed to establish a period of limitation with respect to other obligations which the Prime Contractor might have under the Contract Documents. Establishment of the one-year time period as described in Subparagraph 12.2(b) relates only to the specific obligation of the Prime Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Prime Contractor's liability with respect to the Prime Contractor's obligations other than specifically to correct the Work.

(i) Any Work repaired or replaced pursuant to this Article 12 shall be subject to the provisions of Article 12 to the same extent as Work originally performed or installed.

12.3 ACCEPTANCE OF NONCONFORMING WORK

The Owner may, in the Owner's sole discretion, accept Work which is not in accordance with the requirements of the Contract Documents instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. The adjustment will be accomplished whether or not final payment has been made.

ARTICLE 13 - COMPLETION OF THE CONTRACT; TERMINATION; TEMPORARY SUSPENSION

13.1 FINAL COMPLETION OF CONTRACT

The Contract will be considered completed, except as provided in any warranty or maintenance stipulations, bond, or by law, when all the Work has been finally completed, the final inspection is made by the Architect/Engineer, and final acceptance and final payment is made by the Owner.

13.2 WARRANTY FULFILLMENT

Prior to the expiration of the specified warranty period provided for in the Contract Documents, the Architect/Engineer will make a detailed inspection of the Work and will advise the Prime Contractor and the Prime Contractor's Surety of the items that require correction. The Architect/Engineer will make a subsequent inspection and if the corrections have been properly performed, the Architect/Engineer will issue a letter of release on the

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maintenance stipulations to the Prime Contractor and the Surety. If for any reason the Prime Contractor has not made the required corrections before the expiration of the warranty period, the warranty provisions as provided for in the Contract Documents shall remain in effect until the corrections have been properly performed and a letter of release issued.

13.3 TERMINATION BY THE OWNER FOR CAUSE

(a) Notwithstanding any other provision of these General Conditions, the Work or any portion of the Work may be terminated immediately by the Owner for any good cause after giving seven (7) days advance written notice and opportunity to cure to the Prime Contractor, including but not limited to the following causes:

(1) Failure or refusal of the Prime Contractor to start the Work within ten (10) days after the date of written notice by the Owner to commence the Work.

(2) A reasonable belief that the progress of the Work being made by the Prime Contractor is insufficient to complete the Work within the specified time.

(3) Failure or refusal of the Prime Contractor to provide sufficient and proper equipment or construction forces to properly execute the Work in a timely manner.

(4) A reasonable belief that the Prime Contractor has abandoned the Work.

(5) A reasonable belief that the Contractor has become insolvent, bankrupt, or otherwise financially unable to carry on the Work.

(6) Failure or refusal on the part of the Contractor to observe any requirements of the Contract Documents or to comply with any written orders given by the Architect/Engineer or the Owner as provided for in the Contract Documents.

(7) Failure or refusal of the Prime Contractor to promptly make good any defects in materials or workmanship, or any defects of any nature, the correction of which has been directed in writing by the Architect/Engineer.

(8) A reasonable belief by the Owner that collusion exists or has occurred for the purpose of illegally procuring the Contract or a Subcontractor, or that a fraud is being perpetrated on the Owner in connection with the construction of Work under the Contract.

(9) Repeated and flagrant violation of safe working procedures.

(10) The filing by the Prime Contractor of litigation against the Owner prior to completion of the Work.

(b) When the Work or any portion of the Work is terminated for any of the causes itemized above or for any other cause except termination for convenience pursuant to Subparagraph 13.3(e), the Prime Contractor shall, as of the date specified by the Owner,

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discontinue the Work or portion of the Work as the Owner shall designate, whereupon the surety shall, within fifteen (15) days after the written notice of termination for cause has been served upon the Prime Contractor and the surety or its authorized agents, assume the obligations of the Prime Contractor for the Work or that portion of the Work which the Owner has ordered the Prime Contractor to discontinue and may:

(1) perform the Work with forces employed by the surety;

(2) with the written consent of the Owner, tender a replacement contractor to take over and perform the Work, in which event the surety shall be responsible for and pay the amount of any costs required to be incurred for the completion of the Work that are in excess of the amount of funds remaining under the Contract as of the time of the termination; or

(3) with the written consent of the Owner, tender and pay to the Owner in settlement the amount of money necessary to finish the balance of uncompleted Work under the Contract, correct existing defective or nonconforming Work, and compensate the Owner for any other loss sustained as a result of Prime Contractor's default.

In the event of termination for cause involving Clause (b)(1) or (b)(2), the Surety shall assume the Prime Contractor's place in all respects, and the amount of funds remaining unpaid under the Contract shall be paid by the Owner for all Work performed by the surety or the replacement contractor in accordance with the terms of the Contract Documents, subject to any rights of the Owner to deduct any costs, damages, or actual damages that the Owner may have incurred, including but not limited to additional fees and expenses of the Architect/Engineer and attorneys fees, as a result of such termination.

(c) The balance of the Contract Sum remaining at the time of the Prime Contractor’s default and of the termination shall become due and payable to the surety as the Work progresses, subject to all of the terms, covenants, and conditions of the Contract Documents. If the surety does not, within the time specified in Subparagraph 13.3(b), exercise its obligation to assume the obligations of the Contract, or that portion of the Contract which the Owner has ordered the Prime Contractor to discontinue, then the Owner shall have the power to complete the Work by contract or otherwise, as it may deem necessary. The Prime Contractor agrees that the Owner shall have the right to take possession of or use any or all of the materials, plant, tools, equipment, supplies, and property of every kind provided by the Prime Contractor for the purpose of the Work, and to procure other tools, equipment, labor, and materials for the completion of the Work, and to charge to the account of the Prime Contractor the expenses of completion and labor, materials, tools, equipment, and incidental expenses. The expenses incurred by the Owner to complete the Work shall be deducted by the Owner out of the balance of the Contract Sum remaining unpaid to or unearned by the Contractor. The Prime Contractor and the surety shall be liable to the Owner for any costs incurred in excess of the balance of the Contract Sum for the completion and correction of the Work, and for any other costs, damages, expenses (including but not limited to additional fees of

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the Architect/Engineer and attorney's fees), and damages incurred as a result of the termination.

(d) The Owner shall not be required to obtain the lowest bid for the Work of completing the Contract as described in Subparagraph 13.3(c), but the expenses to be deducted from the Contract Sum shall be the actual cost of such Work. In case the Owner's expense is less than the sum which would have been payable under the Contract, if the same had been completed by the Prime Contractor, then the Owner may pay to the Prime Contractor (or the Surety, in the event of a complete termination for cause) the difference in the cost, provided that the Prime Contractor (or the Surety) shall not be entitled to any claim for damages or for loss of anticipated profits. In case such expenses for completion shall exceed the amount which would have been payable under the Contract if the same had been completed by the Prime Contractor, then the Prime Contractor and his Sureties shall pay the amount of the excess to the Owner on notice from the Owner for excess due. When only a particular part of the Work is being carried on by the Owner by contract or otherwise under the provisions of this Subparagraph, the Prime Contractor shall continue the remainder of the Work in conformity with the terms of the Contract, and in such manner as not to hinder or interfere with the performance of workmen employed and provided by the Owner.

(e) The unconditional right to terminate this Contract for the convenience of the Owner (including but not limited to non-appropriation of funding) is expressly retained by the Owner. In the event of termination for convenience, the Owner shall deliver at least ten (10) days advance written notice of termination for convenience to the Prime Contractor. Upon the Prime Contractor's receipt of such written notice, the Prime Contractor shall cease the performance of the Work and shall take reasonable and appropriate action to secure and protect the Work in place. The Prime Contractor shall then be reimbursed by the Owner in accordance with the terms and provisions of the Contract Documents, not to exceed actual labor costs incurred, materials stored at the Project site or away from the Project site as approved by the Owner but not yet paid for, plus actual, reasonable, and documented termination charges, if any, paid by the Prime Contractor in connection with the Work in place which is completed and in conformance with the Contract Documents to the date of termination for convenience. No amount shall ever be due to the Prime Contractor for lost or anticipated profits.

13.4 TEMPORARY SUSPENSION OF THE WORK

(a) The Work or any portion of the Work may be temporarily suspended by the Owner immediately upon written notice to the Prime Contractor for any reason, including but not limited to:
(1) the causes described in Clauses 13.1(a)(1) through (a)(10) above;

(2) where other provisions in the Contract Documents require or permit temporary suspension of the Work;

(3) situations where the Work is threatened by, contributes to, or causes an immediate threat to public health, safety, or security; or

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(4) other unforeseen conditions or circumstances.

(b) The Prime Contractor shall immediately resume the temporarily suspended Work when ordered in writing by the Owner to do so. The Owner shall not under any circumstances be liable for any claim of the Prime Contractor arising from a temporary suspension due to a cause described in Clause (a)(1) above; provided, however, that in the case of a temporary suspension for any of the reasons described under Clauses (a)(2) through (a)(4), where the Prime Contractor is not a contributing cause of the suspension under one of those Clauses or where the provision of the Contract Documents in question specifically provides that the suspension is at no cost to the Owner, the Owner will make an equitable adjustment for the following items, provided that a claim is properly made by the Prime Contractor under Subparagraph 4.3 of these General Conditions:

(1) an equitable extension of the Contract Time, not to exceed the actual delay caused by the temporary suspension as determined by the Architect/Engineer and the Owner;

(2) an equitable adjustment to the Contract Sum for the actual, necessary, and reasonable costs of properly protecting any Work that is finished or partially finished during the period of the temporary suspension (no profit and overhead shall be allowed on top of these costs); and

(3) if it becomes necessary to move equipment from the Project site and then return it to the Project site when the Work is ordered to be resumed, an equitable adjustment to the Contract Sum for the actual, necessary, and reasonable cost of these moves; provided, however, that no adjustment shall be due if the equipment is moved to another Project site of the Owner.

ARTICLE 14 MISCELLANEOUS PROVISIONS

14.1 GOVERNING LAW; COMPLIANCE WITH LAWS AND REGULATIONS

(a) This Contract shall be in all things governed by the laws of the State of Texas without regard to conflict of laws principles.

(b) The Contractor shall, during the performance of the Work, comply with all applicable City codes and ordinances, as amended, and all applicable State and Federal laws, rules and regulations, as amended.

14.2 SUCCESSORS AND ASSIGNS

The Owner and the Prime Contractor respectively bind themselves, their partners, successors, assigns, and legal representatives to the promises, covenants, terms, conditions, and obligations contained in the Contract Documents. The Prime Contractor shall not assign, transfer, or convey its interest or rights in the Contract, in part or as a whole, without written consent of the Owner. If the Prime Contractor attempts to make an assignment, transfer, or conveyance without the Owner's written consent, the Contractor shall nevertheless remain legally responsible for all obligations under the Contract Documents. The Owner shall not

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assign any portion of the Contract Sum due or to become due under this Contract without the written consent of the Prime Contractor, except where assignment is compelled or allowed by court order, the terms of the Contract Documents, or other operation of law.

14.3 WRITTEN NOTICE

Except as otherwise provided in Article 16, any notice, payment, statement, or demand required or permitted to be given under this Contract by either party to the other may be effected by personal delivery in writing or by mail, postage prepaid to the Project Manager or Superintendent of either party, or to an officer, partner, or other designated representative of either party. Mailed notices shall be addressed to the parties at an address designated by each party, but each party may change its address by written notice in accordance with this section. Mailed notices shall be deemed communicated as of three (3) days after mailing.

14.4 RIGHTS AND REMEDIES; NO WAIVER OF RIGHTS BY OWNER

(a) The duties and obligations imposed on the Prime Contractor by the Contract Documents and the rights and remedies available to the Owner under the Contract Documents shall be in addition to, and not a limitation of, any duties, obligations, rights, and remedies otherwise imposed or made available by law.

(b) No action or failure to act by the Owner shall constitute a waiver of a right afforded the Owner under the Contract Documents, nor shall any action or failure to act by the Owner constitute approval of or acquiescence in a breach of the Contract by Prime Contractor, except as may be specifically agreed in writing by Change Order or Supplemental Agreement.

14.5 INTEREST

The Owner shall not be liable for interest on any progress or final payment to be made under the Contract Documents, except as may be provided by the applicable provisions of the Prompt Payment Act, Chapter 2251, Texas Government Code, as amended, subject to Paragraph 9.6(a) of these General Conditions.

14.6 OFFICERS OR EMPLOYEES OF THE OWNER NOT TO HAVE FINANCIAL INTEREST IN ANY CONTRACT OF THE OWNER

No officer or employee of the Owner shall have a financial interest, direct or indirect, in any Contract with the Owner, or be financially interested, directly or indirectly, in the sale to the Owner of any land, materials, supplies or services, except on behalf of the Owner as an officer or employee as defined in the City's Ethic Ordinance 18-757 and in the City Charter chapter 2 article XI(Ethics). Any violation of this article shall constitute malfeasance in office, and any officer or employee of Owner guilty thereof shall thereby forfeit his office or position. Any violation of this section, with the knowledge, express or implied, of the person, persons, partnership, company, firm, association or corporation contracting with the Owner shall render the Contract involved voidable by the Owner's City Manager or City Council.

14.7 VENUE

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This Contract is deemed to be performed in Denton County, Texas, and if legal action is necessary to enforce this Contract, exclusive venue shall lie in Denton County, Texas.

14.8 INDEPENDENT CONTRACTOR

In performing the Work under this Contract, the relationship between the Owner and the Prime Contractor is that of an independent contractor. The Prime Contractor shall exercise independent judgment in performing the Work and is solely responsible for setting working hours, scheduling or prioritizing the Work flow and determining the means and methods of performing the Work, subject only to the requirements of the Contract Documents. No term or provision of this Contract shall be construed as making the Prime Contractor an agent, servant, or employee of the Owner, or making the Prime Contractor or any of the Prime Contractor's employees, agents, or servants eligible for the fringe benefits, such as retirement, insurance and worker's compensation, which the Owner provides to its employees.

14.9 NONDISCRIMINATION

As a condition of this Contract, the Prime Contractor covenants that he will take all necessary actions to insure that, in connection with any work under this Contract, the Prime Contractor and its Subcontractors will not discriminate in the treatment or employment of any individual or groups of individuals on the grounds of race, color, religion, national origin, age, sex, sexual orientation, or handicap unrelated to job performance, either directly, indirectly or through contractual or other arrangements. The Prime Contractor shall also comply with all applicable requirements of the Americans with Disabilities Act, 42 U.S.C.A. §§12101-12213, as amended. In this regard, the Prime Contractor shall keep, retain and safeguard all records relating to his Contract or Work performed thereunder for a minimum period of three (3) years from final Contract completion, with full access allowed to authorized representatives of the Owner, upon request, for purposes of evaluating compliance with this and other provisions of the Contract.

14.10 GIFTS TO PUBLIC SERVANTS

(a) The Owner may terminate this Contract immediately if the Prime Contractor has offered, conferred, or agreed to confer any benefit on a City of Denton employee or official that the City of Denton employee or official is prohibited by law from accepting.

(b) For purposes of this Article, "benefit" means anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person in whose welfare the beneficiary has a direct or substantial interest, but does not include a contribution or expenditure made and reported in accordance with law.

(c) Notwithstanding any other legal remedies, the Owner may require the Prime Contractor to remove any employee of the Prime Contractor from the Project who has violated the restrictions of this Article or any similar State or Federal law, and obtain reimbursement for any expenditures made to the Prime Contractor as a result of the improper offer, agreement to confer, or conferring of a benefit to a City of Denton employee or official.

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ARTICLE 15 RIGHT TO AUDIT CONTRACTOR'S RECORDS

By execution of the Building Construction Services Agreement, the Prime Contractor grants the Owner the right to audit, at the Owner's election, all of the Prime Contractor's records and billings relating to the performance of the Work under the Contract Documents. The Prime Contractor agrees to retain its Project records for a minimum of five (5) years following completion of the Work. The Owner agrees that it will exercise the right to audit only at reasonable hours. City may review any and all of the services performed by Prime Contractor under this Contract. Any payment, settlement, satisfaction, or release made or provided during the course of performance of this Contract shall be subject to City's rights as may be disclosed by an audit under this section.

ARTICLE 16 NOTICE OF CONTRACT CLAIM

This Contract is subject to the provisions of the Denton City Code, as amended, relating to requirements for filing a notice of a breach of contract claim against City. Prime Contractor shall comply with the requirements of this ordinance as a precondition of any litigation relating to this Contract, in addition to all other requirements in this Contract related to claims and notice of claims.

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EXHIBIT D
PAYMENT AND PERFORMANCE BOND REQUIREMENTS

Contractor will be required to furnish original performance and payment bonds for $1,000,000 before work is to commence. The Contractor shall assume all costs in increasing the bond limits if change orders are formally approved. Bonds shall be in accordance with the V.T.C.A Government Code Section 2253.021, as amended, from a surety licensed to do business in the State of Texas. The contractor shall obtain an independent payment and performance bonds for 100% of the project value for any single project in excess of $400,000. The City, at its option, may waive the payment and performance bond requirements for projects of less than $50,000.

Bond forms shall be returned upon notice of contract award by the City. Bonds should be forwarded to the City of Denton within fourteen (14) calendar days from contract award. This contract is not fully executed until payment and performance bonds are received and accepted by the City. Upon approval, a purchase order will be issued.

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EXHIBIT E
INSURANCE REQUIREMENTS AND WORKERS' COMPENSATION REQUIREMENTS

Upon contract execution, all insurance requirements shall become contractual obligations, which the successful contractor shall have a duty to maintain throughout the course of this contract.

STANDARD PROVISIONS:

Without limiting any of the other obligations or liabilities of the Contractor, the Contractor shall provide and maintain until the contracted work has been completed and accepted by the City of Denton, Owner, the minimum insurance coverage as indicated hereinafter.

Contractor shall file with the Purchasing Department satisfactory certificates of insurance including any applicable addendum or endorsements, containing the contract number and title of the project. Contractor may, upon written request to the Purchasing Department, ask for clarification of any insurance requirements at any time; however, Contractor shall not commence any work or deliver any material until he or she receives notification that the contract has been accepted, approved, and signed by the City of Denton.

All insurance policies proposed or obtained in satisfaction of these requirements shall comply with the following general specifications, and shall be maintained in compliance with these general specifications throughout the duration of the Contract, or longer, if so noted:

- Each policy shall be issued by a company authorized to do business in the State of Texas with an A.M. Best Company rating of at least **A or better**.

- Any deductibles or self-insured retentions shall be declared in the proposal. If requested by the City, the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the City, its officials, agents, employees and volunteers; or, the contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

- Liability policies shall be endorsed to provide the following:

    - Name as Additional Insured the City of Denton, its Officials, Agents, Employees and volunteers.

    - That such insurance is primary to any other insurance available to the Additional Insured with respect to claims covered under the policy and that this insurance applies separately to each insured against whom claim is made or suit is brought. The inclusion of more than one insured shall not operate to increase the insurer's limit of liability.

    - Provide a Waiver of Subrogation in favor of the City of Denton, its officials, agents, employees, and volunteers.

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- ***Cancellation: City requires 30 day written notice should any of the policies described on the certificate be cancelled or materially changed before the expiration date.***

- Should any of the required insurance be provided under a claims made form, Contractor shall maintain such coverage continuously throughout the term of this contract and, without lapse, for a period of three years beyond the contract expiration, such that occurrences arising during the contract term which give rise to claims made after expiration of the contract shall be covered.

- Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit providing for claims investigation or legal defense costs to be included in the general annual aggregate limit, the Contractor shall either double the occurrence limits or obtain Owners and Contractors Protective Liability Insurance.

- Should any required insurance lapse during the contract term, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this contract, effective as of the lapse date. If insurance is not reinstated, City may, at its sole option, terminate this agreement effective on the date of the lapse.

SPECIFIC ADDITIONAL INSURANCE REQUIREMENTS:

All insurance policies proposed or obtained in satisfaction of this Contract shall additionally comply with the following marked specifications, and shall be maintained in compliance with these additional specifications throughout the duration of the Contract, or longer, if so noted:

[X] A. **General Liability Insurance:**

General Liability insurance with combined single limits of not less than **$1,000,000.00** shall be provided and maintained by the Contractor. The policy shall be written on an occurrence basis either in a single policy or in a combination of underlying and umbrella or excess policies.

If the Commercial General Liability form (ISO Form CG 0001 current edition) is used:

- Coverage A shall include premises, operations, products, and completed operations, independent contractors, contractual liability covering this contract and broad form property damage coverage.

- Coverage B shall include personal injury.

- Coverage C, medical payments, is not required.

If the Comprehensive General Liability form (ISO Form GL 0002 Current Edition and ISO Form GL 0404) is used, it shall include at least:

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- Bodily injury and Property Damage Liability for premises, operations, products and completed operations, independent contractors and property damage resulting from explosion, collapse or underground (XCU) exposures.

- Broad form contractual liability (preferably by endorsement) covering this contract, personal injury liability and broad form property damage liability.

[X] **Automobile Liability Insurance:**

Contractor shall provide Commercial Automobile Liability insurance with Combined Single Limits (CSL) of not less than **$1,000,000** either in a single policy or in a combination of basic and umbrella or excess policies. The policy will include bodily injury and property damage liability arising out of the operation, maintenance and use of all automobiles and mobile equipment used in conjunction with this contract.

Satisfaction of the above requirement shall be in the form of a policy endorsement for:

- any auto, or
- all owned hired and non-owned autos.

[X] **Workers' Compensation Insurance**

Contractor shall purchase and maintain Workers' Compensation insurance which, in addition to meeting the minimum statutory requirements for issuance of such insurance, has Employer's Liability limits of at least $100,000 for each accident, $100,000 per each employee, and a $500,000 policy limit for occupational disease. The City need not be named as an "Additional Insured" but the insurer shall agree to waive all rights of subrogation against the City, its officials, agents, employees and volunteers for any work performed for the City by the Named Insured. For building or construction projects, the Contractor shall comply with the provisions of Attachment 1 in accordance with §406.096 of the Texas Labor Code and rule 28TAC 110.110 of the Texas Workers' Compensation Commission (TWCC).

[X] **Owner's and Contractor's Protective Liability Insurance**

The Contractor shall obtain, pay for and maintain at all times during the prosecution of the work under this contract, an Owner's and Contractor's Protective Liability insurance policy naming the City as insured for property damage and bodily injury which may arise in the prosecution of the work or Contractor's operations under this contract. Coverage shall be on an "occurrence" basis and the policy shall be issued by the same insurance company that carries the Contractor's liability insurance. Policy limits will be at least **$1,000,000.00** combined bodily injury and property damage per occurrence with a **$2,000,000.00** aggregate.

[ ] **Fire Damage Legal Liability Insurance**

Coverage is required if Broad form General Liability is not provided or is unavailable to

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the contractor or if a contractor leases or rents a portion of a City building. Limits of not less than _____ each occurrence are required.

[ ] **Professional Liability Insurance**

Professional liability insurance with limits not less than **$1,000,000.00** per claim with respect to negligent acts, errors or omissions in connection with professional services is required under this Agreement.

[X] **Builders' Risk Insurance**

Builders' Risk Insurance, on an All-Risk form for 100% of the completed value shall be provided. Such policy shall include as "Named Insured" the City of Denton and all subcontractors as their interests may appear.

[X] **Environmental Liability Insurance**

Environmental liability insurance for $2,000,000 to cover all hazards contemplated by this contract.

[ ] **Riggers Insurance**

The Contractor shall provide coverage for Rigger's Liability. Said coverage may be provided by a Rigger's Liability endorsement on the existing CGL coverage; through and Installation Floater covering rigging contractors; or through ISO form IH 00 91 12 11, Rigger's Liability Coverage form. Said coverage shall mirror the limits provided by the CGL coverage

[ ] **Commercial Crime**

Provides coverage for the theft or disappearance of cash or checks, robbery inside/outside the premises, burglary of the premises, and employee fidelity. The employee fidelity portion of this coverage should be written on a "blanket" basis to cover all employees, including new hires. This type insurance should be required if the contractor has access to City funds. Limits of not less than $_____ each occurrence are required.

[ ] **Additional Insurance**

Other insurance may be required on an individual basis for extra hazardous contracts and specific service agreements. If such additional insurance is required for a specific contract, that requirement will be described in the "Specific Conditions" of the contract specifications.

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ATTACHMENT 1

[X] **Workers' Compensation Coverage for Building or Construction Projects for Governmental Entities**

A. 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/person's work on the project has been completed and accepted by the governmental entity.

Persons providing services on the project ("subcontractor" in §406.096) - 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, owner-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.

B. The contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any overage 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.

C. The Contractor must provide a certificate of coverage to the governmental entity prior to being awarded the contract.

D. 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.

E. 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

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2. 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.

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

G. The contractor shall 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.

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

I. 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 to 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 to the 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 year thereafter;

6. notify the governmental entity 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

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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.

J. 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.

K. The contractor’s failure to comply with any of these provisions is a breach of contract by the contractor which entitles the governmental entity to declare the contract void if the contractor does not remedy the breach within ten days after receipt of notice of breach from the governmental entity.

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Exhibit F
Certificate of Interested Parties Electronic Filing

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that the City may not enter into this contract unless the Contractor submits a disclosure of interested parties (Form 1295) to the City at the time the Contractor submits the signed contract. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Commission.

Contractor will be required to furnish a Certificate of Interest Parties before the contract is awarded, in accordance with Government Code 2252.908.

The contractor shall:

1. Log onto the State Ethics Commission Website at : https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm
2. Register utilizing the tutorial provided by the State
3. Print a copy of the completed Form 1295
4. Enter the Certificate Number on page 2 of this contract.
5. Complete and sign the Form 1295
6. Email the form to purchasing@cityofdenton.com with the contract number in the subject line. (EX: Contract 1234 – Form 1295)

The City must acknowledge the receipt of the filed Form 1295 not later than the 30th day after Council award. Once a Form 1295 is acknowledged, it will be posted to the Texas Ethics Commission's website within seven business days.

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EXHIBIT G

FACILITIES MANAGEMENT
869 S. Woodrow Lane
Denton, Texas 76205

Date Issued:

REQUEST FOR COST			
Project Name:		**Building:**	
Physical Address:			
Legal Description:			

Insert Picture of Building	*Insert Picture*

EXISTING CONDITIONS:	PROPOSED CONDITIONS:

SCOPE OF WORK:			
Project Manager:		**Email:**	

ATTACHMENTS		
☐ **Floor Plans**	☐ **Photos**	☐ **Specifications**

The undersigned hereby proposes to complete the scope of services detailed herein by the specified time frame. By submitting this Request for Costs, they acknowledge they have received all attachments, have reviewed all attachments, and have performed a site visit. All work will be performed in accordance with the Contract between the Vendor and the City of Denton.

Company Name:		**Contact Name:**	
Contingencies:		**Email:**	

COST/SCHEDULE ESTIMATE			
Days For Mobilization:		**Name:**	
Days For Construction:		**Job Title:**	
Labor Costs:	$		
Material Costs:	$	**Signature:**	
Equipment/Rental Costs:	$		
TOTAL COST:	$		
REQUEST FOR COST DUE:		**DATE SIGNED:**	

Docusign Envelope ID: 41D28787-9709-4C30-8672-25322EDD5AF4

EXHIBIT H

CONFLICT OF INTEREST QUESTIONNAIRE - FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

This questionnaire is being filed in accordance with chapter 176 of the Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local government entity 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.

1 **Name of person who has a business relationship with local governmental entity.**
ALERINK ENTERPRISES, INC. dba CI PAVEMENT

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 **Name of local government officer with whom filer has an employment or business relationship.**
N/A

Name of Officer

This section, (item 3 including subparts A, B, C & D), must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

☐ Yes ☒ No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐ Yes ☒ No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

☐ Yes ☒ No

D. Describe each affiliation or business relationship.

4 ☒ **I have no Conflict of Interest to disclose.**

5 Signed by:
Rob Alderink
74435E46FC7041B...
Signature of person doing business with the governmental entity

3/25/2026
Date

File # 8983

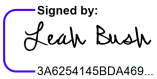
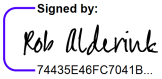
Certificate Of Completion

Envelope Id: 41D28787-9709-4C30-8672-25322EDD5AF4
Status: Sent
Subject: Please DocuSign: City Council Contract 8983 Parking Lot Maintenance, Repairs, Construction & Demo
Source Envelope:
Document Pages: 88
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Crystal Westbrook
901B Texas Street
Denton, TX 76209
crystal.westbrook@cityofdenton.com
IP Address: 198.49.140.10

Record Tracking

Status: Original
3/24/2026 10:43:55 AM
Holder: Crystal Westbrook
crystal.westbrook@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Crystal Westbrook crystal.westbrook@cityofdenton.com Senior Buyer City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	**Completed** Using IP Address: 198.49.140.10	Sent: 3/24/2026 11:28:41 AM Viewed: 3/24/2026 11:28:56 AM Signed: 3/24/2026 11:34:50 AM
Lori Hewell lori.hewell@cityofdenton.com Purchasing Manager City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	Initial Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.104	Sent: 3/24/2026 11:34:53 AM Viewed: 3/24/2026 1:37:51 PM Signed: 3/24/2026 1:38:24 PM
Leah Bush leah.bush@cityofdenton.com Assistant City Attorney Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	Signed by:  3A6254145BDA469... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 3/24/2026 1:38:26 PM Viewed: 3/25/2026 9:00:12 AM Signed: 3/25/2026 9:33:15 AM
Rob Alderink rob@cipavement.com VP Rob Alderink Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 3/25/2026 12:23:55 PM ID: 01fb1d84-668a-4a7f-b500-ad5c87641901	Signed by:  74435E46FC7041B... Signature Adoption: Pre-selected Style Using IP Address: 47.183.215.100	Sent: 3/25/2026 9:33:18 AM Viewed: 3/25/2026 12:23:55 PM Signed: 3/25/2026 12:29:00 PM

Signer Events	Signature	Timestamp
Tom Gramer tom.gramer@cityofdenton.com Director Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	DocuSigned by: 7B58DA8FCE5F49C... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 3/25/2026 12:29:03 PM Viewed: 3/25/2026 12:30:23 PM Signed: 3/25/2026 12:30:43 PM
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		Sent: 3/25/2026 12:30:46 PM
Cassey Ogden Cassey.Ogden@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Ingrid Rex Ingrid.Rex@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 3/24/2026 11:34:53 AM
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:**	COPIED	Sent: 3/25/2026 12:30:46 PM Viewed: 4/1/2026 10:57:20 AM

Carbon Copy Events	Status	Timestamp
Not Offered via Docusign		

City Secretary Office

citysecretary@cityofdenton.com

Security Level: Email, Account Authentication (None)

Electronic Record and Signature Disclosure:
Not Offered via Docusign

Danny Defee

daniel.defee@cityofdenton.com

Security Level: Email, Account Authentication (None)

Electronic Record and Signature Disclosure:
Not Offered via Docusign

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/24/2026 11:28:41 AM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, City of Denton (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact City of Denton:
You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: purchasing@cityofdenton.com

To advise City of Denton of your new e-mail address
To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at melissa.kraft@cityofdenton.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..
In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

To request paper copies from City of Denton
To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with City of Denton
To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
ii. send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail, full name, IS Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	•Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

Acknowledging your access and consent to receive materials electronically
To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.
By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and

- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and

- Until or unless I notify City of Denton as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by City of Denton during the course of my relationship with you.

Docusign Envelope ID: CB4810EC-68E3-4258-BF3D-D204FBD2FF3E

Docusign City Council Transmittal Coversheet

RFQ	8983
File Name	PARKING LOT MAINTENANCE, REPAIRS, CONSTRUCTION & DEMO
Purchasing Contact	Crystal Westbrook
City Council Target Date	
Piggy Back Option	Not Applicable
Contract Expiration	
Ordinance	

Initial
LH

Docusign Envelope ID: CB4810EC-68E3-4258-BF3D-D204FBD2FF3E

CONTRACT BY AND BETWEEN CITY OF DENTON, TEXAS AND DIAMOND M CONSTRUCTION & LAND SERVICES, LLC (CONTRACT 8983)

THIS CONTRACT is made and entered into this date _____, by and between DIAMOND M CONSTRUCTION & LAND SERVICES LLC a Texas limited liability company, whose address is 11948 FM 2153, SANGER, TX 76266, hereinafter referred to as "Contractor," and the CITY OF DENTON, TEXAS, a Texas Municipal Corporation and Home-Rule City, hereinafter referred to as "City," to be effective upon approval of the Denton City Council and the subsequent execution of this Contract by the Denton City Manager, or his duly authorized designee.

For and in consideration of the covenants and agreements contained herein, and for the mutual benefits to be obtained hereby, the parties agree as follows:

SCOPE OF SERVICES

Contractor shall provide construction services in accordance with the City's RFQ 8983 – PARKING LOT MAINTENANCE, REPAIRS, CONSTRUCTION AND DEMO SERVICES, a copy of which is on file at the office of Purchasing Agent and incorporated herein for all purposes as "Exhibit B". The Contract consists of this written agreement and the following items which are attached hereto and incorporated herein by reference:

(a) Special Terms and Conditions **(Exhibit "A");**
(b) City of Denton Request for Proposal #8983 **(Exhibit "B" on file at Office of Purchasing Agent)**
(c) General Provisions-Standard Terms and Conditions **(Exhibit "C");**
(d) Payment and Performance Bond Requirements **(Exhibit "D");**
(e) Insurance Requirements **(Exhibit "E");**
(f) Certificate of Interested Parties Electronic Filing **(Exhibit "F");**
(g) Request for Cost Form **(Exhibit "G")**;
(h) Form CIQ – Conflict of Interest Questionnaire **(Exhibit "H")**

These documents make up the Contract documents and what is called for by one shall be as binding as if called for by all. In the event of an inconsistency or conflict in any of the provisions of the Contract documents, the inconsistency or conflict shall be resolved by giving precedence first to this written Contract, and then to the Contract documents in the sequential order in which they are listed above. These documents shall be referred to collectively as "Contract Documents."

Prohibition on Contracts with Companies Boycotting Israel
Contractor acknowledges that in accordance with Chapter 2270 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services 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 terms "boycott Israel" and "company" shall have the meanings ascribed to those terms in Section 808.001 of the Texas Government Code. ***By signing this agreement, Contractor certifies that Contractor's signature provides written verification to the City that Contractor: (1) does not***

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boycott Israel; and (2) will not boycott Israel during the term of the agreement. Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition On Contracts With Companies Doing Business with Iran, Sudan, or a Foreign Terrorist Organization

Section 2252 of the Texas Government Code restricts CITY from contracting with companies that do business with Iran, Sudan, or a foreign terrorist organization. ***By signing this agreement, Contractor certifies that Contractor's signature provides written verification to the City that Contractor, pursuant to Chapter 2252, is not ineligible to enter into this agreement and will not become ineligible to receive payments under this agreement by doing business with Iran, Sudan, or a foreign terrorist organization***. Failure to meet or maintain the requirements under this provision will be considered a material breach.

The parties agree to transact business electronically. Any statutory requirements that certain terms be in writing will be satisfied using electronic documents and signing. Electronic signing of this document will be deemed an original for all legal purposes.

SIGNATURE PAGE TO FOLLOW

Docusign Envelope ID: CB4810EC-68E3-4258-BF3D-D204FBD2FF3E

IN WITNESS WHEREOF, the parties of these presents have executed this Contract in the year and day first above written.

CONTRACTOR

BY: DocuSigned by: 6D336167DDFF410...
AUTHORIZED SIGNATURE

Printed Name: Shane McCune

Title: Onwer

8322262503
PHONE NUMBER

diamondmconstructionllc@gmail.com
EMAIL ADDRESS

2026- 1439051
TEXAS ETHICS COMMISSION CERTIFICATE NUMBER

CITY OF DENTON, TEXAS
A Texas Municipal Corporation

By: _____

ATTEST:
INGRID REX, CITY SECRETARY

By: _____

APPROVED AS TO LEGAL FORM:

By: Signed by: Leah Bush 3A6254145BDA469...

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

DocuSigned by: Tom Gramer 7B58DA8FCE5F49C...
SIGNATURE

Tom Gramer
PRINTED NAME

Director
TITLE

Facilities
DEPARTMENT

Docusign Envelope ID: CB4810EC-68E3-4258-BF3D-D204FBD2FF3E

EXHIBIT A
SPECIAL TERMS AND CONDITIONS

1. **Total Contract Amount**
   DIAMOND M CONSTRUCTION & LAND SERVICES LLC is pre-qualified for RFP 8983 – PARKING LOT MAINTENANCE, REPAIRS, CONSTRUCTION AND DEMO SERVICES. All pre-qualified contractors will be issued a Request for Cost, Exhibit G, that defines the scope of work and project dates. The pre-qualified contractors will have (5) days to respond to such Request for Cost. Thereafter, the City will select the pre-qualified contractor with the lowest price and ability to meet the City's time schedule requirements. The cumulative contract total for all awarded projects to all pre-qualified contractors for contract 8983 shall not exceed $17,808,000. If a response to the Request of Cost is not received in the applicable time period, such pre-qualified contractor will be disqualified from that Request of Cost.

2. **Contract Terms**
   The contract term will be one (1) years, effective from date of award. The City and the Supplier shall have the option to renew this contract for an additional four (4) one-year periods.

   The Contract shall commence upon the issuance of a Notice of Award by the City of Denton and shall automatically renew each year, from the date of award by City Council. The Supplier's request to not renew the contract must be submitted in writing to the Purchasing Manager at least 60 days prior to the contract renewal date for each year. At the sole option of the City of Denton, the Contract may be further extended as needed, not to exceed a total of six (6) months.

3. **Price Escalation and De-escalation**
   On Supplier's request in the form stated herein, the City will implement an escalation/de-escalation price adjustment annually based on these special terms. Any request for price adjustment must be based on the, U.S Department of Labor, Bureau of Labor Statistics, Producer Price Index (PPI) or the manufacturer published pricing list. The maximum escalation will not exceed +/- 8% for any individual year. The escalation will be determined annually at the renewal date. The price will be increased or decreased based upon the annual percentage change in the PPI or the percentage change in the manufacturer's price list. Should the PPI or manufacturer price list change exceed a minimum threshold value of +/-1%, then the stated eligible bid prices shall be adjusted in accordance with the percent change not to exceed the 8% limit per year. The supplier should provide documentation as percentage of each cost associated with the unit prices quoted for consideration.

   Request must be submitted in writing with supporting evidence for need of such increase to the Purchasing Manager at least 60 days prior to contract expiration of each year. Respondent must also provide supporting documentation as justification for the request. If no request is made, then it will be assumed that the current contract price will be in effect.

   Upon receipt of such request, the City of Denton reserves the right to either: accept the escalation as competitive with the general market price at the time, and become effective upon

Docusign Envelope ID: CB4810EC-68E3-4258-BF3D-D204FBD2FF3E

the renewal date of the contract award or reject the increases within 30 calendar days after receipt of a properly submitted request. If a properly submitted increase is rejected, the Contractor may request cancellation of such items from the Contract by giving the City of Denton written notice. Cancellation will not go into effect for 15 calendar days after a determination has been issued. Pre-price increase prices must be honored on orders dated up to the official date of the City of Denton approval and/or cancellation.

The request can be sent by e-mail to: purchasing@cityofdenton.com noting the solicitation number.

The City of Denton reserves the right to accept, reject, or negotiate the proposed price changes.

4. Performance Liquidated Damages

Contractor recognizes that time is of the essence of this Agreement and that City will suffer financial loss if the Work is not completed within the times specified in each task order, plus any extension thereof allowed in accordance with Article 12 of the General Conditions. The Contractor also recognizes the delays, expense and difficulties involved in proving in a legal proceeding the actual loss suffered by the City if the Work is not completed on time. Accordingly, instead of requiring any such proof, Contractor agree that as liquidated damages for delay (but not as a penalty), Contractor shall pay City one thousand dollars ($1,000) for each day that expires after the time specified in each task order for Final Acceptance until the City issues the Final Letter of Acceptance.

Public Works Construction Standards

NCTCOG 5th Edition

Section 108.8

Schedule 109.8.1 Liquidate Damages

Amount of contract ($)	**Amount of liquidated damages ($)**
Less than 25,000.000	200.00 Per Day
25,000.00 to 99,999.99	350.00 Per Day
100,000.00 to 999,999.99	500.00 Per Day
More Than 1,000,000.00	1000.00 Per Day

5. Post Award Additional Requirements

Pre-Construction Meeting: Prior to commencement of the services, the City and the Contractor will conduct a pre-construction meeting to review the overall scope, schedule, deliverables, planning process, and to ensure that all relevant parties to the project are introduced.

Environmental Hazards: There are no known safety or environmental hazards existing on the project site at the time of issue of this solicitation. The City does not warrant or guarantee against the possibility that safety or environmental hazards or potential hazards may exist at

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the City's facilities. The Contractor shall be responsible for identifying any hazardous conditions and notifying the City verbally of such conditions as soon as possible after discovery and shall follow up in writing within 10 days of such discovery. The costs for necessary investigations or any potential corrective actions will be negotiated between the City and the Contractor.

Contractor Standards of Performance: The contractor shall prosecute the work diligently with skilled craftsmen and with state-of-the-art methods to complete the work within the time stated in the contract or such time extensions as may be grant
Monthly Reports: The awarded Contractor shall provide to the City of Denton, detailed reports of daily work conditions, daily man power availability, equipment problems, and work accomplished on a monthly basis.

Safety: All contractors to the City of Denton are required to ensure absolute safety standards are applied and enforced. The City of Denton will not be responsible for individual contractor safety, and the awarded contractor shall not hold the City of Denton responsible. Known hazards shall immediately be reported to the Project Manager and all safety precautions shall be taken to prevent potential safety issues from occurring.

6. **Asbestos Free Materials**
The contractor shall provide asbestos-free materials as represented by the Manufacturer's "Materials Safety Data Sheets".

7. **Prevailing Wage Rates**
In accordance with Texas Government Code 2258, the awarded contractor shall comply with prevailing wage rates as defined by the United States Department of Labor Davis-Bacon Wage Determination at http://www.dol.gov/whd/contracts/dbra.htm and at the Wage Determinations website www.wdol.gov for Denton County, Texas (WD-2509).

Notwithstanding any other provision of this Contract, the awarded contractor hereby represents and warrants that the contractor shall pay to each of its employees a wage not less than what is currently known as the "Federal Minimum Wage" and any increase or amendments thereto. Furthermore, contractor shall produce proof of compliance with this provision by contractor to the City. The City shall withhold payments due to contractor until contractor has complied with this provision. Prior to any payment being made for work satisfactorily completed and accepted, contractor shall submit wage rate affidavits with its billing documents affirming that all employees have been paid not less than the current "Federal Minimum Wage".

8. **Remedies**
a. COMPLETION OF CONTRACTOR'S DEFAULT: If default shall be made by the Contractor or by any subcontractor in the performance of any of the terms of this proposal, the City, without in any manner limiting its legal and equitable remedies in the circumstances, may serve upon the Contractor and the Surety or Sureties upon the Contractor's bond or bonds a written notice requiring the Contractor to cause such default to be corrected forthwith. Unless within twenty (20) days after the service of such notice upon the Contractor such default shall be corrected or arrangements for the correction thereof satisfactory to the City

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and/or Engineer shall be made by the Contractor or its Surety or Sureties, the City may take over the construction of the project and prosecute the same to completion by contract or otherwise for the account and at the expense of the Contractor, and the Contractor and its Surety or Sureties shall be liable to the City for any cost or expense in excess of the contract price occasioned thereby. In such event the City may take possession of and utilize, in completing the construction of the project, any materials, tools, supplies, equipment, appliances, and plant belonging to the Contractor or any of its subcontractors, which may be situated at the site of the project. The City in such contingency may exercise any rights, claims or demands which the Contractor may have against third persons in connection with this contract and for such purpose the Contractor does hereby assign, transfer and set over unto the City all such rights claims and demands.

b. LIQUIDATED DAMAGES: Respondent must agree to commence work on or before a date to be specified in written "Notice to Proceed" by the Owner, and to fully complete the project within the time stated on proposal. As failure to complete project within the stated time, respondent agrees to pay as liquidated damages, the sums indicated in the Solicitation Main Document Section 10, for each working day of delay until work is completed and accepted. Delays because of strikes, fire, weather, or any cause beyond the contractors control shall be granted but claims for extension shall be in writing within a reasonable time after the occurrence. Contractor shall submit request for delay on a monthly basis in a letter form indicating reason and date of delay. Failure to do so on a monthly basis means contractor will forfeit those delay days. Liquidated damages in the amount per day shown in Main Solicitation Document, Section 10 “Liquidated Damages”, will be assessed against the Contractor for each calendar day or portion thereof that:

(1) the Contractor has not fully and timely completed the specific portion or part of the work to be completed by the end of the current month as provided in the detailed description of work and/or schedule previously submitted by the Contractor on the first day of that particular month, after accounting for any agreed-upon changed orders, which will entitle the Owner to withhold the liquidated damages from the payment otherwise owed to the Contractor for work completed in that particular month;

(2) the Contractor has not substantially completed all work following the expiration of the number of calendar days to complete the work as agreed upon in the contract, after accounting for any agreed-upon changed orders; or

(3) all items listed as incomplete and attached to the Certificate of Substantial Completion are not completed or corrected after expiration of the agreed time allotted for completion and correction, including any approved extensions of time granted. These liquidated damages are cumulative. The sum of the liquidated damages will be deducted from any monies due the Contractor. If no money is due the Contractor, said sum may be recovered by the Owner from the Contractor or the Contractor's surety, or from both combined. These deductions are to cover liquidated damages to the Owner for losses to Owner that include, but are not limited to, additional expenses of Contract administration, overhead and other costs resulting from failure of the Contractor to complete the Work within the designated time, and are not to be

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considered as penalties. The Owner shall not be considered liable for any extra or additional payment to the Contractor as a bonus or premium for early completion. Any failure on the part of the Owner to request or require payment or withholding of liquidated damages in any particular month shall not constitute a waiver of Contractor's requirement to pay, or the Owner's ability to withhold from payments owed to Contractor, any liquidated damages for work performed or completed in that particular month, in any prior or subsequent month, or at the time all work has been completed.

c. CUMULATIVE REMEDIES: Every right or remedy herein conferred upon or reserved to the City shall be cumulative, shall be in addition to every right and remedy now or hereafter existing at law or in equity or by statute, and the pursuit of any right or remedy shall not be construed as an election. Provided, however, that the provisions of the REMEDIES SECTION shall be the exclusive measure of damages for failure by the Contractor to complete the construction of the project within the time herein agreed upon.

9. Payment and Performance Requirements

a. PAYMENT AND INVOICES:

Payment processing: The City review, inspection, and processing procedures for invoices ordinarily require thirty (30) days after receipt of invoices, materials, or services. Submissions which call for payment before thirty (30) days from receipt of invoice, or cash discounts given on such payment, will be considered only if, in the opinion of the Purchasing Manager, the review, inspection, and processing procedures can be completed as specified. It is the intention of the City of Denton to make payment within thirty days after receipt of valid invoices for which items or services have been received unless unusual circumstances arise. The 30 day processing period for invoices will begin on the date the invoice is received or the date the items or services are received, whichever is later.

Direct deposit for payments: Contractors are encouraged to arrange for receiving payments through direct deposit. Information regarding direct deposit payments is available from the City of Denton Purchasing website: www.dentonpurchasing.com.

Invoices shall be sent directly to the City of Denton Accounts Payable Department, 215 E McKinney St, Denton, TX, 76201-4299. A pro-forma invoice shall be sent to the contract administrator as identified in the Notice to Proceed. It is the intention of the City of Denton to make payment on completed orders within thirty days after receipt of invoice or items; whichever is later, unless unusual circumstances arise. **Invoices must be fully documented as to labor, materials, and equipment provided, if applicable, and must reference the City of Denton Purchase Order Number in order to be processed. No payments shall be made on invoices not listing a Purchase Order Number.**

b. PAYMENT TO PERFORMANCE MILESTONES: Awarded contractor shall prepare and submit invoices after completion of specific project milestones. The invoice shall detail the major milestones accomplished and detailed cost information for project. These milestones shall be submitted to the City of Denton and the City's Project Staff shall review

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such for completion and accuracy, prior to payment authorization.

c. TAX EXEMPTION: The City of Denton qualifies for sales tax exemption pursuant to the provisions of Article 20.04 (F) of the Texas Limited Sales, Excise and Use Tax Act. Any Contractor performing work under this contract for the City of Denton may purchase materials and supplies and rent or lease equipment sales tax free. This is accomplished by issuing exemption certificates to suppliers. Certificates must comply with State Comptroller's ruling #95-0.07 and #95-0.09.

d. RELEASE OF LIENS AND CERTIFICATE OF CONTRACTOR: Upon award of the contract, the Contractor shall inform the City of the subcontractors and material sources that will be used. Upon the completion by the Contractor of the construction of the project, but prior to final payment to the Contractor, the Contractor shall deliver to the City releases of all liens, and of rights to claim any lien, from all manufacturers, material-men, and subcontractors furnishing services or materials for the project, to the effect that all materials or services used on or for the project have been paid for and indicating that the City is released from all such claims.

e. PAYMENTS TO MATERIAL-MEN AND SUBCONTRACTORS: The Contractor shall pay each material-men, and each subcontractor, if any, not later than five (5) days after receipt of any payment from the City, the amount thereof allowed the Contractor for and on account of materials furnished or construction performed by each material-men or each subcontractor.

10. General Provisions – Special Notices and Requirements

a. CONTRACT ADMINISTRATION SUBMITTALS AND REQUIREMENTS:

General: The General Conditions, Supplementary Conditions and Special Conditions provide definite times for Contractor to submit certain lists, qualifications, price breakdowns and schedules for administrative procedures including but not necessarily limited to the following:

List of Subcontractors: Before the execution of the Contract, the respondent awarded the contract will submit to the City for approval a list of all Subcontractors, and/or his major Subcontractors, proposed to use. This list will include each Subcontractor's correct name, mailing address and phone number.

Contractor's Superintendent: The Contractor shall submit the name and qualifications of the person designated as Project Superintendent within ten (10) days of the receipt of the Notice of Award Letter.

Contract Price Breakdown: Upon execution of the Contract, the Contractor shall submit to the City for approval a breakdown of the Contract price, itemizing material and labor for various classifications of work.

1. The City will provide forms for the Contractor to use to prepare the schedule of values.
2. Unit Price items will be multiplied by the estimated quantities to give the item totals. The total item will then be divided into "material" and "labor" and listed on

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the breakdown. The breakdown of unit price items into material and labor is required so the City may make progress payments on materials delivered before the labor is performed.

Work Progress Schedule: Within three (3) weeks after receipt of a work order, the Contractor shall submit in duplicate to the City for approval an estimated progress schedule for the work in relation to the entire project, over the total contract time. Schedules showing less than the stipulated contract time will be rejected. See details for this requirement in the attached STANDARD PURCHASE TERMS AND CONDITIONS FOR FACILITY CONSTRUCTION SERVICES, Article1, paragraph 3.10 “Contractors Construction Schedule”.

Testing and Quality Control: Observation of the Contractor's work to determine compliance with the plans and specifications may include testing of material installed on the project. A Testing Laboratory located by the Contractor shall do testing of materials furnished and work performed. The Contractor shall use only materials in the work, which meet the requirements of the specifications. The Contractor shall furnish at his own expense all necessary tests and specimens for testing of the material and when requested shall furnish a complete written statement of the origin, composition, and/or manufacturer of any or all materials that are to be used in the work. All materials not conforming to the requirements of the specifications will be rejected.

THIS QUALITY CONTROL SERVICE DOES NOT RELIEVE THE CONTRACTOR OF HIS RESPONSIBILITY WITH REGARD TO CONSTRUCTING THE WORK IN ACCORDANCE WITH THE CONTRACT.

Contractor shall submit appropriate tests including, but not limited to:

- Any test required in the technical specifications
- Any structural element called for on the plans, including, but not limited to dam construction, concrete asphalt roads or paths, shelters, bridges or other structure tests, pressure test of irrigation.
- Test to prove adequacy of design and construction of any feature that may have been accepted by Owner under contractor's "Alternate Proposal".
- Any test that may be occasioned by any local, state, or federal law.

As-Built Drawings: The contractor shall maintain a complete set of contract drawings in his possession, upon which he is required to note in red, or other clear manner, all deviations, final dimensions and explanatory notes arising out of actual work installed or performed in the field, and showing exact locations of such work, including trades. Notes on these drawings shall indicate installed locations and dimensioned clearances. Contractor to furnish an as- built drawn from an aerial photo identifying course, irrigation (including all components, buried or otherwise), major and minor drainage lines and related structures, all underground utilities, location of buried trees and debris, limits of topsoil, extra borrow areas, and other significant construction which could reasonably be foreseen to affect future operation. All as-built(s) shall be supplied in CAD format.

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Project Manuals: Contractor shall supply City a project manual for operations of all mechanical systems to be included under this contract in a manner satisfactory to the design professional, his sub-consultants and City's representatives.

Schedule of Tests, Submittals: A schedule of anticipated tests and submittals begins on the next page. Additional submittals may be required.

b. MEETINGS:

Pre-Construction Conference: Prior to start of work, a conference between the City and Contractor will be held to discuss provisions of the contract documents, explain administrative procedures and coordinate the work effort. Time of pre-construction conference will be stated in the Work Order letter for the Contractor. Attendance by Contractor and Contractor's Superintendents is mandatory.

1. City will schedule meeting and provide meeting place.
2. Attendance: The following are expected to attend:
    - City's Representative.
    - Consultant's Construction Administrator.
    - Representatives from Sub-Consultants Contractor's Project Manager, Project Superintendent and Project Coordinator Representatives of major subcontractors
3. Agenda Items:
    - List of major Subcontractors and Suppliers
    - Tentative construction schedule
    - Critical work sequencing
    - Major equipment deliveries
    - Designation of responsible personnel
    - Procedures and processing of field decisions, proposal requests, submittals color coordination, change orders, and applications for payment.
    - Adequacy of distribution of Contract Documents.
    - Procedures for maintaining Record Documents
    - Use of Premises: office, work, storage, staging areas; Owner's requirements
    - Construction facilities, controls and construction aids
    - Temporary utilities
    - Safety and first aid procedures
    - Security procedures
    - Housekeeping procedures
    - Other business

4. The City's Representative will preside over the meeting.

Progress Meetings: Construction progress meetings may be called by the Project Manager, Project Inspector or the General Contractor to review job progress or problems.

1. Schedule meeting and notify in writing those concerned at least one week in advance of meeting.

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2. Provide a convenient, comfortable meeting place.
3. Contractor's Project Superintendent or Project Manager shall preside over meeting.
4. Attendance: The following are expected to attend: City's Representative Consultant's Construction Administrator Sub-consultant's unless notified otherwise Contractor's General Superintendent, Project Superintendent and Project Coordinator. Subcontractors having work in progress Subcontractors whose work will start within the next month Others as requested by City, A/E, or Contractor
5. Agenda Review, approval of minutes or previous meeting Review of work progress since previous meeting Field observation, problems, conflicts Problems which impede construction schedule Review of off-site fabrication, and delivery schedules Corrective measures and procedures to regain projected schedule. Revisions to construction schedules Progress schedules for succeeding period Schedule coordination Review proposed changes for effect on construction schedule, on completion date, and effect on other contracts of project Maintenance of quality standards Pending changes and substitutions Other business
6. The Contractors Project Manager will preside over the meeting. C. Minutes of Meetings: Contractor shall take notes at pre- construction and progress meetings and distribute them to those concerned in the form of minutes within four (4) calendar days after meeting.

c. SURVEYS, MEASUREMENTS AND LAYOUTS

General: The City will provide property surveys. The Contractor shall be responsible for all control point staking as required. The Contractor's responsibility for verifying conditions is defined in the Standard General Conditions.

Surveys, Measurements and Layout Out of Work: The Contractor will establish from survey information on drawings all lines, grades, and levels and will be responsible for maintenance and accuracy thereof.

d. MISCELLANEOUS REQUIREMENTS

Additional safety precautions shall be instituted by the awarded contractor, as the work environment will be in an area where citizens and employees may be present, and work safety must be coordinated with the owner.

The Contractor shall be responsible for all spoil removals, and any excess soil that will require removal.

It is understood that the basis for payment on the work to be done according to the final plans and specifications shall be a lump sum fee as set forth in Contractor's submission. Any quantity estimates supplied by Designer or City are intended only as a guide to the respondent. Respondent is responsible for making his own quantity estimates and pricing from his own examination of the work to be done.

A schedule of Respondent's Quantities and Unit Prices is to be filled out as a part of this solicitation. Extensions of units and unit prices must total up correctly.

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EXHIBIT C

CITY OF DENTON STANDARD PURCHASE TERMS AND CONDITIONS FOR CONSTRUCTION SERVICES

ARTICLE 1 GENERAL PROVISIONS

GENERAL DEFINITIONS

1.1 The following definitions apply throughout these General Conditions and to the other Contract Documents:

a) THE CONTRACT DOCUMENTS

The Contract Documents consist of the formal Building Construction Services Agreement between the Owner and the Prime Contractor, these General Conditions and other supplementary conditions included by special provisions or addenda, drawings, specifications, addenda issued prior to execution of the Contract, other documents listed in the Contract, and Amendments issued after execution of the Contract. For purposes of these General Conditions, an Amendment is:

(1) a written Supplemental Agreement to the Contract signed by authorized representatives of both parties;

(2) a Change Order, including Change Orders signed only by the Owner as described in Subparagraph 7.1(b) and Subparagraph 7.1(e); or

(3) a written order for a minor change in the Work issued by the Architect/Engineer as described in Paragraph 7.3.

The Contract Documents also include bid documents such as the Owner's Instructions to Bidders, sample forms, the Prime Contractor's Bid Proposal and portions of addenda relating to any of these documents, and any other documents, exhibits or attachments specifically enumerated in the Building Construction Services Agreement, but specifically exclude geotechnical and subsurface reports that the Owner may have provided to the Prime Contractor.

b) THE CONTRACT

The Contract Documents, as defined in Paragraph 1.1, are expressly incorporated into and made a part of the formal Building Construction Services Agreement between the Owner and the Prime Contractor by reference in this Paragraph and Paragraph 1.1 (which documents are sometimes also referred to collectively in these General Conditions as the "Contract"). The Contract Documents represent the entire and integrated agreement between the Owner and the Prime Contractor and supersede all prior negotiations, representations or agreements, either written or oral. The terms and conditions of the

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Contract Documents may be changed only by an Amendment. The Contract Documents shall not be construed to create a contractual relationship of any kind:

(1) between the Architect/Engineer and Prime Contractor;

(2) between the Owner and a Subcontractor or -subcontractor; or

(3) between any persons or entities other than the Owner and Prime Contractor.

The Architect/Engineer shall, however, be entitled to performance and enforcement of obligations under the Contract Documents intended to facilitate performance of the Architect/Engineer's duties.

c) THE WORK

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all labor, materials, equipment, and services provided or to be provided by the Prime Contractor, or any Subcontractors, Sub-subcontractors, material suppliers, or any other entity for whom the Prime Contractor is responsible, to fulfill the Prime Contractor's obligations. The Work may constitute the whole or a part of the Project.

d) THE PROJECT

The Project is the total construction more particularly described in the Building Construction Services Agreement, of which the Work performed under the Contract Documents may be the whole or a part of the Project and which may include construction by the Owner or by separate contractors. All references in these General Conditions to or concerning the Work or the site of the Work will use the term "Project," notwithstanding that the Work may only be a part of the Project.

e) THE DRAWINGS

The Drawings (also known as the "Plans") are the graphic and pictorial portions of the Contract Documents, wherever located and whenever issued, showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules, and diagrams.

f) THE SPECIFICATIONS

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, construction systems, standards, and workmanship for the Work, performance of related services, and other technical requirements.

g) THE PROJECT MANUAL

The Project Manual is the volume or volumes which contain the bidding requirements,

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sample forms, General Conditions for Building Construction, special provisions, and Specifications. The Project Manual may be modified by written addendums issued by the Owner during bidding, in which case the written addendums become a part of the Project Manual upon their issuance, unless otherwise indicated by the Owner in writing.

h) ALTERNATE

An Alternate is a variation in the Work on which the Owner requires a price separate from the City Building General Conditions Base Bid. If an Alternate is accepted by the Owner, the variation will become a part of the Contract through the execution of a change order or amendment to the Contract and the Base Bid will be adjusted to include the amount quoted. If an alternate is accepted by the Owner, and later deleted prior to any Work under the alternate being performed or materials delivered to the Project site, the Owner will be entitled to a credit in the full value of the alternate as priced in the Prime Contractor's Bid.

i) BASE BID

The Base Bid is the price quoted for the Work before Alternates are considered.

j) HAZARDOUS SUBSTANCE

The term Hazardous Substance is defined to include the following:

(1) any asbestos or any material which contains any hydrated mineral silicate, including chrysolite, amosite, crocidolite, tremolite, anthophyllite or actinolite, whether friable or non-friable;

(2) any polychlorinated biphenyls ("PCBs"), or PCB-containing materials, or fluids;

(3) radon;

(4) any other hazardous, radioactive, toxic or noxious substance, material, pollutant, or solid, liquid or gaseous waste;

(5) any pollutant or contaminant (including but not limited to petroleum, petroleum hydrocarbons, petroleum products, crude oil or any fractions thereof, any oil or gas exploration or production waste, any natural gas, synthetic gas or any mixture thereof, lead, or other toxic metals) which in its condition, concentration or area of release could have a significant effect on human health, the environment, or natural resources;

(6) any substance that, whether by its nature or its use, is subject to regulation or requires environmental investigation, monitoring, or remediation under any federal, state, or local environmental laws, rules, or regulations;

(7) any underground storage tanks, as defined in 42 U.S.C. Section 6991(1)(A)(I) (including those defined by Section 9001(1) of the 1984 Hazardous and Solid Waste Amendments to the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901

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et seq.; the Texas Water Code Annotated Section 26.344; and Title 30 of the Texas Administrative Code Sections 334.3 and 334.4), whether empty, filled or partially filled with any substance; and

(8) any other hazardous material, hazardous waste, hazardous substance, solid waste, and toxic substance as those or similar terms are defined under any federal, state, or local environmental laws, rules, or regulations.

k) OTHER DEFINITIONS

As used in the Contract Documents, the following additional terms have the following meanings:

(1) "provide" means to furnish, install, fabricate, deliver and erect, including all services, materials, appurtenances and other expenses to complete in place, ready for operation or use;

(2) "shall" means the action of the party to which reference is being made is mandatory;

(3) "as required" means as prescribed in the Contract Documents; and

(4) "as necessary" means all action essential or needed to complete the work in accordance with the Contract Documents and applicable laws, ordinances, construction codes, and regulations.

1.2 EXECUTION, CORRELATION AND INTENT

(a) The Building Construction Services Agreement shall be signed by duly authorized representatives of the Owner and Prime Contractor as provided in the Agreement.

(b) Execution of the Building Construction Services Agreement by the Prime Contractor is a representation that the Prime Contractor has visited the site, has become familiar with local conditions, including but not limited to subsurface conditions, under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

(c) The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Prime Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Prime Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the intended results.

(d) Organization of the Specifications into divisions, sections, and articles, and arrangement of Drawings shall not control the Prime Contractor in dividing the Work among Subcontractor(s) or in establishing the extent of Work to be performed by any trade.

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(e) Unless otherwise stated in the Contract Documents, words which have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

(f) The Drawings and Specifications are intended to agree with one another, and Work called for by Drawings and not mentioned in Specifications, or vice versa, shall be furnished as if set forth by both. Specifications shall govern materials, methods and quality of work. In the event of a conflict on the Drawings between scale and dimension, figured dimensions shall govern over scale dimensions and large scale drawings shall govern over small scale drawings. Conflict between two or more dimensions applying to a common point shall be referred to the Architect/Engineer/Engineer for final adjustment. If discrepancies or conflicts occur within or between the Drawings and Specifications regarding the Work, or within or between other Contract Documents, the Prime Contractor shall not perform such Work without having obtained a clarification from the Architect/Engineer and resolution by the Owner. The Owner's decision as to the appropriate resolution of a conflict or discrepancy shall be final. Should the Drawings or the Specifications disagree within themselves or with each other; the Base Bid will be based on the most expensive combination of quality and quantity of Work indicated.

(g) Deviations from Contract Documents shall be made only after written approval is obtained from Architect/Engineer and Owner, as provided in Article 7.

(h) The intention of the Contract Documents is to include all materials, labor, tools, equipment, utilities, appliances, accessories, services, transportation, and supervision required to completely perform the fabrication, erection and execution of the Work in its final position.

(i) The most recently issued Drawing or Specification takes precedence over previous issues of the same Drawing or Specification. In the event of a conflict, the order of precedence of interpretation of the Contract Documents is as follows:

(1) Amendments (see Paragraph 7.2 for order of precedence between Amendments);

(2) the Building Construction Services Agreement;

(3) addenda, with those addenda of later date having precedence over those of an earlier date;

(4) the Supplementary General Conditions and Special Provisions, if any;

(5) the General Conditions for Building Construction;

(6) 0the Specifications and Drawings.

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1.3OWNERSHIP AND USE OF ARCHITECT/ENGINEER'S DRAWINGS, SPECIFICATIONS AND OTHER DOCUMENTS

All Drawings, Specifications, and copies thereof furnished by the Architect/Engineer are and shall remain the property of the Owner and are, with the exception of the Contract set for each party, to be returned to the Owner upon request at the completion of the Work.

1.4 CAPITALIZATION

Terms capitalized in these General Conditions include those which are:

(1) specifically defined in these General Conditions (except the terms defined in Subparagraph 1.1(j), which terms are of common grammatical usage and are not normally capitalized);

(2) the titles of numbered articles and identified references to Paragraphs, Subparagraphs, and Clauses;

(3) the titles of other documents published or used by the Owner as manuals or official policy statements; or

(4) proper nouns or other words required under standard grammatical rules to be capitalized.

ARTICLE 2 - THE OWNER

2.1 DEFINITION OF OWNER

The Owner is the City of Denton, a Texas municipal corporation, and is identified as such in the Building Construction Services Agreement, and is referred to throughout the Contract Documents as if singular in number. The term "Owner" means the Owner or the Owner's authorized representatives.

2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER

(a) The Owner shall furnish the most recent survey describing the physical characteristics, legal limits, utility locations, and a permanent benchmark for the site of the Project. The Owner shall also furnish any environmental site assessments that may have been given to the Owner or conducted for the property upon which the Project is to be constructed. THIS INFORMATION IS FURNISHED TO THE PRIME CONTRACTOR ONLY IN ORDER TO MAKE DISCLOSURE OF THIS MATERIAL AND FOR NO OTHER PURPOSE. BY FURNISHING THIS MATERIAL, THE OWNER DOES NOT REPRESENT, WARRANT, OR GUARANTEE ITS ACCURACY EITHER IN WHOLE, IN PART, IMPLICITLY OR EXPLICITLY, OR IN ANY OTHER WAY, AND THE OWNER SHALL HAVE NO LIABILITY FOR THIS MATERIAL.

(b) Except for permits and fees which are provided for in Subparagraph 3.7(a), the Owner shall secure and pay for necessary approvals, easements, assessments, and charges required for

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construction, use, or occupancy of permanent structures or for permanent changes in existing facilities.

(c) Information or services under the Owner's control shall be furnished by the Owner with reasonable promptness to avoid delay in the orderly progress of the Work. It is incumbent upon the Prime Contractor to identify, establish, and maintain a current schedule of latest dates for submittal and approval, as required in Paragraph 3.10, including when such information or services must be delivered. If Owner delivers the information or services to the Prime Contractor as scheduled and Prime Contractor is not prepared to accept or act on such information or services, then Prime Contractor shall reimburse Owner for all extra costs incurred of holding, storage, or retention, including redeliveries by the Owner to comply with the current schedule.

(d) Unless otherwise provided in the Contract Documents, the Prime Contractor will be furnished electronic copies of the Drawings and Specifications for bid purposes and one hard copy approved by Building Inspections upon execution of the Contract. Prime Contractor may obtain additional copies by paying the cost of additional printing or reproduction.

(e) The obligations described above are in addition to other duties and responsibilities of the Owner enumerated in the Contract Documents and especially those in respect to Article 6 (Construction by Owner or by Separate Contractors), Article 9 (Payments and Completion), and Article 11 (Insurance and Bonds).

(f) The Owner shall forward all instructions to the Prime Contractor through the Architect/Engineer, except for the Owner's Notice to Proceed and the Owner's decision to carry out Work as described in Paragraph 2.4.

(g) The Owner's employees, agents, and consultants may be present at the Project site during performance of the Work to assist the Architect/Engineer in the performance of the Architect/Engineer's duties and to verify the Prime Contractor's record of the number of workmen employed on the Work, their occupational classification, the time each is engaged in the Work, the equipment used in the performance of the Work, and for purpose of verification of Prime Contractor's Applications for Payment.

2.3 OWNER'S RIGHT TO STOP THE WORK

If the Prime Contractor fails to correct any portion of the Work which is not in accordance with the requirements of the Contract Documents as required by Paragraph 12.2 or refuses or fails to carry out all or any part of the Work in accordance with the Contract Documents, the Owner, by written order, may order the Prime Contractor to stop the Work, or any portion of the Work, until the cause for the order has been eliminated. The right of the Owner however, to stop the Work shall not create or imply a duty on the part of the Owner to exercise this right for the benefit of the Prime Contractor or any other person or entity. The rights of the Owner under this Paragraph 2.3 shall be in addition to, and not in restriction of, the Owner's rights under Paragraph 12.2.

2.4 OWNER'S RIGHT TO CARRY OUT THE WORK

If the Prime Contractor fails or refuses to carry out the Work or perform any of the terms, covenants, or obligations of the Contract Documents, and fails or refuses to correct any failure

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or refusal with diligence and promptness within fourteen (14) days after receipt of written notice from the Owner, the Owner may correct the Prime Contractor's failure or refusal or cause such failure or refusal to be corrected, without affecting, superseding, or waiving any other contractual, legal, or equitable remedies the Owner has, including but not limited to the Owner's termination rights under Article 13. In that case, an appropriate Change Order will be issued deducting the Owner's cost of correction, including Architect/Engineer's compensation for additional services and expenses made necessary by the failure or refusal of the Prime Contractor from payments then or thereafter due to the Prime Contractor. The cost of correction is subject to verification (but not approval) by the Architect/Engineer. If payments then or thereafter due the Prime Contractor are not sufficient to cover the cost of correction, the Prime Contractor shall pay the difference to the Owner.

2.5 NOTICE TO PROCEED

After final execution of the Contract and receipt and approval of the required performance and payment bonds and evidence of required insurance, the Owner will issue a written Notice to Proceed with the Work, including the designated Contract Time within which Substantial Completion of the Work must be achieved. If the Owner unreasonably delays issuance of a written Notice to Proceed through no fault of the Prime Contractor, the Prime Contractor shall be entitled only to an equitable adjustment of the Contract Time, if properly claimed pursuant to the requirements of Paragraph 4.3; but the Prime Contractor shall not be entitled to any increase to the Contract Sum whatsoever for this reason.

ARTICLE 3 - THE CONTRACTOR

3.1 DEFINITION OF CONTRACTOR

The Prime Contractor is the person or business entity identified as such in the Building Construction Services Agreement, and is referred to throughout the Contract Documents as if singular in number. The term "Prime Contractor" means the Prime Contractor or the Prime Contractor's authorized employees or representatives.

3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

(a) The Prime Contractor shall carefully check, study, and compare the Contract Documents with each other and shall at once report to the Architect/Engineer in writing any inconsistency, ambiguity, error, omission, conflict, or discrepancy the Prime Contractor may discover. The Prime Contractor shall also verify all dimensions, field measurements, and field conditions before laying out the Work. The Prime Contractor will be held responsible for any subsequent error, omission, conflict, or discrepancy which might have been avoided by the above-described check, study, comparison, and reporting. In the event the Prime Contractor continues to work on an item where an inconsistency, ambiguity, error, omission, conflict, or discrepancy exists without obtaining such clarification or resolution or commences an item of the Work without giving written notice of an error, omission, conflict, or discrepancy that might have been avoided by the check, study, and

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comparison required above, it shall be deemed that the Prime Contractor bid and intended to execute the more stringent, higher quality, or state of the art requirement, or accepted the condition "as is" in the Contract Documents, without any increase to the Contract Sum or Contract Time. The Prime Contractor shall also be responsible to correct any failure of component parts to coordinate or fit properly into final position as a result of Prime Contractor's failure to give notice of and obtain a clarification or resolution of any error, omission, conflict, or discrepancy, without any right to any increase to the Contract Sum or Contract Time.

(b) The Prime Contractor shall perform the Work in accordance with the Contract Documents and submittals approved pursuant to Paragraph 3.12.

3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

(a) The Prime Contractor shall supervise and direct the Work, using the Prime Contractor's best skill and attention. The Prime Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences, and procedures and for coordinating all portions of the Work, unless the Contract Documents set forth specific instructions concerning these matters.

(b) The Prime Contractor shall be responsible to the Owner for the acts and omissions of the Prime Contractor's employees, Subcontractors, Sub-subcontractors, and their respective agents and employees, and any other persons performing portions of the Work under a subcontract with the Prime Contractor, or with any Subcontractor, and all other persons or entities for which the Prime Contractor is legally responsible. All labor shall be performed by mechanics that are trained and skilled in their respective trades. Standards of work required throughout shall be of a quality that will bring only first class results. Mechanics whose work is unsatisfactory, or who are considered careless, incompetent, unskilled, or otherwise objectionable shall be dismissed promptly from the Work and immediately replaced with competent, skilled personnel. Any part of the Work adversely affected by the acts or omissions of incompetent, unskilled, careless, or objectionable personnel shall be immediately corrected by the Prime Contractor.

(c) The Prime Contractor shall not be relieved of its obligation to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect/Engineer in the Architect/Engineer's administration of the Contract, or by tests, inspections, or approvals required or performed by persons other than the Prime Contractor.

(d) The Prime Contractor shall be responsible for inspection of portions of Work already performed under this Contract to determine that such portions are in proper condition to receive subsequent Work. The Prime Contractor's responsibility under this paragraph will not in any way eliminate the Architect/Engineer's responsibility to the Owner under the Architect/Engineer/Owner Agreement.

(e) Any Prime Contractor, Subcontractor, Sub-subcontractor, or separate contractor who commences Work over, in, or under any surface prepared by the Owner or by any other

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contractor, subcontractor, sub-subcontractor or any separate contractor, without the Prime Contractor having given written notice to the Architect/Engineer of the existence of any faulty surface or condition in the surface that prevents achieving the quality of workmanship specified by the Contract Documents and without having obtained the prior approval of the Architect/Engineer and the Owner to proceed is deemed to have accepted the surface or condition in the surface as satisfactory at the commencement of such Work. Any unsatisfactory Work subsequently resulting from such a faulty surface or condition in the surface that was not pre-approved by the Architect/Engineer or the Owner after notice as provided above may be rejected and replacement required, without any increase to the Contract Sum or Contract Time.

(f) All grades, lines, levels, and benchmarks shall be established and maintained on an ongoing basis by the Prime Contractor. The Prime Contractor is solely responsible for any errors made in establishing or maintaining proper grades, lines, levels, or benchmarks. Contractor shall verify all grades, lines, levels, and dimensions as indicated on Drawings. He shall report any errors, omissions, conflicts, or inconsistencies to Architect/Engineer before commencing any Work affected by these conditions. Contractor shall establish and safeguard benchmarks in at least two widely separated places and, as Work progresses, establish benchmarks at each level and lay out partitions on rough floor in exact locations as guides to all trades. The Contractor shall, from the permanent benchmark provided by the Owner, establish and maintain adequate horizontal and vertical control.

3.4 LABOR AND MATERIALS

(a) Except as is otherwise specifically provided in the Contract Documents as being the responsibility of the Owner, the Prime Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

(b) The Prime Contractor shall enforce strict discipline and good order among the Prime Contractor's employees and all other persons carrying out the Contract. The Prime Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

(c) The Prime Contractor shall give preference, when qualified labor is available to perform the Work to which the employment relates, to all labor hired for the Project in the following order:

(1) residents of the City of Denton, Texas;

(2) residents of the County of Denton, Texas;

3.5 WARRANTY

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(a) General Warranty. The Contractor warrants to the Owner that all Work shall be accomplished in a good and workmanlike manner and that all materials and equipment furnished under the Contract will be of good quality, new (unless otherwise specified), and free from faults or defects, and that the Work will otherwise conform to the Contract Documents. Work not conforming to these requirements, including substitutions not properly approved and authorized, will be considered defective or nonconforming. The Contractor's warranty excludes any remedy for damage or defect caused by abuse, modifications not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear under normal usage. If required by the Architect/Engineer, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment. The commencement date, duration, and other conditions related to the scope of this general warranty are established in Subparagraphs 9.9 (a) and 12.2(b) of these General Conditions. THE GENERAL WARRANTY PROVIDED IN THIS SUBPARAGRAPH IS IN ADDITION TO AND DOES NOT LIMIT OR DISCLAIM ANY OTHER WARRANTY OR REMEDY REQUIRED OR PROVIDED BY LAW OR THE CONTRACT DOCUMENTS AND SUCH WARRANTY SHALL REQUIRE THE CONTRACTOR TO REPLACE DEFECTIVE MATERIALS AND RE-EXECUTE DEFECTIVE WORK THAT IS DISCLOSED BY THE OWNER TO THE CONTRACTOR WITHIN A PERIOD OF TWO (2) YEARS AFTER SUBSTANTIAL COMPLETION OF THE ENTIRE WORK; OR, IF A LATENT DEFECT IS DISCOVERED WITHIN TWO YEARS OF SUBSTATIONAL COMPLETION OF THE ENTIRE WORK.

(b) Special Warranties. The Contractor shall assign to the Owner in writing, as a condition precedent to final payment, the terms and conditions of all special warranties required under the Contract Documents.

3.6 TAXES

The Owner qualifies for exemption from state and local sales and use taxes, pursuant to the provisions of Section 151.309 of the Texas Tax Code, as amended. Therefore, the Owner shall not be liable for, or pay the Contractor's cost of, such sales and use taxes which would otherwise be payable in connection with the purchase of tangible personal property furnished and incorporated into the real property being improved under the Contract Documents or the purchase of materials, supplies and other tangible personal property, other than machinery or equipment and its accessories and repair and replacement parts, necessary and essential for performance of the Contract which is to be completely consumed at the job site. The Contractor shall issue an exemption certificate in lieu of the tax on such purchases.

3.7 PERMITS, FEES AND NOTICES

(a) The Architect/Engineer will apply and arrange for the issuance of the City of Denton Building Permit. The Prime Contractor and Subcontractors will apply and arrange for the issuance of all other required permits, and will not be required to pay a fee for any City of Denton permits required for the Project. The Owner will pay all service extension charges, including tap fees, assessed by the Water Utilities Department.

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(b) The Prime Contractor shall comply with and give notices required by laws, ordinances, rules, regulations, and lawful orders of governmental entities or agencies applying to performance of the Work.

(c) Except as provided in Subparagraph (d) below, it is not the Prime Contractor's responsibility to ascertain that the Contract Documents are in accordance with applicable laws, ordinances, construction codes, and rules and regulations. However, if the Prime Contractor observes that portions of the Contract Documents are at variance with applicable laws, ordinances, construction codes, rules or regulations, the Prime Contractor shall promptly notify the Architect/Engineer and the Owner in writing, and necessary changes shall be accomplished by appropriate Amendment.

(d) If the Prime Contractor performs Work knowing it to be contrary to laws, ordinances, construction codes, or rules and regulations without notifying the Architect/Engineer and the Owner, the Prime Contractor shall assume full responsibility for the Work and shall bear the attributable costs of the correction of the Work and any other Work in place that may be adversely affected by the corrective work.

3.8 ALLOWANCES

(a) The Prime Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for the amounts identified in the Contract and by persons or entities as the Owner may direct, but the Prime Contractor shall not be required to employ persons or entities against which the Prime Contractor makes reasonable objection.

(b) Unless otherwise provided in the Contract Documents:

(1) materials and equipment under an allowance shall be selected promptly by the Owner to avoid delay in the Work;

(2) the amount of each allowance shall cover the cost to the Prime Contractor of materials and equipment delivered at the site less all exempted taxes and applicable trade discounts;

(3) the amount of each allowance includes the Prime Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit, and other expenses contemplated for stated allowance Work;

(4) whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect:

(i) the difference between actual costs and the allowances under Clause (b) (2); and

(ii) changes in Contractor's costs under Clause (b) (3);

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(5) the Owner retains the right to review and approve Subcontractors selected by the Prime Contractor to perform work activities covered by allowances.

3.9 SUPERINTENDENT

The Prime Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project Site during performance of the Work. The superintendent shall represent the Prime Contractor, and communications given to the superintendent shall be as binding as if given to the Prime Contractor. Important communications shall be confirmed in writing. Other communications shall be similarly confirmed on written request in each case. The Owner reserves the right to request that the Prime Contractor replace its superintendent at any time and the Prime Contractor will replace said superintendent at the Owner's direction.

3.10 PRIME CONTRACTOR'S CONSTRUCTION SCHEDULES

(a) The Prime Contractor shall, immediately after award of the Contract and before submittal of the first Application for Payment, prepare and submit the construction schedule for the Architect/Engineer's and Owner's information, review, and approval in accordance with the following provisions:

(1) Unless otherwise approved in writing by the Owner, the construction schedule shall not exceed the Contract Time limits currently in effect under the Contract Documents and shall provide for expeditious and practicable execution of the Work.

(2) The construction schedule shall include all shop drawing and submittal data requirements, indicating for each:
(i) the latest date to be submitted by the Prime Contractor; and
(ii) the latest date for approval by the Architect/Engineer.

(3) The construction schedule shall be in the form of a critical path management schedule, and shall indicate each critical task (the "predecessor") of all the major construction activities of the Work in a logical and sequential order (the "project network") which requires completion prior to commencement of the task next following (the "successor"). Each task shall be identified with:

(i) actual work time, exclusive of slack time, for accomplishment;

(ii) the latest start date;

(iii) the latest finish date;

(iv) the amount of float associated with each task;

(v) the amount of labor, material, and equipment associated with each task; and

(vi) the percentage of completion as of the date of the current schedule.

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(4) The construction schedule shall be revised and updated monthly to reflect the actual status of the Work and shall be submitted with each Application for Payment.

(5) On or before the first day of each month, following the date of commencement of the Work as stated in the notice to proceed, the Prime Contractor shall prepare and submit to the Architect/Engineer and the Owner an up-to-date status report of the progress of the various construction phases of the Work in the form of an updated construction schedule. This status report shall consist of a time scale drawing indicating actual progress of the various phases of the Work and the percentage of completion of the entire Work. The original construction schedule shall be updated or changed to indicate any adjustments to the Contract Time granted by the Owner. The updated schedule must be submitted with the Prime Contractor's Application for Payment. No such application will be certified without a satisfactory update to the construction schedule.

(6) The construction schedule will also be revised to show the effect of change orders and other events on Contract Time. No request for an increase in Contract Time will be considered unless it is accompanied by a schedule revision demonstrating the amount of time related to the cause of the request. If the Contractor's status schedules reflect that the Prime Contractor has fallen behind the pace required to complete the Work within the Contract Time, through no fault of the Owner, the Prime Contractor shall prepare a recovery schedule demonstrating how it intends to bring its progress back within the Contract Time. This recovery schedule shall be in a form acceptable to the Owner.

(7) Costs incurred by the Prime Contractor in preparing and maintaining the required construction schedule, any updated schedule, and any recovery schedule required by the Owner will not be paid as an additional or extra cost and shall be included in the Contract Sum.

(8) The Contract Sum is deemed to be based upon a construction schedule requiring the full Contract Time. NO CLAIM FOR ADDITIONAL COMPENSATION SHALL BE ALLOWED AS A RESULT OF THE PRIME CONTRACTOR BASING HIS BID ON AN EARLY COMPLETION SCHEDULE, OR AS A RESULT OF DELAYS AND COSTS ATTRIBUTABLE TO COMPLETION LATER THAN THE PLANNED EARLY COMPLETION DATE.

(b) The Prime Contractor shall also prepare and keep current, for the Architect/Engineer's approval, a schedule of submittals which is coordinated with the Prime Contractor's construction schedule and allows the Architect/Engineer reasonable time to review submittals.

(c) The Prime Contractor shall conform to the most recent schedules approved as to form by the Architect/Engineer and the Owner. Any subsequent revisions made by the Prime Contractor to schedules in effect shall conform to the provisions of Subparagraph 3.10(a)

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(d) If the Work falls behind the approved construction schedule, the Prime Contractor shall take such steps as may be necessary to improve his progress, and the Architect/Engineer and the Owner may require him to increase the number of shifts, overtime operations, days of work, or the amount of construction plant, and to submit for approval revised schedules in the form required above in order to demonstrate the manner in which the agreed rate of progress will be regained, all without additional cost to the Owner.

3.11 DOCUMENTS AND SAMPLES AT THE PROJECT SITE

The Contractor shall maintain at the Project site for the Owner one record copy of the Drawings, Specifications, addenda, and Amendments in good order and marked currently to record changes and selections made during construction, and in addition shall maintain at the Project site approved Shop Drawings, Product Data, Samples, and similar required submittals. These shall be available to the Architect/Engineer and shall be delivered to the Architect/Engineer for submittal to the Owner upon completion of the Work.

3.12 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

(a) Shop Drawings are drawings, diagrams, schedules, and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, materialmen, manufacturer(s), supplier(s), or distributor(s) to illustrate some portion of the Work.
(b) Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams, and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.
(c) Samples are physical examples which illustrate materials, equipment, or workmanship and establish standards by which the Work will be judged.
(d) Shop Drawings, Product Data, Samples, and similar submittals are not Contract Documents. The purpose of their submittal is to demonstrate for those portions of the Work for which submittals are required the way the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents. Review by the Architect/Engineer is subject to the limitations of Paragraph 4.2.
(e) The Prime Contractor shall review, approve and submit to the Architect/Engineer Shop Drawings, Product Data, Samples, and similar submittals required by the Contract Documents with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner, or of separate contractors. Submittals made by the Prime Contractor which are not required by the Contract Documents may be returned without action.
(f) The Prime Contractor shall perform no portion of the Work requiring submittal and review of Shop Drawings, Product Data, Samples, or similar submittals until the respective submittal has been approved by the Architect/Engineer. Work requiring this submittal and review shall be in accordance with approved submittals and any identified exceptions noted by the Architect/Engineer.
(g) By approving and submitting Shop Drawings, Product Data, Samples and similar submittals, the Prime Contractor represents that the Prime Contractor has determined and verified materials, field measurements, and related field construction criteria, or will do so, and has checked and coordinated the information contained within submittals with the

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requirements of the Work and of the Contract Documents. The Prime Contractor's attention is directed to Paragraph 3.2 of these General Conditions and the requirements stated in that Paragraph.

(h) The Prime Contractor shall not be relieved of responsibility for deviations, substitutions, changes, additions, deletions or omissions from requirements of the Contract Documents by the Architect/Engineer's approval of Shop Drawings, Product Data, Samples, or similar submittals unless the Prime Contractor has specifically informed the Architect/Engineer in writing of such substitutions, changes, additions, deletions, omissions, or deviations involved in the submittal at the time of submittal and the Architect/Engineer, subject to a formal Change Order signed by the Owner, Architect/Engineer and Prime Contractor, has given written approval to the specific substitutions, changes, additions, deletions, omissions, or deviations. The Prime Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples, or similar submittals by the Architect/Engineer's approval thereof. Further, notwithstanding any approval of a submittal by the Architect/Engineer, the Prime Contractor shall be responsible for all associated Project costs, including costs of coordination's, modifications, or impacts, direct or indirect, resulting from any and all substitutions, changes, additions, deletions, omissions, or deviations, whether or not specifically identified by the Prime Contractor to the Architect/Engineer at the time of the above-mentioned submittals, including additional consulting fees, if any, in any and all accommodations associated with such substitutions, changes, additions, deletions, omissions, or deviations to the requirements of the Contract Documents.

(i) The Prime Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples, or similar submittals, to additional revisions other than those requested by the Architect/Engineer on previous submittals. In the absence of such written notice, the Architect/Engineer's approval of a resubmission shall not apply to the additional revisions not requested.

(j) Informational submittals upon which the Architect/Engineer is not expected to take responsive action may be so identified in the Contract Documents.

(k) When professional certification of performance criteria of materials, systems, or equipment is required by the Contract Documents, the Architect/Engineer shall be entitled to rely upon the accuracy and completeness of such calculations and certifications.

3.13 USE OF THE PROJECT SITE

The Prime Contractor shall confine operations at the Project site to areas permitted by law, ordinances, permits, and the Contract Documents and shall not unreasonably encumber the Project site with materials or equipment.

3.14 CUTTING AND PATCHING

(a) The Prime Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly.

(b) The Prime Contractor shall not damage or endanger a portion of the Work or any fully or partially completed construction of the Owner or separate contractors by cutting, patching, or otherwise altering the construction, or by excavating. The Prime Contractor

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shall not cut or otherwise alter the construction by the Owner or a separate contractor except with the written consent of the Owner and of the separate contractor; consent shall not be unreasonably withheld. The Prime Contractor shall not unreasonably withhold from the Owner or a separate contractor the Prime Contractor's consent to cutting or otherwise altering the Work.

(c) A "Hot Work Permit" must be obtained from the City of Denton's Facilities Management Department, 869 S. Woodrow Lane, Denton, Texas (940 349-7200) for any temporary operation involving open flames or producing heat and/or sparks. This includes, but is not limited to: Brazing, Cutting, Grinding, Soldering, Torch Applied Roofing and Welding.

3.15 CLEANING UP

(a) The Prime Contractor shall keep the Project site and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. Upon the completion of the Work the Prime Contractor shall remove from and about the Project site all waste materials, and rubbish, and all of the Prime Contractor's tools, construction equipment, machinery, and surplus materials.

(b) If the Prime Contractor fails to clean up as provided in the Contract Documents, the Owner may, at Owner's option, clean up the Project site, and the Owner's cost of cleaning up shall be charged to the Contractor.

3.16 ACCESS TO WORK

The Prime Contractor shall provide the Owner and the Architect/Engineer access to the Work in preparation and progress wherever located during the course of construction.

3.17 TESTS AND INSPECTIONS

(a) Tests, inspections, and approvals of portions of the Work required by the Contract Documents or by laws, ordinances, rules, regulations, or orders of governmental entities or agencies having jurisdiction over the Work shall be made at appropriate times. Unless otherwise provided, the Prime Contractor shall make arrangements for such tests, inspections, and approvals with an independent testing laboratory or entity acceptable to the Owner or with the appropriate governmental entity or agency, and the Prime Contractor shall bear all related costs of tests, inspections, and approvals. The Prime Contractor shall give the Architect/Engineer timely notice of when and where tests and inspections are to be made so the Architect/Engineer may observe such procedures. The Owner shall bear costs of tests, inspections, or approvals which become requirements after bids or proposals are received.

(b) If the Architect/Engineer, the Owner or other public authorities having jurisdiction over the Work determine that portions of the Work require additional testing, inspection or approval not included under Subparagraph 3.17(a), the Architect/Engineer will, upon written authorization from the Owner, instruct the Prime Contractor to make arrangements

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for such additional testing, inspection or approval by an entity acceptable to the Owner, and the Prime Contractor shall give timely notice to the Architect/Engineer of when and where tests and inspections are to be made so that the Architect/Engineer may observe such procedures. The Owner shall bear such costs except as provided in Subparagraph 3.17(c).

(c) If procedures for testing, inspection, or approval under Subparagraphs 3.17(a) and 3.17(b) reveal deficiencies or nonconformities in the Work, the Prime Contractor shall bear all costs made necessary to correct the deficiencies or nonconformities, including those of repeated procedures and compensation for the Architect/Engineer's services and expenses, if any. The Prime Contractor shall bear the costs of any subsequent testing, inspection, or approval of the corrected Work.

(d) Required certificates of testing, inspection or approval shall, unless otherwise required by the Contract Documents, be secured by the Prime Contractor and promptly delivered to the Architect/Engineer.

(e) If the Architect/Engineer is to observe tests, inspections or approvals required by the Contract Documents, the Architect/Engineer will do so promptly and, where practicable, at the normal place of testing or inspection.

(f) Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

3.18 ROYALTIES AND PATENTS

The Contractor shall pay all royalties and license fees. CONTRACTOR SHALL COMPLETELY DEFEND, INDEMNIFY AND HOLD OWNER AND ARCHITECT/ENGINEER HARMLESS FROM ANY AND ALL LIABILITIES, SUITS OR CLAIMS FOR INFRINGEMENT OF PATENT RIGHTS, REGARDLESS OF WHETHER OR NOT THE OWNER OR THE ARCHITECT/ENGINEER SPECIFIED A PARTICULAR DESIGN, PROCESS OR PRODUCT IN THE CONTRACT DOCUMENTS THAT MAY BE THE SUBJECT OF A PATENT INFRINGEMENT OR OTHERWISE ACTIVELY INDUCED OR CONTRIBUTED TO THE PATENT INFRINGEMENT. In the event the Prime Contractor has reason to believe that a particular design, process or product specified infringes a patent, the Prime Contractor shall immediately notify the Owner and the Architect/Engineer of same.

3.19 INDEMNIFICATION

(a) THE PRIME CONTRACTOR AGREES TO DEFEND, INDEMNIFY AND HOLD THE OWNER, ITS OFFICERS, AGENTS AND EMPLOYEES, AND THE ARCHITECT/ENGINEER, HARMLESS AGAINST ANY AND ALL CLAIMS, LIABILITIES, LAWSUITS, JUDGMENTS, FINES, PENALTIES, COSTS AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM OR VIOLATIONS FOR WHICH RECOVERY OF DAMAGES, FINES, OR PENALTIES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS, THAT MAY ARISE OUT OF OR BE OCCASIONED BY CONTRACTOR'S

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BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS CONTRACT, VIOLATIONS OF LAW, OR BY ANY NEGLIGENT, GROSSLY NEGLIGENT, INTENTIONAL, OR STRICTLY LIABLE ACT OR OMISSION OF THE PRIME CONTRACTOR, ITS OFFICERS, AGENTS, EMPLOYEES, SUBCONTRACTORS, OR SUB-SUBCONTRACTORS AND THEIR RESPECTIVE OFFICERS, AGENTS, OR REPRESENTATIVES, OR ANY OTHER PERSONS OR ENTITIES FOR WHICH THE PRIME CONTRACTOR IS LEGALLY RESPONSIBLE IN THE PERFORMANCE OF THIS CONTRACT; EXCEPT THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OR FAULT OF THE OWNER, ITS OFFICERS, AGENTS, EMPLOYEES OR SEPARATE CONTRACTORS, OR OF THE ARCHITECT/ENGINEER, AND IN THE EVENT OF JOINT AND CONCURRENT NEGLIGENCE OR FAULT OF THE CONTRACTOR, THE OWNER, AND THE ARCHITECT/ENGINEER, RESPONSIBILITY AND INDEMNITY, IF ANY, SHALL BE APPORTIONED IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE OWNER UNDER TEXAS LAW, AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. THE PROVISIONS OF THIS PARAGRAPH ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER THIRD PERSON OR ENTITY.

(b) In claims against any person or entity indemnified under this Paragraph 3.19 by an employee of the Prime 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 3.19 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Prime Contractor or any Subcontractor, under workers compensation acts, disability benefit acts or other employee benefit acts.

(c) Indemnification under this Paragraph 3.19 shall include, but is not limited to, liability which could result to or be created for the Owner, its officers, agents, or employees, or the Architect/Engineer pursuant to State or Federal laws or regulations relating to pollution of the environment and State or Federal laws or regulations relating to the occupational safety and health of workers. The Prime Contractor specifically agrees to comply with the above-mentioned laws and regulations in the performance of the Work by the Prime Contractor and that the obligations of the Owner, its officers, agents, and employees, and the Architect/Engineer under the above-mentioned laws and regulations are secondary to those of the Prime Contractor.

ARTICLE 4 - CONTRACT ADMINISTRATION

4.1 THE DESIGN PROFESSIONAL (ARCHITECT/ENGINEER)

(a) The design professional is the person lawfully licensed to practice architecture or engineering or a firm or other business entity lawfully practicing architecture/engineering identified as such in the formal Building Construction Services Agreement and is referred to throughout the Contract Documents as if singular in number. The term

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"Architect/Engineer" means the Architect/Engineer or the Architect/Engineer's authorized representative. The Owner may, at its option, designate a qualified Owner representative to serve as the Architect/Engineer on the Project instead of an outside firm or person. In such event, the references in these General Conditions that refer to the Architect/Engineer shall apply to the Owner-designated Architect/Engineer representative and the Owner-designated Architect/Engineer representative shall be accorded that same status by the Prime Contractor.

(b) In the event the Architect/Engineer is an outside person or firm and the Architect/Engineer's employment is terminated, the Owner may, at its option, contract with a new outside Architect/Engineer to replace the former, or may designate a qualified Owner representative to serve as the Architect/Engineer. The replacement Architect/Engineer, whether an Owner representative, an independent Architect/Engineer or any other qualified person or entity, shall be regarded as the Architect/Engineer for all purposes under the Contract Documents and shall be accorded that same status by the Prime Contractor. Any dispute in connection with such appointment shall be reviewed and settled by the Owner, whose decision shall be final and binding.

(c) Owner reserves the right to appoint a representative empowered to act for the Owner during the Construction Phase and to supersede the Architect/Engineer's Construction Phase responsibility. Similarly, from time to time the Owner may expand or reduce the Owner's delegation of powers to the Architect/Engineer, with the Owner notifying the Prime Contractor of any such changes. The Architect/Engineer shall not be construed as a third party beneficiary to the Contract and can in no way object to any expansion or reduction of powers as set forth in this Subparagraph (c). In no event, however, shall the Owner have control over charge of, or be responsible for, construction means, methods, techniques, sequences, or procedures, or for safety precautions or programs in connection with the Work since these are solely the Contractor's responsibility. The Owner will not be responsible for the Prime Contractor's failure to carry out the Work in accordance with the Contract Documents. The Owner will not have control over or charge of and will not be responsible for acts or omissions of Prime Contractor, Subcontractors, or their agents or employees, or of any other persons performing portions of the Work.

4.2 ARCHITECT/ENGINEER'S RESPONSIBILITIES DURING CONSTRUCTION

(a) The Architect/Engineer will administer the Contract as described in the Contract Documents and in accordance with the terms of the Architect/Engineer's agreement with the Owner, where applicable, subject to the direction and approval of the Owner. If requested by the Prime Contractor, the provisions of the Owner/Architect/Engineer Agreement will be made available to the Prime Contractor.

(b) The Architect/Engineer shall provide, during performance of the Work, adequate and competent periodic on-site construction observation, periodically visiting the Project site to the extent necessary to personally familiarize themselves with the progress and quality of the Work, and to determine if the Work is proceeding in accordance with the Contract Documents. The Architect/Engineer shall not, however, be required to make continuous on-site inspections to check the Work. Field reports of each visit shall be prepared by the

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Architect/Engineer and submitted to the Owner. The Architect/Engineer shall employ all reasonable measures to safeguard the Owner against defects and nonconformities in the Work. The Architect/Engineer shall not be responsible for the construction means, methods, techniques, sequences of procedures, nor for the safety precautions and programs employed in connection with the Work. The Architect/Engineer will, however, immediately inform the Owner whenever defects or nonconformities in the Work are observed, or when any observed actions or omissions are undertaken by the Prime Contractor or any Subcontractor which are not in the best interests of the Owner or the Project.

(c) The Architect/Engineer and the Owner will not have control over or charge of and will not be responsible for construction means, methods, techniques, sequences, or procedures, or for safety precautions and programs in connection with the Work, since these are solely the Prime Contractor's responsibility as provided in Paragraph 4.3. The Architect/Engineer and the Owner will not be responsible for the Prime Contractor's failure to carry out the Work in accordance with the Contract Documents. The Architect/Engineer and the Owner will not have control over or charge of and will not be responsible for acts or omissions of the Prime Contractor, Subcontractors, Sub-subcontractors, or their respective agents or employees, or of any other persons performing portions of the Work for which the Prime Contractor is responsible.

(d) Except as otherwise provided in the Contract Documents or when direct communications have been specially authorized, the Owner and Prime Contractor shall endeavor to communicate through the Architect/Engineer. Communications by and with the Architect/Engineer's consultants shall be through the Architect/Engineer. Communications by and with Subcontractors and material suppliers shall be through the Prime Contractor. Communications by and with separate contractors will be through the Owner. The Prime Contractor shall provide written confirmation of communications made directly with the Owner and provide copies of such confirmation to the Architect/Engineer.

(e) Based on the Architect/Engineer's observations and evaluations of the Prime Contractor's Applications for Payment, the Architect/Engineer will review and certify the amounts due the Prime Contractor and will issue Certificates for Payment in such amounts.

(f) The Architect/Engineer and the Owner will each have authority to reject Work which does not conform to the Contract Documents. Whenever the Architect/Engineer considers it necessary or advisable for implementation of the intent of the Contract Documents, the Architect/Engineer will have authority to require additional inspection or testing of the Work in accordance with Subparagraphs 3.17(b) and 3.17(c), whether or not such Work is fabricated, installed or completed. However, neither this authority of the Architect/Engineer nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to any duty or responsibility of the Architect/Engineer to the Prime Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons performing portions of the Work.

(g) The Architect/Engineer will review and approve or take other appropriate action upon the Prime Contractor's submittals such as Shop Drawings, Product Data, and Samples, but

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only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect/Engineer's action will be taken with such reasonable promptness as to not delay the Work or the activities of the Owner, Contractor, or separate contractors. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Prime Contractor as required by the Contract Documents. The Architect/Engineer's review of the Prime Contractor's submittals shall not relieve the Prime Contractor of any obligations under Paragraphs 3.3, 3.5, and 3.12. The Architect/Engineer's review shall not constitute approval of safety precautions or, unless otherwise specifically stated in writing by the Architect/Engineer, of any construction means, methods, techniques, sequences, or procedures. The Architect/Engineer's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

(h) The Architect/Engineer will prepare Change Orders and may authorize minor changes in the Work as provided in Paragraph 7.3.

(i) The Architect/Engineer will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion, will receive and forward to the Owner for the Owner's review and records written warranties and related documents required by the Contract and assembled by the Prime Contractor, and will issue a final Certificate for Payment upon compliance with the requirements of the Contract Documents.

(j) If the Owner and Architect/Engineer agree, the Architect/Engineer will provide one or more Project representatives to assist in carrying out the Architect/Engineer's responsibilities at the site. The duties, responsibilities, and limitations of authority of such Project representatives shall be as set forth in an exhibit to be incorporated into the Contract Documents.

(k) The Architect/Engineer will interpret and make recommendations to the Owner concerning performance under and requirements of the Contract Documents upon written request of either the Owner or Contractor. The Architect/Engineer's response to such requests will be made with reasonable promptness and within any time limits agreed upon. The Architect/Engineer shall secure the Owner's written approval before issuing instructions, interpretations, or judgments to the Prime Contractor which change the scope of the Work or which modify or change the terms and conditions of any of the Contract Documents.

(l) Interpretations and decisions of the Architect/Engineer will be consistent with the intent of and reasonably inferable from the Contract Documents and will be in writing or in the form of Drawings. When making such interpretations and decisions, the Architect/Engineer will endeavor to secure faithful performance by the Prime Contractor.

(m) The Architect/Engineer's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents; provided that the Architect/Engineer has the prior written approval of the Owner.

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4.3 CLAIMS AND DISPUTES

(a) Definition; General Notice of Claim Procedure. As used in these General Conditions, a "Claim" means a demand or assertion by one of the parties to the Contract seeking an adjustment of the terms of the Contract Documents, of the Contract Sum, of the Contract Time, or some other relief in respect to the terms of the Contract Documents. The term also includes all other disputes between the Owner and the Contractor arising out of or relating to the Project or the Contract Documents, including but not limited to claims that work was outside the scope of the Contract Documents. The responsibility to substantiate the Claim and the burden of demonstrating compliance with this provision shall rest with the party making the Claim. Except where otherwise provided in the Contract Documents, a Claim by the Prime Contractor, whether for additional compensation, additional time, or other relief, including but not limited to claims arising from concealed conditions, WITHOUT EXCEPTION, MUST BE MADE BY WRITTEN NOTICE TO THE ARCHITECT/ENGINEER AND TO THE OWNER WITHIN FOURTEEN (14) DAYS IMMEDIATELY AFTER OCCURRENCE OF THE EVENT OR EVENTS GIVING RISE TO THE PARTICULAR CLAIM. Every Claim of the Prime Contractor, whether for additional compensation, additional time, or other relief, including but not limited to claims arising from concealed conditions, shall be signed and sworn to by an authorized corporate officer (if not a corporation, then an official of the company authorized to bind the Prime Contractor by his signature) of the Prime Contractor, verifying the truth and accuracy of the Claim. THE PRIME CONTRACTOR SHALL BE CONCLUSIVELY DEEMED TO HAVE WAIVED ANY CLAIM NOT MADE STRICTLY IN ACCORDANCE WITH THE PROCEDURES AND TIME LIMITS SET OUT IN THIS PARAGRAPH.

(b) Referral to the Architect/Engineer. Claims, disputes, and other matters in question between the Prime Contractor and the Owner relating to the progress or execution of the Work or the interpretation of the Contract Documents shall be referred to the Architect/Engineer for recommendation to the Owner, which recommendation the Architect/Engineer will furnish in writing within a reasonable time, provided proper and adequate substantiation has been received. Failure of the Prime Contractor to submit the Claim to the Architect/Engineer for rendering of a recommendation to the Owner shall constitute a waiver of the Claim.

(c) Continuing Contract Performance. Pending final resolution of a claim the Prime Contractor shall proceed diligently with performance of the Work and the Owner shall continue to make payments in accordance with the Contract Documents.

(d) Claims for Concealed or Unknown Conditions. No adjustment in the Contract Sum or Time associated with concealed or unknown conditions will normally be considered or allowed; provided, however, that the Contract Sum or Time may be adjusted by the Owner in such circumstances only if:

(1) a concealed subsurface condition is encountered in the course of performance of the Work;
(2) a concealed or unknown condition in an existing structure is at variance with conditions indicated by the Contract Documents; or

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(3) an unknown physical condition is encountered below the surface of the ground or in an existing structure which is of an unusual nature and materially different from those ordinarily encountered and generally recognized as inherent in the character of the Work; and
(4) a notice of claim with proper and adequate substantiation is presented pursuant to Subparagraph 4.3(a) of these General Conditions; and
(5) the Owner and the Architect/Engineer determine that:

(i) prior to submitting its bid for the Work, the Contractor used reasonable diligence to fully inspect the portion of the Project site where the condition was discovered; and

(ii) the work caused or required by the concealed or unknown condition at issue can be considered extra work to the extent that additional new Drawings must be prepared and issued and new construction beyond the scope of the Contract Documents is required.

(e) Disclaimer of Warranties as to Reports, Drawings, and Specifications. PROJECT SITE INFORMATION AND REPORTS (INCLUDING BUT NOT LIMITED TO SOILS TESTING REPORTS, GEOTECHNICAL REPORTS, OR ENVIRONMENTAL SITE ASSESSMENTS) PROVIDED BY THE OWNER AND THE ARCHITECT/ENGINEER IN THE PROJECT MANUAL OR BY OTHER MEANS SHALL BE UTILIZED BY THE PRIME CONTRACTOR AT THE PRIME CONTRACTOR'S OWN RISK. THE OWNER AND THE ARCHITECT/ENGINEER DO NOT GUARANTEE OR WARRANT ANY INFORMATION SHOWN IN THE PROJECT SITE INFORMATION AND REPORTS.

(f) Claims for Additional Cost. If the Prime Contractor wishes to make a claim for an increase in the Contract Sum, written notice as provided in this Paragraph 4.3 shall be given before proceeding to execute the Work. Prior notice is not required for claims relating to an emergency endangering life or property arising under Paragraph 10.3. In addition, the Prime Contractor's request for an increase in the Contract Sum for any reason (other than work performed under emergency conditions) shall be made far enough in advance of required work to allow the Owner and the Architect/Engineer a sufficient amount of time, without adversely affecting the construction schedule, to review the request, prepare and distribute such additional documents as may be necessary to obtain suitable estimates or proposals and to negotiate, execute and distribute a Change Order for the required work if the Prime Contractor believes that additional cost is involved for reasons including but not limited to:

(1) a written interpretation from the Architect/Engineer;

(2) a written order for a minor change in the Work issued by the Architect/Engineer;

(3) failure of payment by the Owner;

(4) termination of the Contract by the Owner;

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(5) the Owner's temporary suspension of all or any portion of the Work where the Prime Contractor was not at fault; or

(6) other reasonable grounds.

(g) Injury or Damage to Person or Property. If the Prime Contractor suffers injury or damages to person or property because of an act or omission of the Owner, or of any of the Owner's officers, employees or agents, written, sworn-to notice of any claim for damages or injury shall be given as provided in Subparagraph 4.3(a). The notice shall provide sufficient detail to enable the Architect/Engineer and the Owner to investigate the matter.

(h) Subcontractor Pass-Through Claims. In the event that any Subcontractor of the Prime Contractor asserts a claim to the Prime Contractor, that the Prime Contractor seeks to pass through to the Owner under the Contract Documents, any entitlement of the Prime Contractor to submit and assert the claim against the Owner shall be subject to:

(1) the requirements of Paragraph 4.3 of these General Conditions; and

(2) the following additional three requirements listed below, all three of which additional requirements shall be conditions precedent to the entitlement of the Prime Contractor to seek and assert such claim against the Owner:

(ii) The Prime Contractor shall either (A) have direct legal liability as a matter of contract, common law, or statutory law to the Subcontractor for the claim that the Subcontractor is asserting or (B) the Prime Contractor shall have entered into a written liquidating agreement with the Subcontractor, under which agreement the Prime Contractor has agreed to be legally responsible to the Subcontractor for pursuing the assertion of such claim against the Owner under the Contract and for paying to the Subcontractor any amount that may be recovered, less Prime Contractor's included markup (subject to the limits in the Contract Documents for any markup). The liability or responsibilities shall be identified in writing by the Prime Contractor to the Owner at the time such claim is submitted to Owner, and a copy of any liquidating agreement shall be included by the Prime Contractor in the claim submittal materials.

(ii) The Prime Contractor shall have reviewed the claim of the Subcontractor prior to its submittal to Owner and shall have independently evaluated such claim in good faith to determine the extent to which the claim is believed in good faith to be valid. The Prime Contractor shall also certify, in writing and under oath to the Owner, at the time of the submittal of such claim, that the Prime Contractor has made a review, evaluation, and determination that the claim is made in good faith and is believed by the Contractor to be valid.

(iii) The Subcontractor making the claim to the Prime Contractor shall certify in writing and under oath that it has compiled, reviewed and evaluated the merits of such claim and that the claim is believed in good faith by the Subcontractor to be valid. A copy of the certification by the Subcontractor shall be included by Prime Contractor in the claim submittal materials made by Contractor to the Owner..

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(3) Any failure of the Prime Contractor to comply with any of the foregoing requirements and conditions precedent with regard to any such claim shall constitute a waiver of any entitlement to submit or pursue such claim against Owner.

(4) Receipt and review of a claim by the Owner under this Subparagraph shall not be construed as a waiver of any defenses to the claim available to the Owner under the Contract Documents or by applicable law.

(i) Owner's Right to Order Acceleration and to Deny Claimed and Appropriate Time Extensions, in Whole or in Part. The Prime Contractor acknowledges and agrees that Substantial Completion of the Work by or before the Scheduled Completion Date is of substantial importance to Owner. The following provisions, therefore, will apply:

(1) If the Prime Contractor falls behind the approved construction schedule for whatever reason, the Owner shall have the right, in the Owner's sole discretion, to order the Prime Contractor to develop a recovery schedule as described in Paragraph 3.10 or to accelerate its progress in such a manner as to achieve Substantial Completion on or before the Contract Time completion date or such other date as the Owner may reasonably direct and, upon receipt, the Prime Contractor shall take all action necessary to comply with the order. In such event, any possible right, if any, of the Prime Contractor to additional compensation for any acceleration shall be subject to the terms of this Subparagraph (i).

(2) In the event that the Prime Contractor is otherwise entitled to an extension of Contract Time and has properly initiated a Claim for a time extension in accordance with Subparagraph 4.3(a) above, the Owner shall have the right, in the Owner's sole discretion, to deny all, or any part, of the Claim for extension of Contract Time by giving written notice to the Prime Contractor provided within fourteen (14) days after receipt of the Prime Contractor's Claim. If the Owner denies the Prime Contractor's claim for an extension of Contract Time under this Clause (i)(2), either in whole or in part, the Prime Contractor shall proceed to prosecute the Work in such a manner as to achieve Substantial Completion on or before the then existing Scheduled Completion Date.

(3) If the Prime Contractor would have been entitled to a time extension for a reason specifically allowed under the Contract Documents, for an amount of time that would have justified approval by the Owner if not for the need and right to accelerate, the Prime Contractor may initiate a Claim for acceleration costs pursuant to Subparagraph 4.3(a). Any resulting Claim for acceleration costs properly initiated by the Prime Contractor under Subparagraph 4.3(a) above shall be limited to those reasonable and documented direct costs of labor, materials, equipment, and supervision solely and directly attributable to the actual acceleration activity necessary to bring the Work back within the then existing approved construction schedule. These direct costs include the premium portion of overtime pay, additional crew, shift, or equipment costs if requested in advance by the Contractor and approved in writing by the Owner. A percentage markup for the prorated cost of premium on the existing performance and payment bonds and

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required insurance; provided however, not to exceed five (5%) per cent, will be allowed on the claimed acceleration costs. NO OTHER MARKUP FOR PROFIT, OVERHEAD (INCLUDING BUT NOT LIMITED TO HOME OFFICE OVERHEAD) OR ANY OTHER COSTS WILL BE ALLOWED ON ANY ACCELERATION CLAIM. The Owner shall not be liable for any costs related to an acceleration claim other than those described in this Clause (i)(3).

(i) Waiver of Claims; Final Payment. The making of final payment shall constitute a waiver of claims by the Owner except those arising from:

(1) claims, security interests, purported liens, or other attempted encumbrances arising out of the Contract and remaining unsettled;

(2) defective or nonconforming Work appearing after Substantial Completion;

(3) latent defects, as defined in Subparagraph 12.2(d), appearing after Final Completion; or

(4) the terms of general and special warranties required by the Contract Documents or allowed or implied by law.

(k) THE CONTRACTOR SHALL NOT BE ENTITLED TO RECOVER ATTORNEY'S FEES AS A PART OF ANY CLAIM MADE UNDER THE CONTRACT DOCUMENTS OR IN ANY SUBSEQUENT LAWSUIT OR ALTERNATIVE DISPUTE RESOLUTION PROCEEDING.

(l) No Waiver of Governmental Immunity. NOTHING IN THE CONTRACT DOCUMENTS SHALL BE CONSTRUED TO WAIVE THE OWNER'S GOVERNMENTAL IMMUNITY FROM LAWSUIT, WHICH IMMUNITY IS EXPRESSLY RETAINED TO THE EXTENT IT IS NOT CLEARLY AND UNAMBIGUOUSLY WAIVED BY APPLICABLE STATE LAW.

ARTICLE 5 - SUBCONTRACTORS

5.1 DEFINITIONS OF SUBCONTRACTOR

(a) A Subcontractor is person or entity who has a direct Contract with the Prime Contractor to perform a portion of the Work at the Project site or to supply materials or equipment to the Prime Contractor by purchase or lease for use in performance of or incorporation into the Work. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a separate contractor or subcontractors of a separate contractor.

(b) A Sub-subcontractor is a person or entity who has a direct or indirect Contract with a Subcontractor to perform a portion of the Work at the Project site or to supply materials or equipment to the Subcontractor or another Sub-subcontractor by purchase or lease for use

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in performance of or incorporation into the Work. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

(a) Immediately after the award of the Contract by the Owner, and before the Building Construction Services Agreement is signed by the Prime Contractor and the Owner, the Prime Contractor shall furnish to the Architect/Engineer in writing, for acceptance by the Owner and the Architect/Engineer, a list of the names, addresses, telephone numbers, M/WBE certification numbers (where applicable), and type of work of the Subcontractors (including those who are to furnish materials or equipment fabricated to a special design), proposed for the principal portions of the Work, including furnishings when made a part of the Contract. The Prime Contractor shall immediately notify the Owner in writing of any changes in the list as they occur. The Architect/Engineer will promptly reply to the Contractor in writing stating whether or not the Owner or the Architect/Engineer, after due investigation, has reasonable objection to any such proposed person or entity. Failure of the Owner or Architect/Engineer to reply promptly shall constitute notice of no reasonable objection.

(b) The Prime Contractor shall not Contract with a proposed person or entity to whom the Owner or Architect/Engineer has made reasonable and timely objection.

(c) Architect/Engineer's and Owner's approval of or objection to any Subcontractor or of a particular process or material will not relieve the Prime Contractor of his responsibility for performance of Work as called for under the Contract Documents, and shall not provide a basis for any claim for additional time or money on the part of the Prime Contractor. Approval shall not be construed to create any contractual relationship between the Subcontractor and either the Owner or Architect/Engineer. In no event shall the Contract Sum be increased as a result of the rejection of any Subcontractor.

(d) The Prime Contractor shall not change a Subcontractor previously selected if the Owner or Architect/Engineer makes reasonable objection to such change.

5.3 SUBCONTRACTUAL RELATIONS

(a) By appropriate agreement, written where legally required for validity, the Prime Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Prime Contractor by the terms of the Contract Documents (including but not limited to these General Conditions), and to assume toward the Prime Contractor all the obligations and responsibilities which the Prime Contractor, by the Contract Documents, assumes toward the Owner and the Architect/Engineer. Each subcontract agreement shall preserve and protect the rights of the Owner and the Architect/Engineer under the Contract Documents (including but not limited to these General Conditions) with respect to the Work to be performed by the Subcontractor so that subcontracting will not prejudice the rights of the Owner and the Architect/Engineer.

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Where appropriate, the Prime Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Prime Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor is to be bound. Subcontractors shall similarly make copies of applicable portions of such Documents available to their respective proposed Sub-subcontractors.

(b) The Prime Contractor is solely responsible for making payments properly to the Prime Contractor's Subcontractors on the Project. During performance of the Work, the Prime Contractor shall comply with the following additional rules regarding Subcontractor payments:

(1) The Prime Contractor shall submit, beginning with the Second Application and Certificate for Payment, a Subcontractor Payment Report (the "Report") with each Application and Certificate for Payment. The Report shall show all payments made to date by the Prime Contractor (plus existing retainage) to each Subcontractor involved in the Project. The Report shall be made on a form approved and supplied by the Owner. As an alternative to the Report, the Prime Contractor may furnish Affidavits of Payment Received with the Application and Certificate for Payment, which affidavits shall be executed by each Subcontractor owed money and paid by Subcontractor during the previous progress payment period for work or materials furnished on the Project. RECEIPT BY THE OWNER OF THE REPORT OR AFFIDAVITS OF PAYMENT RECEIVED SHALL BE A CONDITION PRECEDENT TO PAYMENT ON ANY APPLICATION FOR PAYMENT.

(2) If, for any reason, the Prime Contractor is withholding payment to a Subcontractor due to a dispute or other problem with performance, the Prime Contractor shall note the amount withheld and further note that the payment is in dispute. The Owner may, in its sole discretion, require the Prime Contractor to document and verify the dispute or other problem in question.

(3) The Owner reserves the right in its sole discretion, to withhold payment to the Prime Contractor pursuant to Paragraph 9.5(a) of the General Conditions, should it appear from the Report, statements of payment received or other information furnished to the Owner that:

(i) the Report has not been properly completed;

(ii) the Prime Contractor has knowingly provided false information regarding payment of any Subcontractor; or

(iii) the Prime Contractor has otherwise failed to make payments properly to any Subcontractor.

(4) THE PRIME CONTRACTOR SHALL NOT HAVE ANY RIGHT TO MAKE A CLAIM FOR ADDITIONAL TIME OR ADDITIONAL COMPENSATION AS A RESULT OF THE OWNER'S OR ARCHITECT/ENGINEER'S ENFORCEMENT OF

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THIS SUBPARAGRAPH 5.3(b). NO PROVISION OF THIS SUBPARAGRAPH OR ANY OF THE CONTRACT DOCUMENTS SHALL BE CONSTRUED TO CREATE A CONTRACTUAL RELATIONSHIP, EXPRESS OR IMPLIED, BETWEEN ANY SUBCONTRACTOR AND EITHER THE OWNER OR THE ARCHITECT/ENGINEER AND SHALL NOT BE CONSTRUED TO MAKE ANY SUBCONTRACTOR OR ANY OTHER PERSON OR ENTITY, A THIRD-PARTY BENEFICIARY OF THE CONTRACT BETWEEN THE OWNER AND THE PRIME CONTRACTOR.

5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS

In the event of a termination of this Contract by the Owner under Article 14, the Prime Contractor shall, if requested in writing by the Owner, within fifteen (15) days after the date notice of termination is sent, deliver and assign to Owner, or any person or entity acting on the Owner's behalf, any or all subcontracts made by Prime Contractor in the performance of the Work, and deliver to the Owner true and correct originals and copies of the subcontract documents. In the event assignment is not requested by the Owner, Prime Contractor shall terminate all subcontracts to the extent that Owner has not directed assignment of same and to the extent that they relate to the performance of Work terminated by the notice of termination.

ARTICLE 6 - CONSTRUCTION BY THE OWNER/ SEPARATE CONTRACTORS

6.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

(a) The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the Project site under Conditions of the Contract identical or substantially similar to these General Conditions, including those portions related to insurance and waiver of subrogation. If the Prime Contractor claims that delay or additional cost is involved because of such action by the Owner, the Prime Contractor shall make a claim as provided elsewhere in, and in accordance with the Contract Documents.

(b) When separate Contracts are awarded for different portions of the Project or other construction or operations on the Project site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Building Construction Services Agreement with the Owner.

(c) The Owner shall provide for coordination of the activities of the Owner's own forces and of each separate contractor with the Work of the Prime Contractor, who shall cooperate with them. The Prime Contractor shall participate with other separate contractors and the Owner in reviewing their construction schedules when directed to do so. The Prime Contractor shall, with the approval of the Owner, make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Prime Contractor, separate

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contractors, and the Owner until subsequently revised by mutual agreement or by written Change Order. If the Prime Contractor believes it is entitled to an adjustment of the Contract Sum under the circumstances, the Prime Contractor shall submit a written proposal for a Change Order pursuant to Article 7 of the General Conditions. In the event the Prime Contractor's Change Order proposal is denied by the Owner, the Prime Contractor must submit any Claim pursuant to Paragraph 4.3 of the General Conditions.

(d) Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces, the Owner shall be deemed to be subject to the same obligations and to have the same rights which apply to the Prime Contractor under these General Conditions, including, without excluding others, those stated in Article 3, this Article 6, and Articles 10, 11 and 12.

6.2 MUTUAL RESPONSIBILITY

(a) The Prime Contractor shall afford the Owner and separate contractors' reasonable opportunity for access to and storage of their materials and equipment and the performance of their activities and shall coordinate the Prime Contractor's construction and operations with the separate contractors as required by the Contract Documents.

(b) If part of the Prime Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a separate contractor, the Prime Contractor shall, prior to proceeding with that portion of the Work, promptly report to the Architect/Engineer apparent discrepancies or defects in the other construction that would render it unsuitable for proper execution and results. Failure of the Prime Contractor to so report shall constitute an acknowledgment that the Owner's or separate contractors completed or partially completed construction is fit and proper to receive the Prime Contractor's Work, except as to defects not then reasonably discoverable.

(c) The Owner shall not be liable to the prime Contractor for damages suffered by the Prime Contractor due to the fault or negligence of a separate contractor or through failure of a separate contractor to carry out the directions of the Owner or the Architect/Engineer. Should any interference occur between the Prime Contractor and a separate contractor, the Architect/Engineer or the Owner may furnish the Prime Contractor with written instructions designating priority of effort or change in methods, whereupon the Prime Contractor shall immediately comply with such direction. In such event, the Prime Contractor shall be entitled to an extension of the Contract Time only for unavoidable delays verified by the Architect/Engineer; no increase in the Contract Sum, however, shall be due to the Prime Contractor.

(d) The Prime Contractor shall promptly remedy damage wrongfully caused by the Prime Contractor to completed or partially completed construction or to property of the Owner or separate contractors as provided in Subparagraph 10.2(e).

(e) Should the Prime Contractor cause damage to the work or property of any separate contractor on the Project, the Prime Contractor shall, upon due notice, settle with the separate contractor by agreement, if the separate contractor will so settle. If the separate

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contractor sues the Owner or submits a claim on account of any damage alleged to have been so sustained, the Owner shall notify the Prime Contractor who shall defend such proceedings, at the Prime Contractor's sole expense, and if any judgment or award against the Owner arises from the separate contractor's claim, the Prime Contractor shall fully pay or satisfy it and shall reimburse the Owner for any and all attorney's fees and costs which the Owner has incurred.

(f) The Owner and each separate contractor shall have the same responsibilities for cutting and patching as are described for the Prime Contractor in Paragraph 3.14.

6.3 OWNER'S RIGHT TO CLEAN UP

If a dispute arises among the Contractor, separate contractors and the Owner as to the responsibility under their respective contracts for maintaining the Project Site and surrounding area free from waste materials and rubbish as described in Paragraph 3.15, the Owner may clean up, but is not obligated to do so, and Owner shall allocate the cost among those parties responsible, as the Architect/Engineer recommends to be just.

ARTICLE 7 - AMENDMENTS

7.1 CHANGE ORDERS

(a) A Change Order is a written order to the Contractor, signed by the Owner and the Architect/Engineer, issued after execution of the Contract, authorizing a change in the Work, an adjustment in the Contract Sum, or an adjustment to the Contract Time, consistent with other applicable provisions of this Contract. The Owner, without invalidating the Contract and without requiring notice of any kind to the sureties, may order changes to the scope of Work under the Contract by additions, deletions, or other revisions, the Contract Sum and Contract Time to be adjusted consistent with other applicable provisions of this Contract. All Change Orders shall be executed on a Change Order form approved by the Owner and the Owner's City Attorney.

(b) In addition to the Owner and the Architect/Engineer, the Contractor shall sign all Change Orders to verify and confirm the terms and conditions established by Change Order; however, should the Contractor refuse to sign a Change Order, this shall not relieve him of his obligation to perform the change directed by the Owner and the Architect/Engineer to the best of his ability in accordance with the provisions of this Article 7. A Change Order signed by the Contractor indicates his agreement with all of the changes approved, including the adjustment in the Contract Sum or the Contract Time. EACH CHANGE ORDER SHALL BE SPECIFIC AND FINAL AS TO PRICES AND EXTENSIONS OF TIME, WITH NO RESERVATIONS OR OTHER PROVISIONS ALLOWING FOR FUTURE ADDITIONAL MONEY OR TIME AS A RESULT OF THE PARTICULAR CHANGES IDENTIFIED AND FULLY COMPENSATED IN THE CHANGE ORDER. 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. The Contractor forever releases any claim against the Owner for additional time or compensation for matters relating to or arising out of or resulting from the Work included within or affected by the

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executed Change Order. This release applies to claims related to the cumulative impact of all Change Orders and to any claim related to the effect of a change on other Work.

(c) No extra work (except under emergency conditions) or changes shall be made nor shall any substitutions, changes or additions to or omissions or deviations from the requirements of the Drawings and Specifications be made unless pursuant to a written Change Order signed by the Owner and the Architect/Engineer, it being expressly understood that the Owner shall not be liable for the cost of extra work or any substitution, change, addition, omission or deviation from the requirements of the Drawings or Specifications unless the same shall have been authorized in writing by the Owner and the Architect/Engineer in a written change order or other Amendment. The provisions of this Paragraph 7.1 shall control in the event of any inconsistency between such provisions and the other provisions of this Article 7. See Subparagraph 10.3(a) of the General Conditions for Change Orders under emergency conditions.

(d) The method of determining the cost or credit to the Owner for any change in the Work shall be one of the following:

(1) mutual acceptance of a not-to-exceed lump-sum amount properly itemized and supported by sufficient substantiating data to permit evaluation; or

(2) unit prices stated in the Contract Documents or subsequently agreed upon; or

(3) cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or

(4) the force account method provided in Subparagraph 7.1(e)

(e) If the parties cannot agree to one of the methods of calculating cost provided in Clauses (d) (1), (d) (2), or (d) (3), or if the parties agree to a method but cannot agree on a final dollar figure; or if the Contractor for whatever reason refuses to sign the Change Order in question; the Contractor, provided he receives a written order signed by the Owner, shall promptly proceed with the Work involved. The cost of the Work involved shall then be calculated on the basis of the reasonable jobsite expenditures and savings of those performing the Work attributable to the changes, including a reasonable allowance for overhead and profit, such allowance in any case never to exceed fifteen (15%) per cent. In such case, the Contractor shall keep an itemized accounting of the Work involved, on a daily basis, in such form and with the appropriate supporting data as the Architect/Engineer and Owner may prescribe. Sworn copies of the itemized accounting shall be delivered to the Architect/Engineer each day during the performance of force account work, with copies to the Owner.

FAILURE OF THE CONTRACTOR TO SUBMIT THE SWORN-TO ITEMIZED ACCOUNTING DAILY AS REQUIRED HEREIN SHALL CONSTITUTE A WAIVER BY THE CONTRACTOR OF ANY RIGHT TO DISPUTE THE OWNER'S DETERMINATION OF THE AMOUNT DUE THE CONTRACTOR FOR FORCE ACCOUNT WORK. Costs to be charged under this Subparagraph for force account work

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are limited to the following:

(1) costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and worker's compensation insurance;

(2) costs of materials, supplies and equipment (but not to include off-site storage unless approved in writing by the Owner), whether incorporated or consumed;

(3) rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;

(4) costs of premiums for all bonds and insurance related to the Work; and

(5) additional costs of supervision and field office personnel directly attributable to the changed Work. Pending final determination of cost to the Owner, payment of undisputed amounts on force account shall be included on the Architect/Engineer's Certificate of Payment as work is completed.

(f) The amount of credit to be allowed to the Owner for any deletion of Work or any other change which results in a net decrease of the Contract Sum shall be the amount of actual net cost confirmed by the Architect/Engineer plus the stated percentage for overhead and profit. When both additions and deletions or credits covering related Work or substitutions are involved in any one change, the allowance for overhead and profit shall be figured on the basis of the net increase or decrease with respect to that change.

7.2 SUPPLEMENTAL AGREEMENTS

A written Supplemental Agreement can also be used to implement changes in the Work instead of a Change Order form, including but not limited to situations involving partial occupancy of the Work under Paragraph 9.8, a change made to the Drawings or the Specifications without an increase in the Contract Sum, or special circumstances where it is necessary or more appropriate for the Owner to use a Supplemental Agreement. Written Supplemental Agreements shall have a status equal to that of Change Orders for purposes of priority of Contract Documents interpretation, except that to the extent of a conflict, later Supplemental Agreements in time control over earlier Supplemental Agreements, and the latest Change Order or Supplemental Agreement in time controls over earlier dated Change Orders and Supplemental Agreements. The rules of Subparagraphs 7.1(b) through (f) shall also apply to the negotiation and execution of Supplemental Agreements.

7.3 MINOR CHANGES IN THE WORK

The Architect/Engineer, after notifying the Owner, shall be authorized to order minor changes in the Work not involving an adjustment in the Contract Sum or an extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Minor changes shall be effected by written order, and shall be binding on the Owner and the Contractor. The Contractor shall carry out such written orders promptly. These written orders shall not be deemed to change or impact the Contract Sum or the Contract Time. Contractor shall have no

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Claim for any minor change ordered to the Work under this Paragraph 7.3 unless the Contractor submits its change proposal, prior to complying with the minor change ordered and in no event later than ten (10) working days from the date the minor change was ordered, to the Owner for approval.

7.4 TIME REQUIRED TO PROCESS AMENDMENTS

(a) All of the Contractor's responses to proposal requests shall be accompanied by a complete, itemized breakdown of costs. Responses to proposal requests shall be submitted sufficiently in advance of the required work to allow the Owner and the Architect/Engineer a minimum of thirty (30) calendar days after receipt by the Architect/Engineer to review the itemized breakdown and to prepare or distribute additional documents as may be necessary. All of the Prime Contractor's responses to proposal requests shall include a statement that the cost described in the response represents the complete, total and final cost and additional Contract Time associated with the extra work, change, addition to, omission, deviation, substitution, or other grounds for seeking extra compensation under the Contract Documents, without reservation or further recourse.

(b) All Amendments require approval by either the City Council or, where authorized by the State law and City ordinance, by the City Manager pursuant to Administrative Action. The approval process requires a minimum of forty-five (45) calendar days after submission to the Owner in final form with all supporting data. Receipt of a submission by Owner does not constitute acceptance or approval of a proposal, nor does it constitute a warranty that the proposal will be authorized by City Council Resolution, Ordinance or Administrative Action. THE TIME REQUIRED FOR THE APPROVAL PROCESS SHALL NOT BE CONSIDERED A DELAY AND NO EXTENSIONS TO THE CONTRACT TIME OR INCREASE IN THE CONTRACT SUM WILL BE CONSIDERED OR GRANTED AS A RESULT OF THIS PROCESS. Pending the approval described above, the Contractor will proceed with the work under a pending Amendment only if directed in writing by the Owner.

ARTICLE 8 - CONTRACT TIME

8.1 DEFINITIONS

(a) Unless otherwise provided, the Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

(b) The date of commencement of the Work is the date established in the Notice to Proceed from the Owner. The date of commencement shall not be postponed by the failure of the Prime Contractor, or of persons or entities for whom the Prime Contractor is responsible to act promptly to commence the Work. If the Owner unreasonably delays the issuance of the notice to proceed, through no fault of the Prime Contractor, the Prime Contractor shall be entitled only to an equitable extension of the Contract Time; the Contract Sum shall remain unchanged.

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(c) The date of Substantial Completion is the date certified by the Architect/Engineer in accordance with Paragraph 9.7.

(d) The term "day" as used in the Contract Documents shall mean a calendar day, beginning and ending at 12:00 midnight, unless otherwise specifically defined by special provision.

8.2 PROGRESS AND COMPLETION

(a) **Time limits stated in the Contract Documents are of the essence of the Contract**. By executing the Building Construction Services Agreement, the Prime Contractor confirms that the Contract Time is a reasonable period for performing the Work.

(b) The Prime Contractor shall not knowingly, except by agreement with or instruction of the Owner in writing, prematurely commence operations on the Project site or elsewhere prior to the effective date of insurance to be furnished by the Prime Contractor as required by Article 11. The date of commencement of the Work shall not be changed by the effective date of insurance required by Article 11.

8.3 DELAYS AND EXTENSIONS OF TIME

(a) If the Prime Contractor is delayed at any time in the progress of the Work by an act or neglect of the Owner or Architect/Engineer, or of an employee of either, or of a separate contractor employed by the Owner, or by changes ordered in the Work, or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond the Prime Contractor's control, or by delay authorized by the Owner pending a claim, or by other causes which the Architect/Engineer determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Architect/Engineer and Owner may determine.

(b) Claims relating to Contract Time and time extensions shall be made in accordance with the applicable provisions of Paragraph 4.3.

(c) No Damages for Delay. NOTWITHSTANDING ANY OTHER PROVISIONS OF THE CONTRACT DOCUMENTS, INCLUDING THE GENERAL CONDITIONS, NO ADJUSTMENT SHALL BE MADE TO THE CONTRACT SUM AND THE PRIME CONTRACTOR SHALL NOT BE ENTITLED TO CLAIM OR RECEIVE ANY ADDITIONAL COMPENSATION AS A RESULT OF OR ARISING OUT OF ANY DELAY, HINDRANCE, DISRUPTION, FORCE MAJEURE, IMPACT, OR INTERFERENCE, INTENTIONAL OR UNINTENTIONAL, FORESEEN OR UNFORESEEN, WHICH INCREASES THE TIME TO COMPLETE THE WORK, INCLUDING BUT NOT LIMITED TO ANY DELAYS CAUSED IN WHOLE OR IN PART BY THE ACTS, OMISSIONS, FAILURES, NEGLIGENCE, OR FAULT OF THE OWNER, THE ARCHITECT/ENGINEER, OR THE OWNER'S REPRESENTATIVE, AN EXTENSION OF THE CONTRACT TIME UNDER SUBPARAGRAPH 8.3(a) BEING THE PRIME CONTRACTOR'S SOLE REMEDY.

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(d) The Owner shall have the right to occupy, without prejudice to the right of either party, any completed or largely completed portions of the structure or Work, notwithstanding the fact that the Contract Time for completing all or a portion of the Work may not have expired. Partial occupancy and use shall not be deemed as an acceptance of the Work taken or used.

(e) The Prime Contractor shall promptly suspend the Work when either the Prime Contractor or the Owner is ordered to do so by a court order from a court having lawful jurisdiction, and the Prime Contractor will not be entitled to additional compensation by virtue of any delays resulting from the court order. The Prime Contractor will also not be liable to the Owner for a delay caused in fact by the Work being suspended by a court order.

(f) The Architect/Engineer, with the consent of the Owner, shall have the authority to suspend the Work, in whole or in part, for such period or periods as the Architect/Engineer deems necessary due to unusual or severe weather conditions as are considered unfavorable for the suitable prosecution of the Work, or due to failure on the part of the Prime Contractor to correct conditions considered unsafe for workmen or the general public. If it should become necessary to stop the Work for an indefinite period, the Prime Contractor shall store all materials in such a manner that they will not obstruct or impede the public unnecessarily or become damaged in any way, and shall take every precaution to prevent damage or deterioration of the Work performed. In cases of suspension of the Work under this Subparagraph, the Prime Contractor shall also provide suitable drainage about the Work and erect temporary structures where necessary. The Prime Contractor shall not suspend the Work in whole or in part without written authority from the Architect/Engineer or the Owner, and shall resume the Work promptly when notified by the Architect/Engineer or the Owner to resume operations.

(g) In the event of a delay that is the responsibility of the Prime Contractor or any of the Subcontractors, for which the Prime Contractor is not entitled to a time extension under the provisions of this Contract, the Owner may direct that the Work be accelerated by means of overtime, additional crews or additional shifts, or resequencing. This acceleration shall be at no cost to the Owner and will continue until the Contract Time is restored. In the event of a delay for which the Prime Contractor is entitled to a time extension, as determined by the Architect/Engineer, Owner may similarly direct acceleration and the Prime Contractor agrees to perform same on the basis that the Prime Contractor will be reimbursed only to the extent described in Subparagraph 4.3(i). THE PRIME CONTRACTOR EXPRESSLY WAIVES ANY OTHER COMPENSATION RESULTING FROM ACCELERATION, SUCH AS LOSS OF LABOR PRODUCTIVITY OR EFFICIENCY.

ARTICLE 9 - PAYMENTS AND COMPLETION

9.1 CONTRACT SUM

The Contract Sum is stated in the Building Construction Services Agreement and, including authorized adjustments, is the total amount of compensation payable by the Owner to the Prime Contractor for the performance of the Work under the Contract Documents.

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9.2 SCHEDULE OF VALUES

Before the first Application for Payment, the Prime Contractor shall submit to the Architect/Engineer a schedule of values allocated to various portions of the Work, prepared in such form and supported by such data to substantiate its accuracy as the Architect/Engineer may require. This schedule, when approved by the Architect/Engineer and the Owner, shall be used as a basis for the Prime Contractor's Application for Payment. The schedule of values shall follow the trade division of the Specifications. Prime Contractor's Application for Payment shall be filed on the current version of AIA Form G702 (Application and Certificate for Payment), as approved by the Owner.

9.3 APPLICATIONS FOR PAYMENT

(a) At least ten (10) days before the date established for each progress payment, the Prime Contractor shall submit to the Architect/Engineer an itemized Application for Payment for Work completed in accordance with the schedule of values. The Application shall be notarized, if required, and supported by data substantiating the Prime Contractor's right to payment as the Owner or Architect/Engineer may require, including but not limited to copies of requisitions from Subcontractors and material suppliers, and reflecting the applicable retainage as required in the Contract Documents. Prime Contractor's Application for Payment shall also provide other supporting documentation as the Owner or the other applicable provisions of the Contract Documents may require.

(b) Applications for Payment may not include requests for payment of amounts the Prime Contractor does not intend to pay to a Subcontractor because of a good faith dispute, unless the Prime Contractor complies with Clause 5.3(b) (2) of these General Conditions and the Prime Contractor's Payment Bond Surety consents in writing to payment to the Prime Contractor of the funds deemed to be in dispute.

(c) Unless otherwise provided in the Contract Documents, progress payments shall include payment for materials and equipment delivered and suitably stored at the Project site for subsequent incorporation into the Work within thirty (30) days after delivery to the Project site. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored away from the Project site at a location agreed upon in writing. Payment for costs incurred in storage of materials or equipment away from the Project site will NOT be made by Owner unless:

(1) the Owner has given prior approval of such off-site storage in writing;
(2) the materials or equipment are stored in a bonded warehouse located in Denton County and identified with the Project for which they are stored, as evidenced by warehouse receipts and appropriate documents of title; and
(3) the materials or equipment stored off-site will be incorporated into the Work within thirty (30) days after delivery. STORAGE IN FACILITIES OF THE MANUFACTURER OR THE PRIME CONTRACTOR WILL NOT BE PERMITTED OR PAID FOR, UNLESS THE OWNER HAS EXPRESSLY GIVEN PRIOR APPROVAL OF SUCH STORAGE IN WRITING.

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(d) The Prime Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Prime Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall be free and clear of liens, claims, security interests or encumbrances in favor of the Prime Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials, and equipment relating to the Work.

(e) All materials or equipment delivered to the Project site earlier than thirty (30) days prior to an approved schedule for delivery to the Project site shall be classified as an "early delivery." All early delivery materials or equipment must have the express written permission of the Owner to be stored on the Project site. If any unauthorized early delivery occurs, Prime Contractor shall, at Prime Contractor's expense or at the expense of the responsible Subcontractor or Supplier, cause such early delivery to be removed from the Project site and stored off-site until required at the Project site. All costs of labor, transportation and storage will be included as part of the expense. If the Prime Contractor fails or refuses to remove unauthorized early delivery materials, the Owner may cause such materials to be removed at the Prime Contractor's sole expense, and amounts may be withheld from the Prime Contractor's Application for Payment to reimburse the Owner for any costs incurred in removing unauthorized early delivery materials. OWNER WILL NOT BE RESPONSIBLE FOR THE PROTECTION OF OR RISK OF LOSS ON ANY EARLY DELIVERY MATERIALS OR EQUIPMENT, NOR WILL OWNER BE LIABLE FOR ANY PAYMENT FOR THE EARLY DELIVERY MATERIALS OR EQUIPMENT. Any materials or equipment classified as early delivery will not be approved for payment as stored materials prior to thirty (30) days before the incorporation of the materials or equipment into the Work, unless storage and payment at an earlier date is expressly approved in writing by the Owner.

(f) If the Contract Sum is equal to or less than $25,000, and if performance and payment bonds are not furnished by the Contractor, then no payment applied for will be payable under the Contract until the Work has been finally completed and accepted.

9.4 CERTIFICATES FOR PAYMENT

(a) The Architect/Engineer will, within ten (10) days after receipt of the Prime Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Prime Contractor, for such amount as the Architect/Engineer determines is properly due, or notify the Prime Contractor and Owner in writing of the Architect/Engineer's reasons for withholding certification in whole or in part as provided in:
(a) City of Denton "General Conditions for Building Construction."
(b) Subparagraph 9.5(a). The Certificate for Payment shall be issued on the current version of AIA Form G702 (Application and Certificate for Payment) as approved by the Owner.
(c) The issuance of a Certificate for Payment will constitute a representation by the Architect/Engineer to the Owner, based on the Architect/Engineer's observations at the site and the data comprising the Application for Payment, that the Work has progressed to the point indicated and that, to the best of the Architect/Engineer's knowledge, information and belief, quality of the Work is in accordance with the Contract Documents. The

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foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial and Final Completion, to results of subsequent tests and inspections, to minor deviations from the Contract Documents correctable prior to Final Completion and to specific qualifications expressed by the Architect/Engineer. The issuance of a Certificate for Payment will further constitute a representation that the Prime Contractor is entitled to payment in the amount certified, subject to the Owner's approval. The issuance of a Certificate for Payment is not a representation that the Architect/Engineer has:

(1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work;

(2) reviewed construction means, methods, techniques, sequences or procedures;

(3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Prime Contractor's right to payment; or

(4) made examination to ascertain how or for what purpose the Prime Contractor has used money previously paid on account of the Contract Sum.

(d) Whenever the Application for Payment for Work done since the last previous Application for Payment exceeds one hundred dollars ($100.00) in amount, Owner will pay a percentage of the Application, less applicable retainage, to the Prime Contractor within thirty (30) days following Owner's receipt and approval of the Certificate for Payment certified by the Architect/Engineer. The Application may include acceptable nonperishable materials delivered to the Work or stored as provided for in Paragraph 9.3(c) and the payment will be allowed on the net invoice value, less taxes and applicable retainage.

(e) The City is required to withhold retainage for public works contracts in which the total contract price estimate at the time of execution is more than $400,000; however, this requirement is applied by the City for all public works contracts in excess of $50,000. The retainage will be withheld by the Owner from each progress payment until final completion of the Work by the Contractor, approval of final completion by the Architect/Engineer, and final acceptance of the Work by the Owner. Unless otherwise required by state law, the retainage percentage as specified in Exhibit A is based upon the original Contract Sum, and will not be affected in the event the original Contract Sum is subsequently increased by Change Order.

(f) No progress payments shall be made on contracts where performance and payment bonds are not required or furnished. In such instances, payment for the Work performed will be made upon final completion and acceptance by the Owner of all Work.

9.5 DECISIONS TO WITHHOLD CERTIFICATION

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(a) The Architect/Engineer or the Owner may decide not to certify payment and may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner's interest, if in the Architect/Engineer's or Owner's opinion the representations to the Owner required by Subparagraph 9.4(b) cannot be made. If the Architect/Engineer or the Owner is unable to certify payment in the amount of the Application, the Architect/Engineer or the Owner will notify the Prime Contractor as provided in Subparagraph 9.4(a). If the Prime Contractor and Architect/Engineer or the Owner cannot agree on a revised amount, the Architect/Engineer will promptly issue a Certificate for Payment for the amount for which the Architect/Engineer is able to make the required representations to the Owner. The Architect/Engineer or the Owner may also decide not to certify payment or, because of subsequently discovered evidence or subsequent observations, may nullify the whole or a part of a Certificate for Payment previously issued to such extent as may be necessary, in the Architect/Engineer's or Owner's opinion, to protect the Owner from loss because of:

(1) defective or nonconforming Work not remedied;

(2) third-party claims filed or reasonable evidence indicating probable filing of such claims;

(3) failure of the Prime Contractor to make payments properly to Subcontractors or for labor, materials, or equipment;

(4) reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;

(5) damage to the Owner or another contractor;

(6) reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or damages for the anticipated delay;

(7) persistent failure to carry out the Work in accordance with the Contract Documents; or

(8) mathematical or other errors that are discovered in the Application for Payment.

(b) When all of the above reasons that existed for withholding certification are removed or remedied, then, at that time, certification will be made for amounts previously withheld.

(c) The Owner may, at its option, offset any progress payment or final payment under the Contract Documents against any debt (including taxes) lawfully due to the Owner from the Prime Contractor, regardless of whether the amount due arises pursuant to the terms of the Contract Documents or otherwise, and regardless of whether or not the debt due to the Owner has been reduced to judgment by a court.

9.6 PROGRESS PAYMENTS

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(a) After the Architect/Engineer has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect/Engineer. The Owner shall not be liable for interest on any late or delayed progress payment or final payment caused by any claim or dispute, any discrepancy in quantities, any failure to provide supporting documentation or other information required with the Application for Payment or as a precondition to payment under the Contract Documents, or due to any payment the Owner or the Architect/Engineer has a right to withhold or not certify under the Contract Documents. Notwithstanding the foregoing, the Owner may refuse to make payment on any Certificate for Payment (including, without limitation, the final Certificate for Payment) for any default under the Contract Documents, including but not limited to those defaults set forth in Subparagraph 9.5(a), Clauses (1) through (7). The Owner shall not be deemed in default by reason of withholding payment while any Prime Contractor default remains uncured.

(b) The Prime Contractor shall promptly pay each Subcontractor, upon receipt of payment from the Owner, out of the amount paid to the Prime Contractor on account of each Subcontractor's portion of the Work, the amount to which said Subcontractor is entitled, reflecting percentages actually retained from payments to the Prime Contractor on account of such Subcontractors portion of the Work. The Prime Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in similar manner.

(c) The Architect/Engineer will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Prime Contractor and action taken thereon by the Architect/Engineer and the Owner on account of portions of the Work done by such Subcontractor.

(d) Neither the Owner nor the Architect/Engineer shall have an obligation to pay or to see to the payment of money to a Subcontractor except as may otherwise be required by law. That obligation belongs to the Prime Contractor or, in the event of the Prime Contractor's failure to pay a Subcontractor, to the Surety on the Payment Bond as required under Paragraph 11.3.

(e) Payment to material suppliers shall be treated in a manner similar to that provided in Subparagraphs 9.6(b), (c), and (d).

(f) A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not performed in accordance with the Contract Documents.

9.7 SUBSTANTIAL COMPLETION

(a) The Date of Substantial Completion of the Work, or designated portion of the Work, is the date certified by the Architect/Engineer when construction is sufficiently completed in accordance with the City Of Denton General Conditions For Building Construction.

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(a) the Contract Documents such that the Owner may beneficially occupy and use the Work, or designated portions of the Work, for the purposes for which it is intended and only trivial and insignificant items remain which do not affect the Work as a whole.

(b) When the Prime Contractor considers that the Work, or the portion of the Work which the Owner agrees to accept separately, is Substantially Complete, the Prime Contractor shall prepare and submit to the Architect/Engineer a comprehensive list of remaining items to be completed or corrected. The Prime Contractor shall proceed promptly to complete and correct items on the list (hereinafter called the "punch list"). Failure to include an item on the punch list does not alter the responsibility of the Prime Contractor to complete all Work in accordance with the Contract Documents. Upon receipt of the punch list, the Architect/Engineer will make an inspection to determine whether the Work, or designated portion of the Work, is Substantially Complete. If the Architect/Engineer's inspection discloses any item, whether or not included on the punch list, which is not in accordance with the requirements of the Contract Documents and which renders the Work inspected not Substantially Complete the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct the item upon notification by the Architect/Engineer. The Prime Contractor shall then submit a request for another inspection by the Architect/Engineer to determine Substantial Completion. When the Work or designated portion of the Work is Substantially Complete, the Architect/Engineer will prepare a Certificate of Substantial Completion which shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and the Prime Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Prime Contractor shall finish all items on the punch list accompanying the Certificate.

(c) The Certificate of Substantial Completion shall be submitted to the Owner and the Prime Contractor for their written acceptance of responsibilities assigned to them in the Certificate.

(d) Upon Substantial Completion of the Work or designated portion thereof and upon application by the Prime Contractor and certification by the Architect/Engineer, the Owner shall make payment, reflecting adjustment in retainage, if any, for the Work, or portion of the Work, as provided in the Contract Documents.

9.8 PARTIAL OCCUPANCY OR USE

(a) The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate Supplemental Agreement with the Prime Contractor, provided such occupancy or use is consented to by the insurer as required under Subparagraph 11.2(e) and authorized by public authorities having jurisdiction over the Work. Such partial occupancy or use may commence whether or not the portion is Substantially Complete, provided the Owner and Prime Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of

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warranties required by the Contract Documents. When the Prime Contractor considers a portion Substantially Complete, the Prime Contractor shall prepare and submit a list to the Architect/Engineer as provided under Subparagraph 9.7(b). Consent of the Prime Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Prime Contractor or, if no agreement is reached, by decision of the Architect/Engineer.

(b) Immediately prior to such partial occupancy or use, the Owner, Prime Contractor, and Architect/Engineer shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

(c) Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

9.9 FINAL COMPLETION AND FINAL PAYMENT

(a) Upon receipt of written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect/Engineer, accompanied by the Owner's representative, will promptly make final inspection and, when the Architect/Engineer finds the Work acceptable under the Contract Documents and the Contract Documents fully performed, the Architect/Engineer will promptly issue a final Certificate for Payment stating that to the best of the Architect/Engineer's knowledge, information and belief, and on the basis of the Architect/Engineer's observations and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Prime Contractor and noted in said final Certificate is due and payable. The Architect/Engineer's final Certificate for Payment will constitute a further representation that conditions listed in Subparagraph 9.9(b) as a condition precedent to the Prime Contractor's being entitled to final payment have been fulfilled. Owner will normally make final payment within thirty (30) days after Owner's receipt and approval of the final Certificate for Payment. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work, unless otherwise provided by separate agreement between the Owner and the Prime Contractor.

(b) Neither final payment nor any remaining retained percentage shall become due until the Prime Contractor submits to the Architect/Engineer:

(1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied;
(2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be cancelled or allowed to expire until at least thirty (30) days prior written notice has been given to the Owner;

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(3) a written statement that the Prime Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents;
(4) a consent of surety to final payment; and
(5) if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner.

(c) As a precondition to final payment by the Owner under this Contract, the Prime Contractor's affidavit under Clause (b)(1) shall state that the Prime Contractor has paid each of his subcontractors, laborers or materialmen in full for all labor and materials provided to Contractor for the Work performed under this Contract. In the event the Prime Contractor has not paid each of his subcontractors, laborers or materialmen in full, the Prime Contractor shall state in the affidavit the amount owed and the name of each subcontractor, laborer or materialmen to whom such payment is owed. IN ANY EVENT, THE PRIME CONTRACTOR SHALL BE REQUIRED TO EXECUTE THE OWNER'S STANDARD AFFIDAVIT OF FINAL PAYMENT AND RELEASE AS A PRECONDITION TO RECEIPT OF FINAL PAYMENT.

(d) If, after Substantial Completion of the Work, final completion of the Work is materially delayed through no fault of the Prime Contractor or by issuance of Change Orders affecting final completion and the Architect/Engineer confirms the delay, the Owner shall, upon application by the Prime Contractor and certification by the Architect/Engineer, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect/Engineer prior to certification of payment. Payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

(e) The acceptance by the Prime Contractor of the final payment shall operate as and shall be a complete release of the Owner from all claims or liabilities under the Contract, for anything done or furnished or relating to the Work or the Project, or for any act or neglect of the Owner relating to or connected with the Work or the Project.

ARTICLE 10 - SAFETY, SECURITY AND UTILITY PROVISIONS; ENVIRONMENTAL COMPLIANCE

10.1 SAFETY PRECAUTIONS AND PROGRAMS

The Prime Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract, and will comply with all applicable City, County, State and Federal health and safety regulations.

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10.2 SAFETY OF PERSONS AND PROPERTY

(a) The Prime Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to:

(1) employees on the Work and other persons who may be affected thereby;

(2) the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Prime Contractor or the Prime Contractor's Subcontractors or Sub-subcontractors; and

(3) other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

(b) The Prime Contractor shall give notices and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

(c) The Prime Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities.

(d) When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Prime Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

(e) USE OF EXPLOSIVES - CLAIMS AND TOTAL INDEMNIFICATION. The Owner shall have the right to pre-approve the use of any explosives on the Project; the Prime Contractor shall not assume in its bid that permission to use explosives will be granted. The Owner shall NOT be liable for any claim for additional time or compensation as a result of the Owner's denial of permission to use explosives. Where use of explosives is permitted by the Owner, the Prime Contractor EXPRESSLY AGREES TO BE SOLELY RESPONSIBLE for the determination as to whether explosives shall actually be used, and for any result from the use, handling or storage of explosives, and shall INDEMNIFY, DEFEND AND HOLD COMPLETELY HARMLESS the Owner, its officers, agents and employees, and the Architect/Engineer against any and all claims, lawsuits, judgments, costs or expenses for personal injury (including death), property damage or other harm for which recovery of damages is sought, suffered by any person or persons, as the result of the use, handling or storage of the explosives by the Prime Contractor or any Subcontractor, REGARDLESS OF WHETHER SAID USE, HANDLING OR STORAGE WAS NEGLIGENT OR NOT, AND REGARDLESS OF WHETHER THE DAMAGE OR INJURY WAS CONTRIBUTED TO IN ANY WAY BY THE NEGLIGENCE OR FAULT OF THE OWNER, ITS OFFICERS, AGENTS, EMPLOYEES, OR REPRESENTATIVES, OR THE ARCHITECT/ENGINEER AND ITS OFFICERS, AGENTS, EMPLOYEES, OR REPRESENTATIVES. In the event of conflict with any

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other indemnity paragraph in this Contract, this paragraph controls. This indemnity paragraph is intended solely for the benefit of the parties to this Contract and is not intended to create or grant any rights, contractual or otherwise, to or for any other person or entity. The Prime Contractor shall furnish the Owner and the Architect/Engineer with evidence of insurance sufficient to cover possible damage or injury, which insurance shall either include the Owner and the Architect/Engineer as additional insureds or be sufficiently broad in coverage as to fully protect the Owner and the Architect/Engineer. All explosives shall be stored in a safe and secure manner, under the care of a competent watchman at all times, and all storage places shall be marked clearly and conspicuously: "DANGEROUS-EXPLOSIVES." The method of storing and handling explosives and highly flammable materials shall conform to Federal and State laws, City of Denton ordinances, and the City of Denton Fire Department regulations. The Prime Contractor shall notify any telecommunications and public utility company and any private property owners having structures in the proximity of the Project Site of the Prime Contractor's intention to use explosives, and such notice shall be given sufficiently in advance to enable the telecommunications and public utility companies and private property owners to take such steps as they may deem necessary to protect their property from injury. The notice shall not relieve the Prime Contractor of any responsibility for damage resulting from any blasting operations.

(f) The Prime Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Clauses 10.2(a)(2) and 10.2(a)(3) caused in whole or in part by the Prime Contractor, a Subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Prime Contractor is responsible under Clauses 10.2(a)(2) and 10.2(a)(3), except damage or loss attributable to acts or omissions of the Owner or Architect/Engineer or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Prime Contractor or any of its Subcontractors. The foregoing obligations of the Prime Contractor are in addition to the Prime Contractor's obligations under Paragraph 3.l9. To the extent that any such damage or loss may be covered by property insurance or other insurance required by the Contract Documents, the Owner and the Prime Contractor shall exercise their best efforts to make a claim and obtain recovery from the insurers to provide for the cost, in whole or in part, of the repair work or to provide for reimbursement for such damage or loss.

(g) The Prime Contractor shall designate a responsible member of the Prime Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Prime Contractor's superintendent unless otherwise designated by the Prime Contractor in writing to the Owner and Architect/Engineer.

(h) The Prime Contractor shall not load or permit any part of the Work or the Project site to be loaded so as to endanger its safety.

10.3 EMERGENCIES

In an emergency affecting safety, health, or security of persons or property, the Prime

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Contractor shall act, at the Prime Contractor's discretion, to prevent threatened damage, injury, or loss. Additional compensation or extension of time claimed by the Prime Contractor on account of an emergency shall be determined as provided in Paragraph 4.3 and Article 7.

10.4 PUBLIC CONVENIENCE AND SAFETY

(a) The Prime Contractor shall place materials stored about the Work and shall conduct the Work at all times in a manner that causes no greater obstruction to the public than is considered necessary by the Owner. Sidewalks or streets shall not be obstructed, except by special permission of the Owner. The materials excavated and the construction materials or plant used in the performance of the Work shall be placed in a manner that does not endanger the Work or prevent free access to all fire hydrants, water mains and appurtenances, water valves, gas valves, manholes for the telephone, telegraph signal or electric conduits, wastewater mains and appurtenances, and fire alarm or police call boxes in the vicinity.

(b) The Owner reserves the right to remedy any neglect on the part of the Prime Contractor in regard to public convenience and safety which may come to the Owner's attention, after twenty-four (24) hours notice in writing to the Prime Contractor. In case of an emergency, the Owner shall have the right to immediately remedy any neglect without notice. In either case, the cost of any work done by the Owner to remedy the Prime Contractor's neglect shall be deducted from the Contract Sum. The Prime Contractor shall notify the City Traffic Control Department when any street is to be closed or obstructed. The notice shall, in the case of major thoroughfares or street upon which transit lines operate, be forty-eight (48) hours in advance. The Owner reserves the right to postpone or prohibit any closure or obstruction of any streets or thoroughfares to the extent necessary for the safety and benefit of the traveling public. The Prime Contractor shall, when directed by the Architect/Engineer or the Owner, keep any street or streets in condition for unobstructed use by City departments. When the Prime Contractor is required to construct temporary bridges or make other arrangements for crossing over ditches or around structures, the Prime Contractor's responsibility for accidents shall include the roadway approaches as well as the crossing structures.

10.5 BARRICADES, LIGHTS AND WATCHMEN

If the Work is carried on or adjacent to any street, alley or public place, the Prime Contractor shall, at the Prime Contractor's own cost and expense, furnish, erect and maintain sufficient barricades, fences, lights and danger signals, shall provide sufficient watchmen, and shall take such other precautionary measures as are necessary for the protection of persons or property and of the Work. All barricades shall be painted in a color that will be visible at night, shall indicate in bold letters thereon the Prime Contractor's name and shall be illuminated by lights from sunset to sunrise. The term "lights," as used in this Paragraph, shall mean flares, flashers, or other illuminated devices. A sufficient number of barricades with adequate markings and directional devices shall also be erected to keep vehicles from being driven on or into any Work under construction. The Prime Contractor will be held responsible for all damage to the Work due to failure of barricades, signs, lights and

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watchmen to protect the Work. Whenever evidence is found of such damage, the Architect/Engineer may order the damaged portion immediately removed and replaced by the Prime Contractor at Prime Contractor's cost and expense. The Prime Contractor's responsibility for maintenance of barricades, signs, and lights, and for providing watchmen, shall not cease until the Project has been finally accepted by the Owner.

10.6 PUBLIC UTILITIES AND OTHER PROPERTIES TO BE CHANGED

In case it is necessary to change or move the property of the Owner or of any telecommunications or public utility, such property shall not be removed or interfered with until ordered to do so by the Architect/Engineer. The right is reserved to the owner of any public or private utilities to enter upon the Project site for the purpose of making such changes or repairs of their property that may become necessary during the performance of the Work. The Owner reserves the right of entry upon the Project site for any purpose, including repairing or relaying sewer and water lines and appurtenances, repairing structures, and for making other repairs, changes, or extensions to any of the Owner's property. The Owner's actions shall conform to the Prime Contractor's current and approved schedule for the performance of the Work, provided that proper notification of schedule requirements has been given to the Owner by the Prime Contractor.

10.7 TEMPORARY STORM SEWER AND DRAIN CONNECTIONS

When existing storm sewers or drains have to be taken up or removed, the Prime Contractor shall at his own expense provide and maintain temporary outlets and connections for all public and private storm sewers and drains. The Prime Contractor shall also take care of all storm sewage and drainage which will be received from these storm drains and sewers; for this purpose, the Prime Contractor shall provide and maintain, at the Prime Contractor's own expense, adequate pumping facilities and temporary outlets or diversions. The Prime Contractor shall, at the Prime Contractor's own expense, construct such troughs, pipes, or other structures necessary and shall be prepared at all times to dispose of storm drainage and sewage received from these temporary connections until such time as the permanent connections are built and in service. The existing storm sewers and connections shall be kept in service and maintained under the Contract, except where specified or ordered to be abandoned by the Architect/Engineer. All storm water and sewage shall be disposed of in a satisfactory manner so that no nuisance is created and that the Work under construction will be adequately protected.

10.8 ARRANGEMENT AND CHARGE FOR WATER FURNISHED BY THE OWNER; ELECTRICITY FOR THE PROJECT

(a) When the Prime Contractor desires to use the Owner's water in connection with the Work, the Prime Contractor shall make complete and satisfactory arrangements with the Denton Water Utilities Department and shall be responsible for the cost of the water the Prime Contractor uses. Where meters are used, the charge will be at the regular established rate; where no meters are used, the charge will be as prescribed by City ordinance, or where no ordinance applies, payment shall be based on estimates made by the Denton Water Utilities Department.

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(b) The Prime Contractor shall make complete and satisfactory arrangements for electricity and metered electrical connections with the Owner or with Denton Municipal Electric in the event that separately metered electrical connections are required for the Project. The Prime Contractor shall pay for all electricity used in the performance of the Work through separate metered electrical connections obtained by the Prime Contractor through the City of Denton.

10.9 USE OF FIRE HYDRANTS

The Prime Contractor, Subcontractors, and any other person working on the Project shall not open, turn off, interfere with, attach any pipe or hose to, or connect anything with any fire hydrant, stop valve, or stop cock, or tap any water main belonging to the Owner, unless duly authorized to do so by the Denton Water Utilities Department in accordance with the Denton City Code.

10.10 ENVIRONMENTAL COMPLIANCE

(a) The Prime Contractor and its Subcontractors are deemed to have made themselves familiar with and at all times shall comply with all applicable federal, state or local laws, rules, regulations, ordinances, and rules of common law now in effect (including any amendments now in effect), relating to the environment, Hazardous Substances or exposure to Hazardous Substances, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C.A. §§ 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C.A. §§ 1801, et seq.; the Resource Conservation and Recovery Act of 1976, 42 U.S.C.A. §§ 6901, et seq.; the Federal Water Pollution Control Act, 33 U.S.C.A §§ 1201, et seq.; the Toxic Substances Control Act, 15 U.S.C.A. §§ 2601, et seq.; the Clean Air Act, 42 U.S.C.A. §§ 7401, et seq.; the Safe Drinking Water Act, 42 U.S.C.A. §§ 3808, et seq., and any current judicial or administrative interpretation of these laws, rules, regulations, ordinances, or rules of common law, including but not limited to any judicial or administrative order, consent decree, or judgment affecting the Project.

(b) In the event the Prime Contractor encounters on the site materials reasonably believed to be a Hazardous Substance that have not been rendered harmless, and removal of such materials is not a part of the scope of Work required under the Contract Documents, the Prime Contractor shall immediately stop Work in the affected area and report in writing the facts of such encounter to the Architect/Engineer and the Owner. Work in the affected area shall not thereafter be resumed except by written order of the Owner unless and until the material is determined not to be a Hazardous Substance or the Hazardous Substance is remediated. The Owner may choose to remediate the Hazardous Substance with a separate contractor or through a Change Order with the Prime Contractor. If the Owner determines that the Hazardous Substance exists in the affected area due to the fault or negligence of the Prime Contractor or any of its Subcontractors, the Prime Contractor shall be responsible for remediating the condition at the sole expense of the Prime Contractor in accordance with the Prime Contractor's APPROVED Spill Remediation Plan. An extension of the Contract Time for any delay in the progress schedule caused as a result of the discovery and remediation of a

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Hazardous Substance may be granted by the Owner only if all remaining Work on the Project must be suspended and the delay cannot be made up elsewhere in the progress schedule. Any request for an extension of the Contract Time related to the discovery and remediation of a Hazardous Substance is subject to the provisions of Paragraph 4.3 and Article 8.

(c) The Prime Contractor shall be responsible for identification, abatement, cleanup, control, removal, remediation, and disposal of any Hazardous Substance brought into or upon the site by the Prime Contractor or any Subcontractor or Supplier. The Prime Contractor shall obtain any and all permits necessary for the legal and proper handling, transportation, and disposal of the Hazardous Substance and shall, prior to undertaking any abatement, cleanup, control, removal, remediation, and disposal, notify the Owner and the Architect/Engineer so that they may observe the activities; provided, however, that it shall be the Prime Contractor's sole responsibility to comply with all applicable laws, rules, regulations, or ordinances governing the activities.

(d) Spill Prevention Plan. At least seventy-two (72) hours prior to commencing performance of any of the Work at the Project site, the Prime Contractor shall submit to the Owner for review and approval a Spill Prevention and Response Plan (SPRP) meeting the requirements of federal and state law, rules, and regulations. The SPRP shall be specially designed for the Prime Contractor's planned work methods and procedures. The SPRP shall be designed to complement all applicable safety standards, fire prevention regulations, and pollution prevention policies and procedures. The SPRP shall include estimates of the quantity and rate of flow should equipment fail, and detail containment or diversionary structures to prevent spills from leaving the site or migrating into adjacent properties or navigable waters. The SPRP shall include methods of recovery of spilled materials and all applicable twenty-four (24) hour emergency phone numbers, including without limitation that of the Owner's Project Manager or other designated representative. The Prime Contractor shall not commence any field work prior to approval of such plan by the Owner. The following additional rules shall apply with respect to spills caused by the Prime Contractor or a Subcontractor:

(1) The Prime Contractor shall immediately report any spill or release at the Project site, whether or not it is associated with this Contract, to the Owner's Project Manager or other designated representative. Thereafter, within two (2) working days after the occurrence of such event, the Prime Contractor shall submit a written report describing such event in a degree of detail reasonably acceptable to the Owner.

(2) The Prime Contractor shall immediately respond in accordance with the SPRP in the event of a spill.

(3) The Prime Contractor shall dispose of spilled materials in accordance with EPA and Texas Commission on Environmental Quality (TCEQ) regulations and any other applicable federal, state, or local laws, rules, or regulations. In connection with such disposals, the Prime Contractor shall use only those transporters and

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disposal facilities that are approved in advance in writing by the Owner. A copy of all transport manifests for the spilled materials shall be obtained and retained in the Prime Contractor's records for reference purposes, to be provided upon request of the Architect/Engineer, the Owner, or any governmental regulatory agency with jurisdiction over the matter. ALL COSTS OF COLLECTION, CONTAINMENT, AND DISPOSAL OF SPILLED MATERIALS SHALL BE THE SOLE RESPONSIBILITY OF THE PRIME CONTRACTOR.

(4) For purposes of this Subparagraph (e), the term "spill" includes any kind of environmental discharge or release.

(e) Clean Air Management Plan. The Prime Contractor shall comply with the Clean Air Management Plan submitted to and approved by the Owner during the contractor selection process. The Owner reserves the right, at the Prime Contractor's sole expense, to require the removal or retrofitting of any equipment used in the course of construction that does not comply with the Plan submitted to and approved by the Owner.

(f) The Prime Contractor shall deposit surplus or waste excavation or other materials removed as part of the Work at a legal disposal site in accordance with all applicable state, federal, and local laws, rules, regulations, and ordinances. The Prime Contractor shall submit to the Owner for review and approval all planned disposal sites or proposed uses for the surplus or waste excavation or other materials prior to removal of any excavation or other material from the Project site. A copy of all transport manifests for surplus or waste excavation or other materials shall be obtained and retained in the Prime Contractor's records for reference purposes, to be provided upon request to the Architect/Engineer, the Owner, or any governmental regulatory agency with jurisdiction over the matter.

(g) The Prime Contractor is responsible for obtaining all TXPDES Storm Water Permits from TCEQ for construction of the Project under regulations contained in 40 CFR Part 122, as amended, pursuant to the Clean Water Act, 33 U.S.C.A. §§1251 et seq. These regulations require the filing of a notice of intent to obtain and abide by the general storm water permit for construction activities promulgated by EPA, including but not limited to cleaning, grading, and excavation that disturb the applicable amount of total land area. In addition, the Prime Contractor shall comply with all regulations of the Owner relating to storm water and storm water runoff management at the Project site pursuant to Chapter 19, Article IX, Denton City Code, as amended.

(h) The Prime Contractor shall not install any materials in the performance of the Work that contain asbestos or asbestos-related material such as hydrated mineral silicate, including chrysolite, amosite, crocidolite, tremolite, anthophyllite or actinolite, whether friable or non-friable.

(i) The Owner reserves the right in its sole option to exercise the following remedies (without waiving the right to pursue the imposition of any civil or criminal fines or penalties that may be imposed under state, federal, or local laws or ordinances), at no additional cost to the Owner and without an extension of the Contract Time, in the

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event the Prime Contractor fails or refuses after seven (7) days advance written notice from the Owner to comply with the provisions of this Paragraph 10.10, the terms of the SPRP, the terms of the Clean Air Management Plan, any storm water permit or other environmental permit issued in connection with the Work, or any applicable environmental law, rule, regulation, or ordinance:

(1) suspend all or any portion of the Work until the noncompliance is corrected, or until a detailed plan to achieve compliance within a reasonably prompt period of time is prepared by the Prime Contractor and approved by the Owner;

(2) if the Prime Contractor fails to properly address the noncompliance within the time stipulated by the Owner, perform the necessary remediation or correction work and backcharge the Prime Contractor for the cost of the remediation or correction; or

(3) terminate the Contract for cause as provided in Article 13.

ARTICLE 11 INSURANCE AND BONDS

11.1 PRIME CONTRACTOR'S INSURANCE

Prime Contractors shall refer to the requirements listed within the solicitation document and resulting contract for all City of Denton insurance requirements. Should a conflict arise between the solicitation document and the resulting contract, the requirements set forth in the actual contract shall prevail.

11.2 PROPERTY INSURANCE

Prime Contractors shall refer to the requirements listed within the solicitation document and resulting contract for all City of Denton insurance requirements. Should a conflict arise between the solicitation document and the resulting contract, the requirements set forth in the actual contract shall prevail.

11.3 'UMBRELLA' LIABILITY INSURANCE

Prime Contractors shall refer to the requirements listed within the solicitation document and resulting contract for all City of Denton insurance requirements. Should a conflict arise between the solicitation document and the resulting contract, the requirements set forth in the actual contract shall prevail.

11.4 POLICY ENDORSEMENTS AND SPECIAL CONDITIONS

Prime Contractors shall refer to the requirements listed within the solicitation document and resulting contract for all City of Denton insurance requirements. Should a conflict arise between the solicitation document and the resulting contract, the requirements set forth in the actual contract shall prevail.

11.5 PERFORMANCE AND PAYMENT BONDS

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(a) Subject to the provisions of Subparagraph 11.5(b), the Prime Contractor shall, with the execution and delivery of the Construction Services Agreement, furnish and file with the Owner in the amounts required in this Paragraph, the surety bonds described in Clauses (a)(1) and (a)(2) below, which surety bonds shall be in accordance with the Charter of the City of Denton and the provisions of Chapter 2253, Texas Government Code, as amended; each bond shall be signed by the Prime Contractor, as Principal, and by an established bonding company, as surety, meeting the requirements of Subparagraph 11.5(c) and approved by the Owner. The surety bonds shall be accompanied by an appropriate Power-of-Attorney clearly establishing the extent and limitations of the authority of each signer to so sign:

(1) Performance Bond. A good and sufficient bond in the amount of $1,000,000, guaranteeing the full and faithful execution of the Work and performance of the Contract in accordance with Plans, Specifications and all other Contract Documents, including any Amendments thereof, for the protection of the Owner. This bond shall also provide for the repair and maintenance of all defects due to faulty materials and workmanship that appear within a period of two (2) years from the date of final completion and acceptance of the improvements by the Owner or lesser or longer periods as may be otherwise designated in the Contract Documents.

(2) Payment Bond. A good and sufficient bond in the amount of $1,000,000, guaranteeing the full and prompt payment of all claimants supplying labor or materials in the prosecution of the Work provided for in the Contract Documents and any Amendments thereto, and for the use and protection of each claimant.

(b) No surety will be accepted by the Owner who is now in default or delinquent on any bonds or who is a party to any litigation against the Owner. All bonds shall be made and executed on the Owner's standard forms, shall be approved by the Owner, and shall be executed by not less than one corporate surety that is authorized and admitted to do business in the State of Texas, is licensed by the State of Texas to issue surety bonds, is listed in the most current United States Department of the Treasury List of Acceptable Sureties, and is otherwise acceptable to the Owner. Each bond shall be executed by the Prime Contractor and the surety, and shall specify that legal venue for enforcement of each bond shall lie exclusively in Denton County, Texas. Each surety shall designate an agent resident in Denton County, Texas to whom any requisite statutory notices may be delivered and on whom service of process may be had in matters arising out of the suretyship.

(c) Contractor will be required to furnish original performance and payment bonds for $1,000,000 before work is to commence. The Contractor shall assume all costs in increasing the bond limits if change orders are formally approved. Bonds shall be in accordance with the V.T.C.A Government Code Section 2253.021, as amended, from a surety licensed to do business in the State of Texas. The City, at its option, may waive the payment and performance bond requirements for projects of less than $50,000. The contractor shall obtain an independent payment and performance bonds for 100% of the project value for any single project in excess of $400,000.

Bond forms are attached and shall be returned upon notice of contract award by the City. Bonds

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should be forwarded to the City of Denton within fourteen (14) calendar days from contract award. This contract is not fully executed until payment and performance bonds are received and accepted by the City. Upon approval, a purchase order will be issued.

(d) The failure of the Contractor to deliver the required statutory bonds and evidence of insurance within fourteen (14) calendar days after the Contract is awarded shall constitute a material breach of the Prime Contractor's bid proposal and the Owner may rescind the Contract award and collect or retain the proceeds of the bid security. By reason of the uncertainty of the market prices or materials and labor, and it being impracticable and difficult to determine accurately the amount of damages occurring to the Owner by reason of the Prime Contractor's failure to execute and furnish the statutory bonds within fourteen (14) calendar days, the filing of a bid proposal with the accompanying bid security will be considered as an acceptance of this Subparagraph 11.5(e). In the event the Owner should re-advertise for bids, the defaulting Prime Contractor shall not be eligible to bid, and the lowest responsible bid obtained in the re-advertisement shall be the bid referred to in this Paragraph.

ARTICLE 12 DEFECTIVE AND NONCONFORMING WORK

12.1 UNCOVERING OF WORK

(a) If a portion of the Work is covered contrary to the Architect/Engineer's request or to requirements specifically expressed in the Contract Documents, the Work must, if required in writing by the Architect/Engineer, be uncovered for the Architect/Engineer's observation and be replaced at the Prime Contractor's expense without change in the Contract Time.

(b) If a portion of the Work has been covered which the Architect/Engineer has not specifically requested to observe prior to it being covered, the Architect/Engineer may request to see such Work and it shall be uncovered by the Prime Contractor. If such Work is in accordance with the Contract Documents, costs of uncovering and replacement shall, by appropriate Change Order, be charged to the Owner. If any Work is not in accordance with the Contract Documents, the Prime Contractor shall pay the costs of uncovering, repair, replacement unless the condition was caused by the Owner or a separate contractor in which event the Owner shall be responsible for payment of such costs.

12.2 CORRECTION OF WORK

(a) The Prime Contractor shall promptly correct Work rejected by the Architect/Engineer as failing to conform to the requirements of the Contract Documents, whether observed before or after Substantial Completion and whether or not fabricated, installed or completed. The Prime Contractor shall bear costs of correcting such rejected Work, including additional testing and inspections and compensation for the Architect/Engineer's services and expenses made necessary thereby.

(b) If any of the Work is found to be defective or nonconforming with the requirements of the Contract Documents, the Prime Contractor shall correct it promptly after receipt of

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written notice from the Architect/Engineer or the Owner to do so unless the Owner has previously given the Prime Contractor a written acceptance or waiver of the defect or nonconformity. The Prime Contractor's obligation to correct defective or nonconforming Work remains in effect for:

(1) one year after the date of Substantial Completion of the Work or designated portion of the Work;

(2) one year after the date for commencement of warranties established by agreement in connection with partial occupancy under Subparagraph 9.8(a); or

(3) the stipulated duration of any applicable special warranty required by the Contract Documents.

(c) The one-year period described in Clauses (b)(1) and (b)(2) shall be extended with respect to portions of the Work performed, repaired, or corrected after Substantial Completion by the period of time between Substantial Completion and the actual completion of the Work.

(d) The obligations of the Prime Contractor under this Paragraph 12.2 shall survive final acceptance of the Work and termination of this Contract. The Owner shall give notice to the Prime Contractor promptly after discovery of a defective or nonconforming condition in the Work. The one-year period stated in Clauses (b)(1) and (b)(2) does not limit the ability of the Owner to require the Prime Contractor to correct latent defects or nonconformities in the Work, which defects or nonconformities could not have been discovered through reasonable diligence by the Owner or the Architect/Engineer at the time the Work was performed or at the time of inspection for certification of Substantial Completion or Final Completion. The one year period also does not relieve the Prime Contractor from liability for any defects or deficiencies in the Work that may be discovered after the expiration of the one year correction period.

(e) The Prime Contractor shall remove from the Project site portions of the Work which are not in accordance with the requirements of the Contract Documents and are neither corrected by the Prime Contractor nor accepted by the Owner.

(f) If the Prime Contractor fails to correct defective or nonconforming Work within a reasonable time after notice from the Owner or the Architect/Engineer, the Owner may correct it in accordance with Paragraph 2.4. If the Prime Contractor does not proceed with correction of defective or nonconforming Work within a reasonable time fixed by written notice from the Architect/Engineer, the Owner may remove or replace the defective or nonconforming Work and store the salvageable materials or equipment at the Prime Contractor's expense. If the Prime Contractor does not pay costs of removal and storage within ten days after written notice, the Owner may, upon ten (10) additional days written notice, sell the materials and equipment at auction or at private sale and shall account for the proceeds after deducting costs and damages that should have been borne by the Prime Contractor, including compensation for the Architect/Engineer's services and expenses made necessary as a result of the sale. If the proceeds of sale do not cover

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costs which the Prime Contractor should have borne, the Contract Sum shall be reduced by the deficiency. If payments due to the Prime Contractor then or thereafter are not sufficient to cover the deficiency, the Prime Contractor shall pay the difference to the Owner.

(g) The Prime Contractor shall bear the cost of correcting destroyed or damaged construction of the Owner or separate contractors, whether the construction is completed or partially completed, that is caused by the Prime Contractor's correction or removal of Work which is not in accordance with the requirements of the Contract Documents.

(h) Nothing contained in this Paragraph 12.2 shall be construed to establish a period of limitation with respect to other obligations which the Prime Contractor might have under the Contract Documents. Establishment of the one-year time period as described in Subparagraph 12.2(b) relates only to the specific obligation of the Prime Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Prime Contractor's liability with respect to the Prime Contractor's obligations other than specifically to correct the Work.

(i) Any Work repaired or replaced pursuant to this Article 12 shall be subject to the provisions of Article 12 to the same extent as Work originally performed or installed.

12.3 ACCEPTANCE OF NONCONFORMING WORK

The Owner may, in the Owner's sole discretion, accept Work which is not in accordance with the requirements of the Contract Documents instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. The adjustment will be accomplished whether or not final payment has been made.

ARTICLE 13 - COMPLETION OF THE CONTRACT; TERMINATION; TEMPORARY SUSPENSION

13.1 FINAL COMPLETION OF CONTRACT

The Contract will be considered completed, except as provided in any warranty or maintenance stipulations, bond, or by law, when all the Work has been finally completed, the final inspection is made by the Architect/Engineer, and final acceptance and final payment is made by the Owner.

13.2 WARRANTY FULFILLMENT

Prior to the expiration of the specified warranty period provided for in the Contract Documents, the Architect/Engineer will make a detailed inspection of the Work and will advise the Prime Contractor and the Prime Contractor's Surety of the items that require correction. The Architect/Engineer will make a subsequent inspection and if the corrections have been properly performed, the Architect/Engineer will issue a letter of release on the

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maintenance stipulations to the Prime Contractor and the Surety. If for any reason the Prime Contractor has not made the required corrections before the expiration of the warranty period, the warranty provisions as provided for in the Contract Documents shall remain in effect until the corrections have been properly performed and a letter of release issued.

13.3 TERMINATION BY THE OWNER FOR CAUSE

(a) Notwithstanding any other provision of these General Conditions, the Work or any portion of the Work may be terminated immediately by the Owner for any good cause after giving seven (7) days advance written notice and opportunity to cure to the Prime Contractor, including but not limited to the following causes:

(1) Failure or refusal of the Prime Contractor to start the Work within ten (10) days after the date of written notice by the Owner to commence the Work.

(2) A reasonable belief that the progress of the Work being made by the Prime Contractor is insufficient to complete the Work within the specified time.

(3) Failure or refusal of the Prime Contractor to provide sufficient and proper equipment or construction forces to properly execute the Work in a timely manner.

(4) A reasonable belief that the Prime Contractor has abandoned the Work.

(5) A reasonable belief that the Contractor has become insolvent, bankrupt, or otherwise financially unable to carry on the Work.

(6) Failure or refusal on the part of the Contractor to observe any requirements of the Contract Documents or to comply with any written orders given by the Architect/Engineer or the Owner as provided for in the Contract Documents.

(7) Failure or refusal of the Prime Contractor to promptly make good any defects in materials or workmanship, or any defects of any nature, the correction of which has been directed in writing by the Architect/Engineer.

(8) A reasonable belief by the Owner that collusion exists or has occurred for the purpose of illegally procuring the Contract or a Subcontractor, or that a fraud is being perpetrated on the Owner in connection with the construction of Work under the Contract.

(9) Repeated and flagrant violation of safe working procedures.

(10) The filing by the Prime Contractor of litigation against the Owner prior to completion of the Work.

(b) When the Work or any portion of the Work is terminated for any of the causes itemized above or for any other cause except termination for convenience pursuant to Subparagraph 13.3(e), the Prime Contractor shall, as of the date specified by the Owner,

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discontinue the Work or portion of the Work as the Owner shall designate, whereupon the surety shall, within fifteen (15) days after the written notice of termination for cause has been served upon the Prime Contractor and the surety or its authorized agents, assume the obligations of the Prime Contractor for the Work or that portion of the Work which the Owner has ordered the Prime Contractor to discontinue and may:

(1) perform the Work with forces employed by the surety;

(2) with the written consent of the Owner, tender a replacement contractor to take over and perform the Work, in which event the surety shall be responsible for and pay the amount of any costs required to be incurred for the completion of the Work that are in excess of the amount of funds remaining under the Contract as of the time of the termination; or

(3) with the written consent of the Owner, tender and pay to the Owner in settlement the amount of money necessary to finish the balance of uncompleted Work under the Contract, correct existing defective or nonconforming Work, and compensate the Owner for any other loss sustained as a result of Prime Contractor's default.

In the event of termination for cause involving Clause (b)(1) or (b)(2), the Surety shall assume the Prime Contractor's place in all respects, and the amount of funds remaining unpaid under the Contract shall be paid by the Owner for all Work performed by the surety or the replacement contractor in accordance with the terms of the Contract Documents, subject to any rights of the Owner to deduct any costs, damages, or actual damages that the Owner may have incurred, including but not limited to additional fees and expenses of the Architect/Engineer and attorneys fees, as a result of such termination.

(c) The balance of the Contract Sum remaining at the time of the Prime Contractor’s default and of the termination shall become due and payable to the surety as the Work progresses, subject to all of the terms, covenants, and conditions of the Contract Documents. If the surety does not, within the time specified in Subparagraph 13.3(b), exercise its obligation to assume the obligations of the Contract, or that portion of the Contract which the Owner has ordered the Prime Contractor to discontinue, then the Owner shall have the power to complete the Work by contract or otherwise, as it may deem necessary. The Prime Contractor agrees that the Owner shall have the right to take possession of or use any or all of the materials, plant, tools, equipment, supplies, and property of every kind provided by the Prime Contractor for the purpose of the Work, and to procure other tools, equipment, labor, and materials for the completion of the Work, and to charge to the account of the Prime Contractor the expenses of completion and labor, materials, tools, equipment, and incidental expenses. The expenses incurred by the Owner to complete the Work shall be deducted by the Owner out of the balance of the Contract Sum remaining unpaid to or unearned by the Contractor. The Prime Contractor and the surety shall be liable to the Owner for any costs incurred in excess of the balance of the Contract Sum for the completion and correction of the Work, and for any other costs, damages, expenses (including but not limited to additional fees of

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the Architect/Engineer and attorney's fees), and damages incurred as a result of the termination.

(d) The Owner shall not be required to obtain the lowest bid for the Work of completing the Contract as described in Subparagraph 13.3(c), but the expenses to be deducted from the Contract Sum shall be the actual cost of such Work. In case the Owner's expense is less than the sum which would have been payable under the Contract, if the same had been completed by the Prime Contractor, then the Owner may pay to the Prime Contractor (or the Surety, in the event of a complete termination for cause) the difference in the cost, provided that the Prime Contractor (or the Surety) shall not be entitled to any claim for damages or for loss of anticipated profits. In case such expenses for completion shall exceed the amount which would have been payable under the Contract if the same had been completed by the Prime Contractor, then the Prime Contractor and his Sureties shall pay the amount of the excess to the Owner on notice from the Owner for excess due. When only a particular part of the Work is being carried on by the Owner by contract or otherwise under the provisions of this Subparagraph, the Prime Contractor shall continue the remainder of the Work in conformity with the terms of the Contract, and in such manner as not to hinder or interfere with the performance of workmen employed and provided by the Owner.

(e) The unconditional right to terminate this Contract for the convenience of the Owner (including but not limited to non-appropriation of funding) is expressly retained by the Owner. In the event of termination for convenience, the Owner shall deliver at least ten (10) days advance written notice of termination for convenience to the Prime Contractor. Upon the Prime Contractor's receipt of such written notice, the Prime Contractor shall cease the performance of the Work and shall take reasonable and appropriate action to secure and protect the Work in place. The Prime Contractor shall then be reimbursed by the Owner in accordance with the terms and provisions of the Contract Documents, not to exceed actual labor costs incurred, materials stored at the Project site or away from the Project site as approved by the Owner but not yet paid for, plus actual, reasonable, and documented termination charges, if any, paid by the Prime Contractor in connection with the Work in place which is completed and in conformance with the Contract Documents to the date of termination for convenience. No amount shall ever be due to the Prime Contractor for lost or anticipated profits.

13.4 TEMPORARY SUSPENSION OF THE WORK

(a) The Work or any portion of the Work may be temporarily suspended by the Owner immediately upon written notice to the Prime Contractor for any reason, including but not limited to:

(1) the causes described in Clauses 13.1(a)(1) through (a)(10) above;

(2) where other provisions in the Contract Documents require or permit temporary suspension of the Work;

(3) situations where the Work is threatened by, contributes to, or causes an immediate threat to public health, safety, or security; or

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(4) other unforeseen conditions or circumstances.

(b) The Prime Contractor shall immediately resume the temporarily suspended Work when ordered in writing by the Owner to do so. The Owner shall not under any circumstances be liable for any claim of the Prime Contractor arising from a temporary suspension due to a cause described in Clause (a)(1) above; provided, however, that in the case of a temporary suspension for any of the reasons described under Clauses (a)(2) through (a)(4), where the Prime Contractor is not a contributing cause of the suspension under one of those Clauses or where the provision of the Contract Documents in question specifically provides that the suspension is at no cost to the Owner, the Owner will make an equitable adjustment for the following items, provided that a claim is properly made by the Prime Contractor under Subparagraph 4.3 of these General Conditions:

(1) an equitable extension of the Contract Time, not to exceed the actual delay caused by the temporary suspension as determined by the Architect/Engineer and the Owner;

(2) an equitable adjustment to the Contract Sum for the actual, necessary, and reasonable costs of properly protecting any Work that is finished or partially finished during the period of the temporary suspension (no profit and overhead shall be allowed on top of these costs); and

(3) if it becomes necessary to move equipment from the Project site and then return it to the Project site when the Work is ordered to be resumed, an equitable adjustment to the Contract Sum for the actual, necessary, and reasonable cost of these moves; provided, however, that no adjustment shall be due if the equipment is moved to another Project site of the Owner.

ARTICLE 14 MISCELLANEOUS PROVISIONS

14.1 GOVERNING LAW; COMPLIANCE WITH LAWS AND REGULATIONS

(a) This Contract shall be in all things governed by the laws of the State of Texas without regard to conflict of laws principles.

(b) The Contractor shall, during the performance of the Work, comply with all applicable City codes and ordinances, as amended, and all applicable State and Federal laws, rules and regulations, as amended.

14.2 SUCCESSORS AND ASSIGNS

The Owner and the Prime Contractor respectively bind themselves, their partners, successors, assigns, and legal representatives to the promises, covenants, terms, conditions, and obligations contained in the Contract Documents. The Prime Contractor shall not assign, transfer, or convey its interest or rights in the Contract, in part or as a whole, without written consent of the Owner. If the Prime Contractor attempts to make an assignment, transfer, or conveyance without the Owner's written consent, the Contractor shall nevertheless remain legally responsible for all obligations under the Contract Documents. The Owner shall not

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assign any portion of the Contract Sum due or to become due under this Contract without the written consent of the Prime Contractor, except where assignment is compelled or allowed by court order, the terms of the Contract Documents, or other operation of law.

14.3 WRITTEN NOTICE

Except as otherwise provided in Article 16, any notice, payment, statement, or demand required or permitted to be given under this Contract by either party to the other may be effected by personal delivery in writing or by mail, postage prepaid to the Project Manager or Superintendent of either party, or to an officer, partner, or other designated representative of either party. Mailed notices shall be addressed to the parties at an address designated by each party, but each party may change its address by written notice in accordance with this section. Mailed notices shall be deemed communicated as of three (3) days after mailing.

14.4 RIGHTS AND REMEDIES; NO WAIVER OF RIGHTS BY OWNER

(a) The duties and obligations imposed on the Prime Contractor by the Contract Documents and the rights and remedies available to the Owner under the Contract Documents shall be in addition to, and not a limitation of, any duties, obligations, rights, and remedies otherwise imposed or made available by law.

(b) No action or failure to act by the Owner shall constitute a waiver of a right afforded the Owner under the Contract Documents, nor shall any action or failure to act by the Owner constitute approval of or acquiescence in a breach of the Contract by Prime Contractor, except as may be specifically agreed in writing by Change Order or Supplemental Agreement.

14.5 INTEREST

The Owner shall not be liable for interest on any progress or final payment to be made under the Contract Documents, except as may be provided by the applicable provisions of the Prompt Payment Act, Chapter 2251, Texas Government Code, as amended, subject to Paragraph 9.6(a) of these General Conditions.

14.6 OFFICERS OR EMPLOYEES OF THE OWNER NOT TO HAVE FINANCIAL INTEREST IN ANY CONTRACT OF THE OWNER

No officer or employee of the Owner shall have a financial interest, direct or indirect, in any Contract with the Owner, or be financially interested, directly or indirectly, in the sale to the Owner of any land, materials, supplies or services, except on behalf of the Owner as an officer or employee as defined in the City's Ethic Ordinance 18-757 and in the City Charter chapter 2 article XI(Ethics). Any violation of this article shall constitute malfeasance in office, and any officer or employee of Owner guilty thereof shall thereby forfeit his office or position. Any violation of this section, with the knowledge, express or implied, of the person, persons, partnership, company, firm, association or corporation contracting with the Owner shall render the Contract involved voidable by the Owner's City Manager or City Council.

14.7 VENUE

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This Contract is deemed to be performed in Denton County, Texas, and if legal action is necessary to enforce this Contract, exclusive venue shall lie in Denton County, Texas.

14.8 INDEPENDENT CONTRACTOR

In performing the Work under this Contract, the relationship between the Owner and the Prime Contractor is that of an independent contractor. The Prime Contractor shall exercise independent judgment in performing the Work and is solely responsible for setting working hours, scheduling or prioritizing the Work flow and determining the means and methods of performing the Work, subject only to the requirements of the Contract Documents. No term or provision of this Contract shall be construed as making the Prime Contractor an agent, servant, or employee of the Owner, or making the Prime Contractor or any of the Prime Contractor's employees, agents, or servants eligible for the fringe benefits, such as retirement, insurance and worker's compensation, which the Owner provides to its employees.

14.9 NONDISCRIMINATION

As a condition of this Contract, the Prime Contractor covenants that he will take all necessary actions to insure that, in connection with any work under this Contract, the Prime Contractor and its Subcontractors will not discriminate in the treatment or employment of any individual or groups of individuals on the grounds of race, color, religion, national origin, age, sex, sexual orientation, or handicap unrelated to job performance, either directly, indirectly or through contractual or other arrangements. The Prime Contractor shall also comply with all applicable requirements of the Americans with Disabilities Act, 42 U.S.C.A. §§12101-12213, as amended. In this regard, the Prime Contractor shall keep, retain and safeguard all records relating to his Contract or Work performed thereunder for a minimum period of three (3) years from final Contract completion, with full access allowed to authorized representatives of the Owner, upon request, for purposes of evaluating compliance with this and other provisions of the Contract.

14.10 GIFTS TO PUBLIC SERVANTS

(a) The Owner may terminate this Contract immediately if the Prime Contractor has offered, conferred, or agreed to confer any benefit on a City of Denton employee or official that the City of Denton employee or official is prohibited by law from accepting.

(b) For purposes of this Article, "benefit" means anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person in whose welfare the beneficiary has a direct or substantial interest, but does not include a contribution or expenditure made and reported in accordance with law.

(c) Notwithstanding any other legal remedies, the Owner may require the Prime Contractor to remove any employee of the Prime Contractor from the Project who has violated the restrictions of this Article or any similar State or Federal law, and obtain reimbursement for any expenditures made to the Prime Contractor as a result of the improper offer, agreement to confer, or conferring of a benefit to a City of Denton employee or official.

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ARTICLE 15 RIGHT TO AUDIT CONTRACTOR'S RECORDS

By execution of the Building Construction Services Agreement, the Prime Contractor grants the Owner the right to audit, at the Owner's election, all of the Prime Contractor's records and billings relating to the performance of the Work under the Contract Documents. The Prime Contractor agrees to retain its Project records for a minimum of five (5) years following completion of the Work. The Owner agrees that it will exercise the right to audit only at reasonable hours. City may review any and all of the services performed by Prime Contractor under this Contract. Any payment, settlement, satisfaction, or release made or provided during the course of performance of this Contract shall be subject to City's rights as may be disclosed by an audit under this section.

ARTICLE 16 NOTICE OF CONTRACT CLAIM

This Contract is subject to the provisions of the Denton City Code, as amended, relating to requirements for filing a notice of a breach of contract claim against City. Prime Contractor shall comply with the requirements of this ordinance as a precondition of any litigation relating to this Contract, in addition to all other requirements in this Contract related to claims and notice of claims.

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EXHIBIT D
PAYMENT AND PERFORMANCE BOND REQUIREMENTS

Contractor will be required to furnish original performance and payment bonds for $1,000,000 before work is to commence. The Contractor shall assume all costs in increasing the bond limits if change orders are formally approved. Bonds shall be in accordance with the V.T.C.A Government Code Section 2253.021, as amended, from a surety licensed to do business in the State of Texas. The contractor shall obtain an independent payment and performance bonds for 100% of the project value for any single project in excess of $400,000. The City, at its option, may waive the payment and performance bond requirements for projects of less than $50,000.

Bond forms shall be returned upon notice of contract award by the City. Bonds should be forwarded to the City of Denton within fourteen (14) calendar days from contract award. This contract is not fully executed until payment and performance bonds are received and accepted by the City. Upon approval, a purchase order will be issued.

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EXHIBIT E
INSURANCE REQUIREMENTS AND WORKERS' COMPENSATION REQUIREMENTS

Upon contract execution, all insurance requirements shall become contractual obligations, which the successful contractor shall have a duty to maintain throughout the course of this contract.

STANDARD PROVISIONS:

Without limiting any of the other obligations or liabilities of the Contractor, the Contractor shall provide and maintain until the contracted work has been completed and accepted by the City of Denton, Owner, the minimum insurance coverage as indicated hereinafter.

Contractor shall file with the Purchasing Department satisfactory certificates of insurance including any applicable addendum or endorsements, containing the contract number and title of the project. Contractor may, upon written request to the Purchasing Department, ask for clarification of any insurance requirements at any time; however, Contractor shall not commence any work or deliver any material until he or she receives notification that the contract has been accepted, approved, and signed by the City of Denton.

All insurance policies proposed or obtained in satisfaction of these requirements shall comply with the following general specifications, and shall be maintained in compliance with these general specifications throughout the duration of the Contract, or longer, if so noted:

- Each policy shall be issued by a company authorized to do business in the State of Texas with an A.M. Best Company rating of at least **A or better**.

- Any deductibles or self-insured retentions shall be declared in the proposal. If requested by the City, the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the City, its officials, agents, employees and volunteers; or, the contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

- Liability policies shall be endorsed to provide the following:

    - Name as Additional Insured the City of Denton, its Officials, Agents, Employees and volunteers.

    - That such insurance is primary to any other insurance available to the Additional Insured with respect to claims covered under the policy and that this insurance applies separately to each insured against whom claim is made or suit is brought. The inclusion of more than one insured shall not operate to increase the insurer's limit of liability.

    - Provide a Waiver of Subrogation in favor of the City of Denton, its officials, agents, employees, and volunteers.

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- ***Cancellation: City requires 30 day written notice should any of the policies described on the certificate be cancelled or materially changed before the expiration date.***

- Should any of the required insurance be provided under a claims made form, Contractor shall maintain such coverage continuously throughout the term of this contract and, without lapse, for a period of three years beyond the contract expiration, such that occurrences arising during the contract term which give rise to claims made after expiration of the contract shall be covered.

- Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit providing for claims investigation or legal defense costs to be included in the general annual aggregate limit, the Contractor shall either double the occurrence limits or obtain Owners and Contractors Protective Liability Insurance.

- Should any required insurance lapse during the contract term, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this contract, effective as of the lapse date. If insurance is not reinstated, City may, at its sole option, terminate this agreement effective on the date of the lapse.

SPECIFIC ADDITIONAL INSURANCE REQUIREMENTS:

All insurance policies proposed or obtained in satisfaction of this Contract shall additionally comply with the following marked specifications, and shall be maintained in compliance with these additional specifications throughout the duration of the Contract, or longer, if so noted:

[X] A. **General Liability Insurance:**

General Liability insurance with combined single limits of not less than **$1,000,000.00** shall be provided and maintained by the Contractor. The policy shall be written on an occurrence basis either in a single policy or in a combination of underlying and umbrella or excess policies.

If the Commercial General Liability form (ISO Form CG 0001 current edition) is used:

- Coverage A shall include premises, operations, products, and completed operations, independent contractors, contractual liability covering this contract and broad form property damage coverage.

- Coverage B shall include personal injury.

- Coverage C, medical payments, is not required.

If the Comprehensive General Liability form (ISO Form GL 0002 Current Edition and ISO Form GL 0404) is used, it shall include at least:

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- Bodily injury and Property Damage Liability for premises, operations, products and completed operations, independent contractors and property damage resulting from explosion, collapse or underground (XCU) exposures.

- Broad form contractual liability (preferably by endorsement) covering this contract, personal injury liability and broad form property damage liability.

[X] **Automobile Liability Insurance:**

Contractor shall provide Commercial Automobile Liability insurance with Combined Single Limits (CSL) of not less than **$1,000,000** either in a single policy or in a combination of basic and umbrella or excess policies. The policy will include bodily injury and property damage liability arising out of the operation, maintenance and use of all automobiles and mobile equipment used in conjunction with this contract.

Satisfaction of the above requirement shall be in the form of a policy endorsement for:

- any auto, or
- all owned hired and non-owned autos.

[X] **Workers' Compensation Insurance**

Contractor shall purchase and maintain Workers' Compensation insurance which, in addition to meeting the minimum statutory requirements for issuance of such insurance, has Employer's Liability limits of at least $100,000 for each accident, $100,000 per each employee, and a $500,000 policy limit for occupational disease. The City need not be named as an "Additional Insured" but the insurer shall agree to waive all rights of subrogation against the City, its officials, agents, employees and volunteers for any work performed for the City by the Named Insured. For building or construction projects, the Contractor shall comply with the provisions of Attachment 1 in accordance with §406.096 of the Texas Labor Code and rule 28TAC 110.110 of the Texas Workers' Compensation Commission (TWCC).

[X] **Owner's and Contractor's Protective Liability Insurance**

The Contractor shall obtain, pay for and maintain at all times during the prosecution of the work under this contract, an Owner's and Contractor's Protective Liability insurance policy naming the City as insured for property damage and bodily injury which may arise in the prosecution of the work or Contractor's operations under this contract. Coverage shall be on an "occurrence" basis and the policy shall be issued by the same insurance company that carries the Contractor's liability insurance. Policy limits will be at least **$1,000,000.00** combined bodily injury and property damage per occurrence with a **$2,000,000.00** aggregate.

[ ] **Fire Damage Legal Liability Insurance**

Coverage is required if Broad form General Liability is not provided or is unavailable to

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the contractor or if a contractor leases or rents a portion of a City building. Limits of not less than _____ each occurrence are required.

[ ] **Professional Liability Insurance**

Professional liability insurance with limits not less than **$1,000,000.00** per claim with respect to negligent acts, errors or omissions in connection with professional services is required under this Agreement.

[X] **Builders' Risk Insurance**

Builders' Risk Insurance, on an All-Risk form for 100% of the completed value shall be provided. Such policy shall include as "Named Insured" the City of Denton and all subcontractors as their interests may appear.

[X] **Environmental Liability Insurance**

Environmental liability insurance for $2,000,000 to cover all hazards contemplated by this contract.

[ ] **Riggers Insurance**

The Contractor shall provide coverage for Rigger's Liability. Said coverage may be provided by a Rigger's Liability endorsement on the existing CGL coverage; through and Installation Floater covering rigging contractors; or through ISO form IH 00 91 12 11, Rigger's Liability Coverage form. Said coverage shall mirror the limits provided by the CGL coverage

[ ] **Commercial Crime**

Provides coverage for the theft or disappearance of cash or checks, robbery inside/outside the premises, burglary of the premises, and employee fidelity. The employee fidelity portion of this coverage should be written on a "blanket" basis to cover all employees, including new hires. This type insurance should be required if the contractor has access to City funds. Limits of not less than $_____ each occurrence are required.

[ ] **Additional Insurance**

Other insurance may be required on an individual basis for extra hazardous contracts and specific service agreements. If such additional insurance is required for a specific contract, that requirement will be described in the "Specific Conditions" of the contract specifications.

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ATTACHMENT 1

[X] **Workers' Compensation Coverage for Building or Construction Projects for Governmental Entities**

A. 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/person's work on the project has been completed and accepted by the governmental entity.

Persons providing services on the project ("subcontractor" in §406.096) - 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, owner-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.

B. The contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any overage 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.

C. The Contractor must provide a certificate of coverage to the governmental entity prior to being awarded the contract.

D. 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.

E. 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

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2. 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.

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

G. The contractor shall 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.

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

I. 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 to 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 to the 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 year thereafter;

6. notify the governmental entity 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

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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.

J. 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.

K. The contractor’s failure to comply with any of these provisions is a breach of contract by the contractor which entitles the governmental entity to declare the contract void if the contractor does not remedy the breach within ten days after receipt of notice of breach from the governmental entity.

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Exhibit F
Certificate of Interested Parties Electronic Filing

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that the City may not enter into this contract unless the Contractor submits a disclosure of interested parties (Form 1295) to the City at the time the Contractor submits the signed contract. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Commission.

Contractor will be required to furnish a Certificate of Interest Parties before the contract is awarded, in accordance with Government Code 2252.908.

The contractor shall:

1. Log onto the State Ethics Commission Website at : https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm
2. Register utilizing the tutorial provided by the State
3. Print a copy of the completed Form 1295
4. Enter the Certificate Number on page 2 of this contract.
5. Complete and sign the Form 1295
6. Email the form to purchasing@cityofdenton.com with the contract number in the subject line. (EX: Contract 1234 – Form 1295)

The City must acknowledge the receipt of the filed Form 1295 not later than the 30th day after Council award. Once a Form 1295 is acknowledged, it will be posted to the Texas Ethics Commission's website within seven business days.

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EXHIBIT G

FACILITIES MANAGEMENT
869 S. Woodrow Lane
Denton, Texas 76205

Date Issued:

REQUEST FOR COST			
Project Name:		**Building:**	
Physical Address:			
Legal Description:			

Insert Picture of Building	*Insert Picture*
EXISTING CONDITIONS:	**PROPOSED CONDITIONS:**

SCOPE OF WORK:			
Project Manager:		**Email:**	

ATTACHMENTS		
☐ **Floor Plans**	☐ **Photos**	☐ **Specifications**

The undersigned hereby proposes to complete the scope of services detailed herein by the specified time frame. By submitting this Request for Costs, they acknowledge they have received all attachments, have reviewed all attachments, and have performed a site visit. All work will be performed in accordance with the Contract between the Vendor and the City of Denton.

Company Name:		**Contact Name:**	
Contingencies:		**Email:**	

COST/SCHEDULE ESTIMATE			
Days For Mobilization:		**Name:**	
Days For Construction:		**Job Title:**	
Labor Costs:	$		
Material Costs:	$	**Signature:**	
Equipment/Rental Costs:	$		
TOTAL COST:	$		
REQUEST FOR COST DUE:		**DATE SIGNED:**	

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EXHIBIT H

CONFLICT OF INTEREST QUESTIONNAIRE - FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

This questionnaire is being filed in accordance with chapter 176 of the Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local government entity 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.

1 **Name of person who has a business relationship with local governmental entity.**

DIAMOND M CONSTRUCTION & LAND SERVICES, LLC

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 **Name of local government officer with whom filer has an employment or business relationship.**

na

Name of Officer

This section, (item 3 including subparts A, B, C & D), must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

☐ Yes ☐ No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

☐ Yes ☐ No

D. Describe each affiliation or business relationship.

4 ☒ **I have no Conflict of Interest to disclose.**

5 DocuSigned by:

6D336167DDEF410...

Signature of person doing business with the governmental entity

3/26/2026

Date

File # 8983

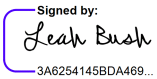
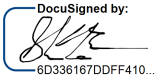
Certificate Of Completion

Envelope Id: CB4810EC-68E3-4258-BF3D-D204FBD2FF3E
Status: Sent
Subject: Please DocuSign: City Council Contract 8983 Parking Lot Maintenance, Repairs, Construction & Demo
Source Envelope:
Document Pages: 88
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Crystal Westbrook
901B Texas Street
Denton, TX 76209
crystal.westbrook@cityofdenton.com
IP Address: 198.49.140.10

Record Tracking

Status: Original
3/24/2026 11:37:50 AM
Holder: Crystal Westbrook
crystal.westbrook@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Crystal Westbrook crystal.westbrook@cityofdenton.com Senior Buyer City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	**Completed** Using IP Address: 198.49.140.10	Sent: 3/24/2026 11:53:28 AM Viewed: 3/24/2026 11:53:42 AM Signed: 3/24/2026 11:54:48 AM
Lori Hewell lori.hewell@cityofdenton.com Purchasing Manager City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.104	Sent: 3/24/2026 11:54:50 AM Viewed: 3/24/2026 1:30:32 PM Signed: 3/24/2026 1:37:40 PM
Leah Bush leah.bush@cityofdenton.com Assistant City Attorney Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 3/24/2026 1:37:42 PM Viewed: 3/25/2026 9:34:18 AM Signed: 3/25/2026 10:07:07 AM
Shane McCune diamondmconstructionllc@gmail.com Onwer Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 3/25/2026 10:36:18 AM ID: 77438d97-d56d-4fb5-b1f7-f053d759819c	 Signature Adoption: Drawn on Device Using IP Address: 38.96.230.37	Sent: 3/25/2026 10:07:10 AM Viewed: 3/25/2026 10:36:18 AM Signed: 3/26/2026 11:36:57 PM

Signer Events	Signature	Timestamp
Tom Gramer tom.gramer@cityofdenton.com Director Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	DocuSigned by: Tom Gramer 7B58DA8FCE5F49C... Signature Adoption: Pre-selected Style Using IP Address: 69.58.156.178 Signed using mobile	Sent: 3/26/2026 11:36:59 PM Viewed: 3/27/2026 7:37:38 AM Signed: 3/27/2026 7:37:56 AM
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		Sent: 3/27/2026 7:38:01 AM
Cassey Ogden Cassey.Ogden@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Ingrid Rex Ingrid.Rex@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 3/24/2026 11:54:51 AM
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:**	COPIED	Sent: 3/27/2026 7:37:59 AM Viewed: 4/1/2026 11:00:07 AM

Carbon Copy Events	Status	Timestamp
Not Offered via Docusign		
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Danny Defee daniel.defee@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/24/2026 11:53:28 AM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, City of Denton (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact City of Denton:
You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: purchasing@cityofdenton.com

To advise City of Denton of your new e-mail address
To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at melissa.kraft@cityofdenton.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..
In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

To request paper copies from City of Denton
To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with City of Denton
To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
ii. send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail, full name, IS Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	•Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

Acknowledging your access and consent to receive materials electronically
To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.
By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and

- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and

- Until or unless I notify City of Denton as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by City of Denton during the course of my relationship with you.

Docusign Envelope ID: 9E0A0F9A-FAD3-445D-A424-0A331F9E752E

Docusign City Council Transmittal Coversheet

RFQ	8983
File Name	PARKING LOT MAINTENANCE, REPAIRS, CONSTRUCTION & DEMO
Purchasing Contact	Crystal Westbrook
City Council Target Date	
Piggy Back Option	Not Applicable
Contract Expiration	
Ordinance	

Initial
LH

Docusign Envelope ID: 9E0A0F9A-FAD3-445D-A424-0A331F9E752E

CONTRACT BY AND BETWEEN
CITY OF DENTON, TEXAS AND SOLID FOUNDATIONS CONCRETE, LLC
(CONTRACT 8983)

THIS CONTRACT is made and entered into this date _____, by and between SOLID FOUNDATIONS CONCRETE, LLC a Texas limited liability company, whose address is 1761 INTERNATIONAL PKWY, STE 105, RICHARDSON, TX 75081, hereinafter referred to as "Contractor," and the CITY OF DENTON, TEXAS, a Texas Municipal Corporation and Home-Rule City, hereinafter referred to as "City," to be effective upon approval of the Denton City Council and the subsequent execution of this Contract by the Denton City Manager, or his duly authorized designee.

For and in consideration of the covenants and agreements contained herein, and for the mutual benefits to be obtained hereby, the parties agree as follows:

SCOPE OF SERVICES

Contractor shall provide construction services in accordance with the City's RFQ 8983 – PARKING LOT MAINTENANCE, REPAIRS, CONSTRUCTION AND DEMO SERVICES, a copy of which is on file at the office of Purchasing Agent and incorporated herein for all purposes as "Exhibit B". The Contract consists of this written agreement and the following items which are attached hereto and incorporated herein by reference:

(a) Special Terms and Conditions **(Exhibit "A");**
(b) City of Denton Request for Proposal #8983 **(Exhibit "B" on file at Office of Purchasing Agent)**
(c) General Provisions-Standard Terms and Conditions **(Exhibit "C");**
(d) Payment and Performance Bond Requirements **(Exhibit "D");**
(e) Insurance Requirements **(Exhibit "E");**
(f) Certificate of Interested Parties Electronic Filing **(Exhibit "F");**
(g) Request for Cost Form **(Exhibit "G")**;
(h) Form CIQ – Conflict of Interest Questionnaire **(Exhibit "H")**

These documents make up the Contract documents and what is called for by one shall be as binding as if called for by all. In the event of an inconsistency or conflict in any of the provisions of the Contract documents, the inconsistency or conflict shall be resolved by giving precedence first to this written Contract, and then to the Contract documents in the sequential order in which they are listed above. These documents shall be referred to collectively as "Contract Documents."

Prohibition on Contracts with Companies Boycotting Israel
Contractor acknowledges that in accordance with Chapter 2270 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services 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 terms "boycott Israel" and "company" shall have the meanings ascribed to those terms in Section 808.001 of the Texas Government Code. ***By signing this agreement, Contractor certifies that Contractor's signature provides written verification to the City that Contractor: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the agreement.*** Failure to meet or

Docusign Envelope ID: 9E0A0F9A-FAD3-445D-A424-0A331F9E752E

maintain the requirements under this provision will be considered a material breach.

Prohibition On Contracts With Companies Doing Business with Iran, Sudan, or a Foreign Terrorist Organization

Section 2252 of the Texas Government Code restricts CITY from contracting with companies that do business with Iran, Sudan, or a foreign terrorist organization. ***By signing this agreement, Contractor certifies that Contractor's signature provides written verification to the City that Contractor, pursuant to Chapter 2252, is not ineligible to enter into this agreement and will not become ineligible to receive payments under this agreement by doing business with Iran, Sudan, or a foreign terrorist organization***. Failure to meet or maintain the requirements under this provision will be considered a material breach.

The parties agree to transact business electronically. Any statutory requirements that certain terms be in writing will be satisfied using electronic documents and signing. Electronic signing of this document will be deemed an original for all legal purposes.

SIGNATURE PAGE TO FOLLOW

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IN WITNESS WHEREOF, the parties of these presents have executed this Contract in the year and day first above written.

CONTRACTOR

BY: DocuSigned by: Mark Ashley 5650154FD114453...
AUTHORIZED SIGNATURE

Printed Name: Mark Ashley

Title: President

3379673044
PHONE NUMBER

mashley@sfconcretellc.com
EMAIL ADDRESS

2026- mashley@sfconcretellc.com
TEXAS ETHICS COMMISSION CERTIFICATE NUMBER

CITY OF DENTON, TEXAS
A Texas Municipal Corporation

By: _____

ATTEST:
INGRID REX, CITY SECRETARY

By: _____

APPROVED AS TO LEGAL FORM:

By: Signed by: Leah Bush 3A6254145BDA469...

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

DocuSigned by: Tom Gramer 7B58DA8FCE5F49C...
SIGNATURE

Tom Gramer
PRINTED NAME

Director
TITLE

Facilities
DEPARTMENT

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EXHIBIT A
SPECIAL TERMS AND CONDITIONS

1. **Total Contract Amount**
   SOLID FOUNDATIONS CONCRETE, LLC is pre-qualified for RFP 8983 – PARKING LOT MAINTENANCE, REPAIRS, CONSTRUCTION AND DEMO SERVICES. All pre-qualified contractors will be issued a Request for Cost, Exhibit G, that defines the scope of work and project dates. The pre-qualified contractors will have (5) days to respond to such Request for Cost. Thereafter, the City will select the pre-qualified contractor with the lowest price and ability to meet the City's time schedule requirements. The cumulative contract total for all awarded projects to all pre-qualified contractors for contract 8983 shall not exceed $17,808,000. If a response to the Request of Cost is not received in the applicable time period, such pre-qualified contractor will be disqualified from that Request of Cost.

2. **Contract Terms**
   The contract term will be one (1) years, effective from date of award. The City and the Supplier shall have the option to renew this contract for an additional four (4) one-year periods.

   The Contract shall commence upon the issuance of a Notice of Award by the City of Denton and shall automatically renew each year, from the date of award by City Council. The Supplier's request to not renew the contract must be submitted in writing to the Purchasing Manager at least 60 days prior to the contract renewal date for each year. At the sole option of the City of Denton, the Contract may be further extended as needed, not to exceed a total of six (6) months.

3. **Price Escalation and De-escalation**
   On Supplier's request in the form stated herein, the City will implement an escalation/de-escalation price adjustment annually based on these special terms. Any request for price adjustment must be based on the, U.S Department of Labor, Bureau of Labor Statistics, Producer Price Index (PPI) or the manufacturer published pricing list. The maximum escalation will not exceed +/- 8% for any individual year. The escalation will be determined annually at the renewal date. The price will be increased or decreased based upon the annual percentage change in the PPI or the percentage change in the manufacturer's price list. Should the PPI or manufacturer price list change exceed a minimum threshold value of +/-1%, then the stated eligible bid prices shall be adjusted in accordance with the percent change not to exceed the 8% limit per year. The supplier should provide documentation as percentage of each cost associated with the unit prices quoted for consideration.

   Request must be submitted in writing with supporting evidence for need of such increase to the Purchasing Manager at least 60 days prior to contract expiration of each year. Respondent must also provide supporting documentation as justification for the request. If no request is made, then it will be assumed that the current contract price will be in effect.

   Upon receipt of such request, the City of Denton reserves the right to either: accept the escalation as competitive with the general market price at the time, and become effective upon

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the renewal date of the contract award or reject the increases within 30 calendar days after receipt of a properly submitted request. If a properly submitted increase is rejected, the Contractor may request cancellation of such items from the Contract by giving the City of Denton written notice. Cancellation will not go into effect for 15 calendar days after a determination has been issued. Pre-price increase prices must be honored on orders dated up to the official date of the City of Denton approval and/or cancellation.

The request can be sent by e-mail to: purchasing@cityofdenton.com noting the solicitation number.

The City of Denton reserves the right to accept, reject, or negotiate the proposed price changes.

4. Performance Liquidated Damages

Contractor recognizes that time is of the essence of this Agreement and that City will suffer financial loss if the Work is not completed within the times specified in each task order, plus any extension thereof allowed in accordance with Article 12 of the General Conditions. The Contractor also recognizes the delays, expense and difficulties involved in proving in a legal proceeding the actual loss suffered by the City if the Work is not completed on time. Accordingly, instead of requiring any such proof, Contractor agree that as liquidated damages for delay (but not as a penalty), Contractor shall pay City one thousand dollars ($1,000) for each day that expires after the time specified in each task order for Final Acceptance until the City issues the Final Letter of Acceptance.

Public Works Construction Standards

NCTCOG 5th Edition

Section 108.8

Schedule 109.8.1 Liquidate Damages

Amount of contract ($)	**Amount of liquidated damages ($)**
Less than 25,000.000	200.00 Per Day
25,000.00 to 99,999.99	350.00 Per Day
100,000.00 to 999,999.99	500.00 Per Day
More Than 1,000,000.00	1000.00 Per Day

5. Post Award Additional Requirements

Pre-Construction Meeting: Prior to commencement of the services, the City and the Contractor will conduct a pre-construction meeting to review the overall scope, schedule, deliverables, planning process, and to ensure that all relevant parties to the project are introduced.

Environmental Hazards: There are no known safety or environmental hazards existing on the project site at the time of issue of this solicitation. The City does not warrant or guarantee against the possibility that safety or environmental hazards or potential hazards may exist at

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the City's facilities. The Contractor shall be responsible for identifying any hazardous conditions and notifying the City verbally of such conditions as soon as possible after discovery and shall follow up in writing within 10 days of such discovery. The costs for necessary investigations or any potential corrective actions will be negotiated between the City and the Contractor.

Contractor Standards of Performance: The contractor shall prosecute the work diligently with skilled craftsmen and with state-of-the-art methods to complete the work within the time stated in the contract or such time extensions as may be grant
Monthly Reports: The awarded Contractor shall provide to the City of Denton, detailed reports of daily work conditions, daily man power availability, equipment problems, and work accomplished on a monthly basis.

Safety: All contractors to the City of Denton are required to ensure absolute safety standards are applied and enforced. The City of Denton will not be responsible for individual contractor safety, and the awarded contractor shall not hold the City of Denton responsible. Known hazards shall immediately be reported to the Project Manager and all safety precautions shall be taken to prevent potential safety issues from occurring.

6. **Asbestos Free Materials**
The contractor shall provide asbestos-free materials as represented by the Manufacturer's "Materials Safety Data Sheets".

7. **Prevailing Wage Rates**
In accordance with Texas Government Code 2258, the awarded contractor shall comply with prevailing wage rates as defined by the United States Department of Labor Davis-Bacon Wage Determination at http://www.dol.gov/whd/contracts/dbra.htm and at the Wage Determinations website www.wdol.gov for Denton County, Texas (WD-2509).

Notwithstanding any other provision of this Contract, the awarded contractor hereby represents and warrants that the contractor shall pay to each of its employees a wage not less than what is currently known as the "Federal Minimum Wage" and any increase or amendments thereto. Furthermore, contractor shall produce proof of compliance with this provision by contractor to the City. The City shall withhold payments due to contractor until contractor has complied with this provision. Prior to any payment being made for work satisfactorily completed and accepted, contractor shall submit wage rate affidavits with its billing documents affirming that all employees have been paid not less than the current "Federal Minimum Wage".

8. **Remedies**
a. COMPLETION OF CONTRACTOR'S DEFAULT: If default shall be made by the Contractor or by any subcontractor in the performance of any of the terms of this proposal, the City, without in any manner limiting its legal and equitable remedies in the circumstances, may serve upon the Contractor and the Surety or Sureties upon the Contractor's bond or bonds a written notice requiring the Contractor to cause such default to be corrected forthwith. Unless within twenty (20) days after the service of such notice upon the Contractor such default shall be corrected or arrangements for the correction thereof satisfactory to the City

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and/or Engineer shall be made by the Contractor or its Surety or Sureties, the City may take over the construction of the project and prosecute the same to completion by contract or otherwise for the account and at the expense of the Contractor, and the Contractor and its Surety or Sureties shall be liable to the City for any cost or expense in excess of the contract price occasioned thereby. In such event the City may take possession of and utilize, in completing the construction of the project, any materials, tools, supplies, equipment, appliances, and plant belonging to the Contractor or any of its subcontractors, which may be situated at the site of the project. The City in such contingency may exercise any rights, claims or demands which the Contractor may have against third persons in connection with this contract and for such purpose the Contractor does hereby assign, transfer and set over unto the City all such rights claims and demands.

b. LIQUIDATED DAMAGES: Respondent must agree to commence work on or before a date to be specified in written "Notice to Proceed" by the Owner, and to fully complete the project within the time stated on proposal. As failure to complete project within the stated time, respondent agrees to pay as liquidated damages, the sums indicated in the Solicitation Main Document Section 10, for each working day of delay until work is completed and accepted. Delays because of strikes, fire, weather, or any cause beyond the contractors control shall be granted but claims for extension shall be in writing within a reasonable time after the occurrence. Contractor shall submit request for delay on a monthly basis in a letter form indicating reason and date of delay. Failure to do so on a monthly basis means contractor will forfeit those delay days. Liquidated damages in the amount per day shown in Main Solicitation Document, Section 10 “Liquidated Damages”, will be assessed against the Contractor for each calendar day or portion thereof that:

(1) the Contractor has not fully and timely completed the specific portion or part of the work to be completed by the end of the current month as provided in the detailed description of work and/or schedule previously submitted by the Contractor on the first day of that particular month, after accounting for any agreed-upon changed orders, which will entitle the Owner to withhold the liquidated damages from the payment otherwise owed to the Contractor for work completed in that particular month;

(2) the Contractor has not substantially completed all work following the expiration of the number of calendar days to complete the work as agreed upon in the contract, after accounting for any agreed-upon changed orders; or

(3) all items listed as incomplete and attached to the Certificate of Substantial Completion are not completed or corrected after expiration of the agreed time allotted for completion and correction, including any approved extensions of time granted. These liquidated damages are cumulative. The sum of the liquidated damages will be deducted from any monies due the Contractor. If no money is due the Contractor, said sum may be recovered by the Owner from the Contractor or the Contractor's surety, or from both combined. These deductions are to cover liquidated damages to the Owner for losses to Owner that include, but are not limited to, additional expenses of Contract administration, overhead and other costs resulting from failure of the Contractor to complete the Work within the designated time, and are not to be

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considered as penalties. The Owner shall not be considered liable for any extra or additional payment to the Contractor as a bonus or premium for early completion. Any failure on the part of the Owner to request or require payment or withholding of liquidated damages in any particular month shall not constitute a waiver of Contractor's requirement to pay, or the Owner's ability to withhold from payments owed to Contractor, any liquidated damages for work performed or completed in that particular month, in any prior or subsequent month, or at the time all work has been completed.

c. CUMULATIVE REMEDIES: Every right or remedy herein conferred upon or reserved to the City shall be cumulative, shall be in addition to every right and remedy now or hereafter existing at law or in equity or by statute, and the pursuit of any right or remedy shall not be construed as an election. Provided, however, that the provisions of the REMEDIES SECTION shall be the exclusive measure of damages for failure by the Contractor to complete the construction of the project within the time herein agreed upon.

9. Payment and Performance Requirements

a. PAYMENT AND INVOICES:

Payment processing: The City review, inspection, and processing procedures for invoices ordinarily require thirty (30) days after receipt of invoices, materials, or services. Submissions which call for payment before thirty (30) days from receipt of invoice, or cash discounts given on such payment, will be considered only if, in the opinion of the Purchasing Manager, the review, inspection, and processing procedures can be completed as specified. It is the intention of the City of Denton to make payment within thirty days after receipt of valid invoices for which items or services have been received unless unusual circumstances arise. The 30 day processing period for invoices will begin on the date the invoice is received or the date the items or services are received, whichever is later.

Direct deposit for payments: Contractors are encouraged to arrange for receiving payments through direct deposit. Information regarding direct deposit payments is available from the City of Denton Purchasing website: www.dentonpurchasing.com.

Invoices shall be sent directly to the City of Denton Accounts Payable Department, 215 E McKinney St, Denton, TX, 76201-4299. A pro-forma invoice shall be sent to the contract administrator as identified in the Notice to Proceed. It is the intention of the City of Denton to make payment on completed orders within thirty days after receipt of invoice or items; whichever is later, unless unusual circumstances arise. **Invoices must be fully documented as to labor, materials, and equipment provided, if applicable, and must reference the City of Denton Purchase Order Number in order to be processed. No payments shall be made on invoices not listing a Purchase Order Number.**

b. PAYMENT TO PERFORMANCE MILESTONES: Awarded contractor shall prepare and submit invoices after completion of specific project milestones. The invoice shall detail the major milestones accomplished and detailed cost information for project. These milestones shall be submitted to the City of Denton and the City's Project Staff shall review

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such for completion and accuracy, prior to payment authorization.

c. TAX EXEMPTION: The City of Denton qualifies for sales tax exemption pursuant to the provisions of Article 20.04 (F) of the Texas Limited Sales, Excise and Use Tax Act. Any Contractor performing work under this contract for the City of Denton may purchase materials and supplies and rent or lease equipment sales tax free. This is accomplished by issuing exemption certificates to suppliers. Certificates must comply with State Comptroller's ruling #95-0.07 and #95-0.09.

d. RELEASE OF LIENS AND CERTIFICATE OF CONTRACTOR: Upon award of the contract, the Contractor shall inform the City of the subcontractors and material sources that will be used. Upon the completion by the Contractor of the construction of the project, but prior to final payment to the Contractor, the Contractor shall deliver to the City releases of all liens, and of rights to claim any lien, from all manufacturers, material-men, and subcontractors furnishing services or materials for the project, to the effect that all materials or services used on or for the project have been paid for and indicating that the City is released from all such claims.

e. PAYMENTS TO MATERIAL-MEN AND SUBCONTRACTORS: The Contractor shall pay each material-men, and each subcontractor, if any, not later than five (5) days after receipt of any payment from the City, the amount thereof allowed the Contractor for and on account of materials furnished or construction performed by each material-men or each subcontractor.

10. General Provisions – Special Notices and Requirements

a. CONTRACT ADMINISTRATION SUBMITTALS AND REQUIREMENTS:

General: The General Conditions, Supplementary Conditions and Special Conditions provide definite times for Contractor to submit certain lists, qualifications, price breakdowns and schedules for administrative procedures including but not necessarily limited to the following:

List of Subcontractors: Before the execution of the Contract, the respondent awarded the contract will submit to the City for approval a list of all Subcontractors, and/or his major Subcontractors, proposed to use. This list will include each Subcontractor's correct name, mailing address and phone number.

Contractor's Superintendent: The Contractor shall submit the name and qualifications of the person designated as Project Superintendent within ten (10) days of the receipt of the Notice of Award Letter.

Contract Price Breakdown: Upon execution of the Contract, the Contractor shall submit to the City for approval a breakdown of the Contract price, itemizing material and labor for various classifications of work.

1. The City will provide forms for the Contractor to use to prepare the schedule of values.
2. Unit Price items will be multiplied by the estimated quantities to give the item totals. The total item will then be divided into "material" and "labor" and listed on

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the breakdown. The breakdown of unit price items into material and labor is required so the City may make progress payments on materials delivered before the labor is performed.

Work Progress Schedule: Within three (3) weeks after receipt of a work order, the Contractor shall submit in duplicate to the City for approval an estimated progress schedule for the work in relation to the entire project, over the total contract time. Schedules showing less than the stipulated contract time will be rejected. See details for this requirement in the attached STANDARD PURCHASE TERMS AND CONDITIONS FOR FACILITY CONSTRUCTION SERVICES, Article1, paragraph 3.10 “Contractors Construction Schedule”.

Testing and Quality Control: Observation of the Contractor's work to determine compliance with the plans and specifications may include testing of material installed on the project. A Testing Laboratory located by the Contractor shall do testing of materials furnished and work performed. The Contractor shall use only materials in the work, which meet the requirements of the specifications. The Contractor shall furnish at his own expense all necessary tests and specimens for testing of the material and when requested shall furnish a complete written statement of the origin, composition, and/or manufacturer of any or all materials that are to be used in the work. All materials not conforming to the requirements of the specifications will be rejected.

THIS QUALITY CONTROL SERVICE DOES NOT RELIEVE THE CONTRACTOR OF HIS RESPONSIBILITY WITH REGARD TO CONSTRUCTING THE WORK IN ACCORDANCE WITH THE CONTRACT.

Contractor shall submit appropriate tests including, but not limited to:

- Any test required in the technical specifications
- Any structural element called for on the plans, including, but not limited to dam construction, concrete asphalt roads or paths, shelters, bridges or other structure tests, pressure test of irrigation.
- Test to prove adequacy of design and construction of any feature that may have been accepted by Owner under contractor's "Alternate Proposal".
- Any test that may be occasioned by any local, state, or federal law.

As-Built Drawings: The contractor shall maintain a complete set of contract drawings in his possession, upon which he is required to note in red, or other clear manner, all deviations, final dimensions and explanatory notes arising out of actual work installed or performed in the field, and showing exact locations of such work, including trades. Notes on these drawings shall indicate installed locations and dimensioned clearances. Contractor to furnish an as- built drawn from an aerial photo identifying course, irrigation (including all components, buried or otherwise), major and minor drainage lines and related structures, all underground utilities, location of buried trees and debris, limits of topsoil, extra borrow areas, and other significant construction which could reasonably be foreseen to affect future operation. All as-built(s) shall be supplied in CAD format.

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Project Manuals: Contractor shall supply City a project manual for operations of all mechanical systems to be included under this contract in a manner satisfactory to the design professional, his sub-consultants and City's representatives.

Schedule of Tests, Submittals: A schedule of anticipated tests and submittals begins on the next page. Additional submittals may be required.

b. MEETINGS:

Pre-Construction Conference: Prior to start of work, a conference between the City and Contractor will be held to discuss provisions of the contract documents, explain administrative procedures and coordinate the work effort. Time of pre-construction conference will be stated in the Work Order letter for the Contractor. Attendance by Contractor and Contractor's Superintendents is mandatory.

1. City will schedule meeting and provide meeting place.
2. Attendance: The following are expected to attend:
    - City's Representative.
    - Consultant's Construction Administrator.
    - Representatives from Sub-Consultants Contractor's Project Manager, Project Superintendent and Project Coordinator Representatives of major subcontractors
3. Agenda Items:
    - List of major Subcontractors and Suppliers
    - Tentative construction schedule
    - Critical work sequencing
    - Major equipment deliveries
    - Designation of responsible personnel
    - Procedures and processing of field decisions, proposal requests, submittals color coordination, change orders, and applications for payment.
    - Adequacy of distribution of Contract Documents.
    - Procedures for maintaining Record Documents
    - Use of Premises: office, work, storage, staging areas; Owner's requirements
    - Construction facilities, controls and construction aids
    - Temporary utilities
    - Safety and first aid procedures
    - Security procedures
    - Housekeeping procedures
    - Other business

4. The City's Representative will preside over the meeting.

Progress Meetings: Construction progress meetings may be called by the Project Manager, Project Inspector or the General Contractor to review job progress or problems.

1. Schedule meeting and notify in writing those concerned at least one week in advance of meeting.

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2. Provide a convenient, comfortable meeting place.
3. Contractor's Project Superintendent or Project Manager shall preside over meeting.
4. Attendance: The following are expected to attend: City's Representative Consultant's Construction Administrator Sub-consultant's unless notified otherwise Contractor's General Superintendent, Project Superintendent and Project Coordinator. Subcontractors having work in progress Subcontractors whose work will start within the next month Others as requested by City, A/E, or Contractor
5. Agenda Review, approval of minutes or previous meeting Review of work progress since previous meeting Field observation, problems, conflicts Problems which impede construction schedule Review of off-site fabrication, and delivery schedules Corrective measures and procedures to regain projected schedule. Revisions to construction schedules Progress schedules for succeeding period Schedule coordination Review proposed changes for effect on construction schedule, on completion date, and effect on other contracts of project Maintenance of quality standards Pending changes and substitutions Other business
6. The Contractors Project Manager will preside over the meeting. C. Minutes of Meetings: Contractor shall take notes at pre- construction and progress meetings and distribute them to those concerned in the form of minutes within four (4) calendar days after meeting.

c. SURVEYS, MEASUREMENTS AND LAYOUTS

General: The City will provide property surveys. The Contractor shall be responsible for all control point staking as required. The Contractor's responsibility for verifying conditions is defined in the Standard General Conditions.

Surveys, Measurements and Layout Out of Work: The Contractor will establish from survey information on drawings all lines, grades, and levels and will be responsible for maintenance and accuracy thereof.

d. MISCELLANEOUS REQUIREMENTS

Additional safety precautions shall be instituted by the awarded contractor, as the work environment will be in an area where citizens and employees may be present, and work safety must be coordinated with the owner.

The Contractor shall be responsible for all spoil removals, and any excess soil that will require removal.

It is understood that the basis for payment on the work to be done according to the final plans and specifications shall be a lump sum fee as set forth in Contractor's submission. Any quantity estimates supplied by Designer or City are intended only as a guide to the respondent. Respondent is responsible for making his own quantity estimates and pricing from his own examination of the work to be done.

A schedule of Respondent's Quantities and Unit Prices is to be filled out as a part of this solicitation. Extensions of units and unit prices must total up correctly.

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EXHIBIT C

CITY OF DENTON STANDARD PURCHASE TERMS AND CONDITIONS FOR CONSTRUCTION SERVICES

ARTICLE 1 GENERAL PROVISIONS

GENERAL DEFINITIONS

1.1 The following definitions apply throughout these General Conditions and to the other Contract Documents:

a) THE CONTRACT DOCUMENTS

The Contract Documents consist of the formal Building Construction Services Agreement between the Owner and the Prime Contractor, these General Conditions and other supplementary conditions included by special provisions or addenda, drawings, specifications, addenda issued prior to execution of the Contract, other documents listed in the Contract, and Amendments issued after execution of the Contract. For purposes of these General Conditions, an Amendment is:

(1) a written Supplemental Agreement to the Contract signed by authorized representatives of both parties;

(2) a Change Order, including Change Orders signed only by the Owner as described in Subparagraph 7.1(b) and Subparagraph 7.1(e); or

(3) a written order for a minor change in the Work issued by the Architect/Engineer as described in Paragraph 7.3.

The Contract Documents also include bid documents such as the Owner's Instructions to Bidders, sample forms, the Prime Contractor's Bid Proposal and portions of addenda relating to any of these documents, and any other documents, exhibits or attachments specifically enumerated in the Building Construction Services Agreement, but specifically exclude geotechnical and subsurface reports that the Owner may have provided to the Prime Contractor.

b) THE CONTRACT

The Contract Documents, as defined in Paragraph 1.1, are expressly incorporated into and made a part of the formal Building Construction Services Agreement between the Owner and the Prime Contractor by reference in this Paragraph and Paragraph 1.1 (which documents are sometimes also referred to collectively in these General Conditions as the "Contract"). The Contract Documents represent the entire and integrated agreement between the Owner and the Prime Contractor and supersede all prior negotiations, representations or agreements, either written or oral. The terms and conditions of the

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Contract Documents may be changed only by an Amendment. The Contract Documents shall not be construed to create a contractual relationship of any kind:

(1) between the Architect/Engineer and Prime Contractor;

(2) between the Owner and a Subcontractor or -subcontractor; or

(3) between any persons or entities other than the Owner and Prime Contractor.

The Architect/Engineer shall, however, be entitled to performance and enforcement of obligations under the Contract Documents intended to facilitate performance of the Architect/Engineer's duties.

c) THE WORK

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all labor, materials, equipment, and services provided or to be provided by the Prime Contractor, or any Subcontractors, Sub-subcontractors, material suppliers, or any other entity for whom the Prime Contractor is responsible, to fulfill the Prime Contractor's obligations. The Work may constitute the whole or a part of the Project.

d) THE PROJECT

The Project is the total construction more particularly described in the Building Construction Services Agreement, of which the Work performed under the Contract Documents may be the whole or a part of the Project and which may include construction by the Owner or by separate contractors. All references in these General Conditions to or concerning the Work or the site of the Work will use the term "Project," notwithstanding that the Work may only be a part of the Project.

e) THE DRAWINGS

The Drawings (also known as the "Plans") are the graphic and pictorial portions of the Contract Documents, wherever located and whenever issued, showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules, and diagrams.

f) THE SPECIFICATIONS

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, construction systems, standards, and workmanship for the Work, performance of related services, and other technical requirements.

g) THE PROJECT MANUAL

The Project Manual is the volume or volumes which contain the bidding requirements,

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sample forms, General Conditions for Building Construction, special provisions, and Specifications. The Project Manual may be modified by written addendums issued by the Owner during bidding, in which case the written addendums become a part of the Project Manual upon their issuance, unless otherwise indicated by the Owner in writing.

h) ALTERNATE

An Alternate is a variation in the Work on which the Owner requires a price separate from the City Building General Conditions Base Bid. If an Alternate is accepted by the Owner, the variation will become a part of the Contract through the execution of a change order or amendment to the Contract and the Base Bid will be adjusted to include the amount quoted. If an alternate is accepted by the Owner, and later deleted prior to any Work under the alternate being performed or materials delivered to the Project site, the Owner will be entitled to a credit in the full value of the alternate as priced in the Prime Contractor's Bid.

i) BASE BID

The Base Bid is the price quoted for the Work before Alternates are considered.

j) HAZARDOUS SUBSTANCE

The term Hazardous Substance is defined to include the following:

(1) any asbestos or any material which contains any hydrated mineral silicate, including chrysolite, amosite, crocidolite, tremolite, anthophyllite or actinolite, whether friable or non-friable;

(2) any polychlorinated biphenyls ("PCBs"), or PCB-containing materials, or fluids;

(3) radon;

(4) any other hazardous, radioactive, toxic or noxious substance, material, pollutant, or solid, liquid or gaseous waste;

(5) any pollutant or contaminant (including but not limited to petroleum, petroleum hydrocarbons, petroleum products, crude oil or any fractions thereof, any oil or gas exploration or production waste, any natural gas, synthetic gas or any mixture thereof, lead, or other toxic metals) which in its condition, concentration or area of release could have a significant effect on human health, the environment, or natural resources;

(6) any substance that, whether by its nature or its use, is subject to regulation or requires environmental investigation, monitoring, or remediation under any federal, state, or local environmental laws, rules, or regulations;

(7) any underground storage tanks, as defined in 42 U.S.C. Section 6991(1)(A)(I) (including those defined by Section 9001(1) of the 1984 Hazardous and Solid Waste Amendments to the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901

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et seq.; the Texas Water Code Annotated Section 26.344; and Title 30 of the Texas Administrative Code Sections 334.3 and 334.4), whether empty, filled or partially filled with any substance; and

(8) any other hazardous material, hazardous waste, hazardous substance, solid waste, and toxic substance as those or similar terms are defined under any federal, state, or local environmental laws, rules, or regulations.

k) OTHER DEFINITIONS

As used in the Contract Documents, the following additional terms have the following meanings:

(1) "provide" means to furnish, install, fabricate, deliver and erect, including all services, materials, appurtenances and other expenses to complete in place, ready for operation or use;

(2) "shall" means the action of the party to which reference is being made is mandatory;

(3) "as required" means as prescribed in the Contract Documents; and

(4) "as necessary" means all action essential or needed to complete the work in accordance with the Contract Documents and applicable laws, ordinances, construction codes, and regulations.

1.2 EXECUTION, CORRELATION AND INTENT

(a) The Building Construction Services Agreement shall be signed by duly authorized representatives of the Owner and Prime Contractor as provided in the Agreement.

(b) Execution of the Building Construction Services Agreement by the Prime Contractor is a representation that the Prime Contractor has visited the site, has become familiar with local conditions, including but not limited to subsurface conditions, under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

(c) The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Prime Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Prime Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the intended results.

(d) Organization of the Specifications into divisions, sections, and articles, and arrangement of Drawings shall not control the Prime Contractor in dividing the Work among Subcontractor(s) or in establishing the extent of Work to be performed by any trade.

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(e) Unless otherwise stated in the Contract Documents, words which have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

(f) The Drawings and Specifications are intended to agree with one another, and Work called for by Drawings and not mentioned in Specifications, or vice versa, shall be furnished as if set forth by both. Specifications shall govern materials, methods and quality of work. In the event of a conflict on the Drawings between scale and dimension, figured dimensions shall govern over scale dimensions and large scale drawings shall govern over small scale drawings. Conflict between two or more dimensions applying to a common point shall be referred to the Architect/Engineer/Engineer for final adjustment. If discrepancies or conflicts occur within or between the Drawings and Specifications regarding the Work, or within or between other Contract Documents, the Prime Contractor shall not perform such Work without having obtained a clarification from the Architect/Engineer and resolution by the Owner. The Owner's decision as to the appropriate resolution of a conflict or discrepancy shall be final. Should the Drawings or the Specifications disagree within themselves or with each other; the Base Bid will be based on the most expensive combination of quality and quantity of Work indicated.

(g) Deviations from Contract Documents shall be made only after written approval is obtained from Architect/Engineer and Owner, as provided in Article 7.

(h) The intention of the Contract Documents is to include all materials, labor, tools, equipment, utilities, appliances, accessories, services, transportation, and supervision required to completely perform the fabrication, erection and execution of the Work in its final position.

(i) The most recently issued Drawing or Specification takes precedence over previous issues of the same Drawing or Specification. In the event of a conflict, the order of precedence of interpretation of the Contract Documents is as follows:

(1) Amendments (see Paragraph 7.2 for order of precedence between Amendments);

(2) the Building Construction Services Agreement;

(3) addenda, with those addenda of later date having precedence over those of an earlier date;

(4) the Supplementary General Conditions and Special Provisions, if any;

(5) the General Conditions for Building Construction;

(6) 0the Specifications and Drawings.

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1.3OWNERSHIP AND USE OF ARCHITECT/ENGINEER'S DRAWINGS, SPECIFICATIONS AND OTHER DOCUMENTS

All Drawings, Specifications, and copies thereof furnished by the Architect/Engineer are and shall remain the property of the Owner and are, with the exception of the Contract set for each party, to be returned to the Owner upon request at the completion of the Work.

1.4 CAPITALIZATION

Terms capitalized in these General Conditions include those which are:

(1) specifically defined in these General Conditions (except the terms defined in Subparagraph 1.1(j), which terms are of common grammatical usage and are not normally capitalized);

(2) the titles of numbered articles and identified references to Paragraphs, Subparagraphs, and Clauses;

(3) the titles of other documents published or used by the Owner as manuals or official policy statements; or

(4) proper nouns or other words required under standard grammatical rules to be capitalized.

ARTICLE 2 - THE OWNER

2.1 DEFINITION OF OWNER

The Owner is the City of Denton, a Texas municipal corporation, and is identified as such in the Building Construction Services Agreement, and is referred to throughout the Contract Documents as if singular in number. The term "Owner" means the Owner or the Owner's authorized representatives.

2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER

(a) The Owner shall furnish the most recent survey describing the physical characteristics, legal limits, utility locations, and a permanent benchmark for the site of the Project. The Owner shall also furnish any environmental site assessments that may have been given to the Owner or conducted for the property upon which the Project is to be constructed. THIS INFORMATION IS FURNISHED TO THE PRIME CONTRACTOR ONLY IN ORDER TO MAKE DISCLOSURE OF THIS MATERIAL AND FOR NO OTHER PURPOSE. BY FURNISHING THIS MATERIAL, THE OWNER DOES NOT REPRESENT, WARRANT, OR GUARANTEE ITS ACCURACY EITHER IN WHOLE, IN PART, IMPLICITLY OR EXPLICITLY, OR IN ANY OTHER WAY, AND THE OWNER SHALL HAVE NO LIABILITY FOR THIS MATERIAL.

(b) Except for permits and fees which are provided for in Subparagraph 3.7(a), the Owner shall secure and pay for necessary approvals, easements, assessments, and charges required for

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construction, use, or occupancy of permanent structures or for permanent changes in existing facilities.

(c) Information or services under the Owner's control shall be furnished by the Owner with reasonable promptness to avoid delay in the orderly progress of the Work. It is incumbent upon the Prime Contractor to identify, establish, and maintain a current schedule of latest dates for submittal and approval, as required in Paragraph 3.10, including when such information or services must be delivered. If Owner delivers the information or services to the Prime Contractor as scheduled and Prime Contractor is not prepared to accept or act on such information or services, then Prime Contractor shall reimburse Owner for all extra costs incurred of holding, storage, or retention, including redeliveries by the Owner to comply with the current schedule.

(d) Unless otherwise provided in the Contract Documents, the Prime Contractor will be furnished electronic copies of the Drawings and Specifications for bid purposes and one hard copy approved by Building Inspections upon execution of the Contract. Prime Contractor may obtain additional copies by paying the cost of additional printing or reproduction.

(e) The obligations described above are in addition to other duties and responsibilities of the Owner enumerated in the Contract Documents and especially those in respect to Article 6 (Construction by Owner or by Separate Contractors), Article 9 (Payments and Completion), and Article 11 (Insurance and Bonds).

(f) The Owner shall forward all instructions to the Prime Contractor through the Architect/Engineer, except for the Owner's Notice to Proceed and the Owner's decision to carry out Work as described in Paragraph 2.4.

(g) The Owner's employees, agents, and consultants may be present at the Project site during performance of the Work to assist the Architect/Engineer in the performance of the Architect/Engineer's duties and to verify the Prime Contractor's record of the number of workmen employed on the Work, their occupational classification, the time each is engaged in the Work, the equipment used in the performance of the Work, and for purpose of verification of Prime Contractor's Applications for Payment.

2.3 OWNER'S RIGHT TO STOP THE WORK

If the Prime Contractor fails to correct any portion of the Work which is not in accordance with the requirements of the Contract Documents as required by Paragraph 12.2 or refuses or fails to carry out all or any part of the Work in accordance with the Contract Documents, the Owner, by written order, may order the Prime Contractor to stop the Work, or any portion of the Work, until the cause for the order has been eliminated. The right of the Owner however, to stop the Work shall not create or imply a duty on the part of the Owner to exercise this right for the benefit of the Prime Contractor or any other person or entity. The rights of the Owner under this Paragraph 2.3 shall be in addition to, and not in restriction of, the Owner's rights under Paragraph 12.2.

2.4 OWNER'S RIGHT TO CARRY OUT THE WORK

If the Prime Contractor fails or refuses to carry out the Work or perform any of the terms, covenants, or obligations of the Contract Documents, and fails or refuses to correct any failure

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or refusal with diligence and promptness within fourteen (14) days after receipt of written notice from the Owner, the Owner may correct the Prime Contractor's failure or refusal or cause such failure or refusal to be corrected, without affecting, superseding, or waiving any other contractual, legal, or equitable remedies the Owner has, including but not limited to the Owner's termination rights under Article 13. In that case, an appropriate Change Order will be issued deducting the Owner's cost of correction, including Architect/Engineer's compensation for additional services and expenses made necessary by the failure or refusal of the Prime Contractor from payments then or thereafter due to the Prime Contractor. The cost of correction is subject to verification (but not approval) by the Architect/Engineer. If payments then or thereafter due the Prime Contractor are not sufficient to cover the cost of correction, the Prime Contractor shall pay the difference to the Owner.

2.5 NOTICE TO PROCEED

After final execution of the Contract and receipt and approval of the required performance and payment bonds and evidence of required insurance, the Owner will issue a written Notice to Proceed with the Work, including the designated Contract Time within which Substantial Completion of the Work must be achieved. If the Owner unreasonably delays issuance of a written Notice to Proceed through no fault of the Prime Contractor, the Prime Contractor shall be entitled only to an equitable adjustment of the Contract Time, if properly claimed pursuant to the requirements of Paragraph 4.3; but the Prime Contractor shall not be entitled to any increase to the Contract Sum whatsoever for this reason.

ARTICLE 3 - THE CONTRACTOR

3.1 DEFINITION OF CONTRACTOR

The Prime Contractor is the person or business entity identified as such in the Building Construction Services Agreement, and is referred to throughout the Contract Documents as if singular in number. The term "Prime Contractor" means the Prime Contractor or the Prime Contractor's authorized employees or representatives.

3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

(a) The Prime Contractor shall carefully check, study, and compare the Contract Documents with each other and shall at once report to the Architect/Engineer in writing any inconsistency, ambiguity, error, omission, conflict, or discrepancy the Prime Contractor may discover. The Prime Contractor shall also verify all dimensions, field measurements, and field conditions before laying out the Work. The Prime Contractor will be held responsible for any subsequent error, omission, conflict, or discrepancy which might have been avoided by the above-described check, study, comparison, and reporting. In the event the Prime Contractor continues to work on an item where an inconsistency, ambiguity, error, omission, conflict, or discrepancy exists without obtaining such clarification or resolution or commences an item of the Work without giving written notice of an error, omission, conflict, or discrepancy that might have been avoided by the check, study, and

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comparison required above, it shall be deemed that the Prime Contractor bid and intended to execute the more stringent, higher quality, or state of the art requirement, or accepted the condition "as is" in the Contract Documents, without any increase to the Contract Sum or Contract Time. The Prime Contractor shall also be responsible to correct any failure of component parts to coordinate or fit properly into final position as a result of Prime Contractor's failure to give notice of and obtain a clarification or resolution of any error, omission, conflict, or discrepancy, without any right to any increase to the Contract Sum or Contract Time.

(b) The Prime Contractor shall perform the Work in accordance with the Contract Documents and submittals approved pursuant to Paragraph 3.12.

3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

(a) The Prime Contractor shall supervise and direct the Work, using the Prime Contractor's best skill and attention. The Prime Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences, and procedures and for coordinating all portions of the Work, unless the Contract Documents set forth specific instructions concerning these matters.

(b) The Prime Contractor shall be responsible to the Owner for the acts and omissions of the Prime Contractor's employees, Subcontractors, Sub-subcontractors, and their respective agents and employees, and any other persons performing portions of the Work under a subcontract with the Prime Contractor, or with any Subcontractor, and all other persons or entities for which the Prime Contractor is legally responsible. All labor shall be performed by mechanics that are trained and skilled in their respective trades. Standards of work required throughout shall be of a quality that will bring only first class results. Mechanics whose work is unsatisfactory, or who are considered careless, incompetent, unskilled, or otherwise objectionable shall be dismissed promptly from the Work and immediately replaced with competent, skilled personnel. Any part of the Work adversely affected by the acts or omissions of incompetent, unskilled, careless, or objectionable personnel shall be immediately corrected by the Prime Contractor.

(c) The Prime Contractor shall not be relieved of its obligation to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect/Engineer in the Architect/Engineer's administration of the Contract, or by tests, inspections, or approvals required or performed by persons other than the Prime Contractor.

(d) The Prime Contractor shall be responsible for inspection of portions of Work already performed under this Contract to determine that such portions are in proper condition to receive subsequent Work. The Prime Contractor's responsibility under this paragraph will not in any way eliminate the Architect/Engineer's responsibility to the Owner under the Architect/Engineer/Owner Agreement.

(e) Any Prime Contractor, Subcontractor, Sub-subcontractor, or separate contractor who commences Work over, in, or under any surface prepared by the Owner or by any other

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contractor, subcontractor, sub-subcontractor or any separate contractor, without the Prime Contractor having given written notice to the Architect/Engineer of the existence of any faulty surface or condition in the surface that prevents achieving the quality of workmanship specified by the Contract Documents and without having obtained the prior approval of the Architect/Engineer and the Owner to proceed is deemed to have accepted the surface or condition in the surface as satisfactory at the commencement of such Work. Any unsatisfactory Work subsequently resulting from such a faulty surface or condition in the surface that was not pre-approved by the Architect/Engineer or the Owner after notice as provided above may be rejected and replacement required, without any increase to the Contract Sum or Contract Time.

(f) All grades, lines, levels, and benchmarks shall be established and maintained on an ongoing basis by the Prime Contractor. The Prime Contractor is solely responsible for any errors made in establishing or maintaining proper grades, lines, levels, or benchmarks. Contractor shall verify all grades, lines, levels, and dimensions as indicated on Drawings. He shall report any errors, omissions, conflicts, or inconsistencies to Architect/Engineer before commencing any Work affected by these conditions. Contractor shall establish and safeguard benchmarks in at least two widely separated places and, as Work progresses, establish benchmarks at each level and lay out partitions on rough floor in exact locations as guides to all trades. The Contractor shall, from the permanent benchmark provided by the Owner, establish and maintain adequate horizontal and vertical control.

3.4 LABOR AND MATERIALS

(a) Except as is otherwise specifically provided in the Contract Documents as being the responsibility of the Owner, the Prime Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

(b) The Prime Contractor shall enforce strict discipline and good order among the Prime Contractor's employees and all other persons carrying out the Contract. The Prime Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

(c) The Prime Contractor shall give preference, when qualified labor is available to perform the Work to which the employment relates, to all labor hired for the Project in the following order:

(1) residents of the City of Denton, Texas;

(2) residents of the County of Denton, Texas;

3.5 WARRANTY

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(a) General Warranty. The Contractor warrants to the Owner that all Work shall be accomplished in a good and workmanlike manner and that all materials and equipment furnished under the Contract will be of good quality, new (unless otherwise specified), and free from faults or defects, and that the Work will otherwise conform to the Contract Documents. Work not conforming to these requirements, including substitutions not properly approved and authorized, will be considered defective or nonconforming. The Contractor's warranty excludes any remedy for damage or defect caused by abuse, modifications not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear under normal usage. If required by the Architect/Engineer, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment. The commencement date, duration, and other conditions related to the scope of this general warranty are established in Subparagraphs 9.9 (a) and 12.2(b) of these General Conditions. THE GENERAL WARRANTY PROVIDED IN THIS SUBPARAGRAPH IS IN ADDITION TO AND DOES NOT LIMIT OR DISCLAIM ANY OTHER WARRANTY OR REMEDY REQUIRED OR PROVIDED BY LAW OR THE CONTRACT DOCUMENTS AND SUCH WARRANTY SHALL REQUIRE THE CONTRACTOR TO REPLACE DEFECTIVE MATERIALS AND RE-EXECUTE DEFECTIVE WORK THAT IS DISCLOSED BY THE OWNER TO THE CONTRACTOR WITHIN A PERIOD OF TWO (2) YEARS AFTER SUBSTANTIAL COMPLETION OF THE ENTIRE WORK; OR, IF A LATENT DEFECT IS DISCOVERED WITHIN TWO YEARS OF SUBSTATIONAL COMPLETION OF THE ENTIRE WORK.

(b) Special Warranties. The Contractor shall assign to the Owner in writing, as a condition precedent to final payment, the terms and conditions of all special warranties required under the Contract Documents.

3.6 TAXES

The Owner qualifies for exemption from state and local sales and use taxes, pursuant to the provisions of Section 151.309 of the Texas Tax Code, as amended. Therefore, the Owner shall not be liable for, or pay the Contractor's cost of, such sales and use taxes which would otherwise be payable in connection with the purchase of tangible personal property furnished and incorporated into the real property being improved under the Contract Documents or the purchase of materials, supplies and other tangible personal property, other than machinery or equipment and its accessories and repair and replacement parts, necessary and essential for performance of the Contract which is to be completely consumed at the job site. The Contractor shall issue an exemption certificate in lieu of the tax on such purchases.

3.7 PERMITS, FEES AND NOTICES

(a) The Architect/Engineer will apply and arrange for the issuance of the City of Denton Building Permit. The Prime Contractor and Subcontractors will apply and arrange for the issuance of all other required permits, and will not be required to pay a fee for any City of Denton permits required for the Project. The Owner will pay all service extension charges, including tap fees, assessed by the Water Utilities Department.

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(b) The Prime Contractor shall comply with and give notices required by laws, ordinances, rules, regulations, and lawful orders of governmental entities or agencies applying to performance of the Work.

(c) Except as provided in Subparagraph (d) below, it is not the Prime Contractor's responsibility to ascertain that the Contract Documents are in accordance with applicable laws, ordinances, construction codes, and rules and regulations. However, if the Prime Contractor observes that portions of the Contract Documents are at variance with applicable laws, ordinances, construction codes, rules or regulations, the Prime Contractor shall promptly notify the Architect/Engineer and the Owner in writing, and necessary changes shall be accomplished by appropriate Amendment.

(d) If the Prime Contractor performs Work knowing it to be contrary to laws, ordinances, construction codes, or rules and regulations without notifying the Architect/Engineer and the Owner, the Prime Contractor shall assume full responsibility for the Work and shall bear the attributable costs of the correction of the Work and any other Work in place that may be adversely affected by the corrective work.

3.8 ALLOWANCES

(a) The Prime Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for the amounts identified in the Contract and by persons or entities as the Owner may direct, but the Prime Contractor shall not be required to employ persons or entities against which the Prime Contractor makes reasonable objection.

(b) Unless otherwise provided in the Contract Documents:

(1) materials and equipment under an allowance shall be selected promptly by the Owner to avoid delay in the Work;

(2) the amount of each allowance shall cover the cost to the Prime Contractor of materials and equipment delivered at the site less all exempted taxes and applicable trade discounts;

(3) the amount of each allowance includes the Prime Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit, and other expenses contemplated for stated allowance Work;

(4) whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect:

(i) the difference between actual costs and the allowances under Clause (b) (2); and

(ii) changes in Contractor's costs under Clause (b) (3);

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(5) the Owner retains the right to review and approve Subcontractors selected by the Prime Contractor to perform work activities covered by allowances.

3.9 SUPERINTENDENT

The Prime Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project Site during performance of the Work. The superintendent shall represent the Prime Contractor, and communications given to the superintendent shall be as binding as if given to the Prime Contractor. Important communications shall be confirmed in writing. Other communications shall be similarly confirmed on written request in each case. The Owner reserves the right to request that the Prime Contractor replace its superintendent at any time and the Prime Contractor will replace said superintendent at the Owner's direction.

3.10 PRIME CONTRACTOR'S CONSTRUCTION SCHEDULES

(a) The Prime Contractor shall, immediately after award of the Contract and before submittal of the first Application for Payment, prepare and submit the construction schedule for the Architect/Engineer's and Owner's information, review, and approval in accordance with the following provisions:

(1) Unless otherwise approved in writing by the Owner, the construction schedule shall not exceed the Contract Time limits currently in effect under the Contract Documents and shall provide for expeditious and practicable execution of the Work.

(2) The construction schedule shall include all shop drawing and submittal data requirements, indicating for each:
(i) the latest date to be submitted by the Prime Contractor; and
(ii) the latest date for approval by the Architect/Engineer.

(3) The construction schedule shall be in the form of a critical path management schedule, and shall indicate each critical task (the "predecessor") of all the major construction activities of the Work in a logical and sequential order (the "project network") which requires completion prior to commencement of the task next following (the "successor"). Each task shall be identified with:

(i) actual work time, exclusive of slack time, for accomplishment;

(ii) the latest start date;

(iii) the latest finish date;

(iv) the amount of float associated with each task;

(v) the amount of labor, material, and equipment associated with each task; and

(vi) the percentage of completion as of the date of the current schedule.

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(4) The construction schedule shall be revised and updated monthly to reflect the actual status of the Work and shall be submitted with each Application for Payment.

(5) On or before the first day of each month, following the date of commencement of the Work as stated in the notice to proceed, the Prime Contractor shall prepare and submit to the Architect/Engineer and the Owner an up-to-date status report of the progress of the various construction phases of the Work in the form of an updated construction schedule. This status report shall consist of a time scale drawing indicating actual progress of the various phases of the Work and the percentage of completion of the entire Work. The original construction schedule shall be updated or changed to indicate any adjustments to the Contract Time granted by the Owner. The updated schedule must be submitted with the Prime Contractor's Application for Payment. No such application will be certified without a satisfactory update to the construction schedule.

(6) The construction schedule will also be revised to show the effect of change orders and other events on Contract Time. No request for an increase in Contract Time will be considered unless it is accompanied by a schedule revision demonstrating the amount of time related to the cause of the request. If the Contractor's status schedules reflect that the Prime Contractor has fallen behind the pace required to complete the Work within the Contract Time, through no fault of the Owner, the Prime Contractor shall prepare a recovery schedule demonstrating how it intends to bring its progress back within the Contract Time. This recovery schedule shall be in a form acceptable to the Owner.

(7) Costs incurred by the Prime Contractor in preparing and maintaining the required construction schedule, any updated schedule, and any recovery schedule required by the Owner will not be paid as an additional or extra cost and shall be included in the Contract Sum.

(8) The Contract Sum is deemed to be based upon a construction schedule requiring the full Contract Time. NO CLAIM FOR ADDITIONAL COMPENSATION SHALL BE ALLOWED AS A RESULT OF THE PRIME CONTRACTOR BASING HIS BID ON AN EARLY COMPLETION SCHEDULE, OR AS A RESULT OF DELAYS AND COSTS ATTRIBUTABLE TO COMPLETION LATER THAN THE PLANNED EARLY COMPLETION DATE.

(b) The Prime Contractor shall also prepare and keep current, for the Architect/Engineer's approval, a schedule of submittals which is coordinated with the Prime Contractor's construction schedule and allows the Architect/Engineer reasonable time to review submittals.

(c) The Prime Contractor shall conform to the most recent schedules approved as to form by the Architect/Engineer and the Owner. Any subsequent revisions made by the Prime Contractor to schedules in effect shall conform to the provisions of Subparagraph 3.10(a)

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(d) If the Work falls behind the approved construction schedule, the Prime Contractor shall take such steps as may be necessary to improve his progress, and the Architect/Engineer and the Owner may require him to increase the number of shifts, overtime operations, days of work, or the amount of construction plant, and to submit for approval revised schedules in the form required above in order to demonstrate the manner in which the agreed rate of progress will be regained, all without additional cost to the Owner.

3.11 DOCUMENTS AND SAMPLES AT THE PROJECT SITE

The Contractor shall maintain at the Project site for the Owner one record copy of the Drawings, Specifications, addenda, and Amendments in good order and marked currently to record changes and selections made during construction, and in addition shall maintain at the Project site approved Shop Drawings, Product Data, Samples, and similar required submittals. These shall be available to the Architect/Engineer and shall be delivered to the Architect/Engineer for submittal to the Owner upon completion of the Work.

3.12 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

(a) Shop Drawings are drawings, diagrams, schedules, and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, materialmen, manufacturer(s), supplier(s), or distributor(s) to illustrate some portion of the Work.
(b) Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams, and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.
(c) Samples are physical examples which illustrate materials, equipment, or workmanship and establish standards by which the Work will be judged.
(d) Shop Drawings, Product Data, Samples, and similar submittals are not Contract Documents. The purpose of their submittal is to demonstrate for those portions of the Work for which submittals are required the way the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents. Review by the Architect/Engineer is subject to the limitations of Paragraph 4.2.
(e) The Prime Contractor shall review, approve and submit to the Architect/Engineer Shop Drawings, Product Data, Samples, and similar submittals required by the Contract Documents with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner, or of separate contractors. Submittals made by the Prime Contractor which are not required by the Contract Documents may be returned without action.
(f) The Prime Contractor shall perform no portion of the Work requiring submittal and review of Shop Drawings, Product Data, Samples, or similar submittals until the respective submittal has been approved by the Architect/Engineer. Work requiring this submittal and review shall be in accordance with approved submittals and any identified exceptions noted by the Architect/Engineer.
(g) By approving and submitting Shop Drawings, Product Data, Samples and similar submittals, the Prime Contractor represents that the Prime Contractor has determined and verified materials, field measurements, and related field construction criteria, or will do so, and has checked and coordinated the information contained within submittals with the

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requirements of the Work and of the Contract Documents. The Prime Contractor's attention is directed to Paragraph 3.2 of these General Conditions and the requirements stated in that Paragraph.

(h) The Prime Contractor shall not be relieved of responsibility for deviations, substitutions, changes, additions, deletions or omissions from requirements of the Contract Documents by the Architect/Engineer's approval of Shop Drawings, Product Data, Samples, or similar submittals unless the Prime Contractor has specifically informed the Architect/Engineer in writing of such substitutions, changes, additions, deletions, omissions, or deviations involved in the submittal at the time of submittal and the Architect/Engineer, subject to a formal Change Order signed by the Owner, Architect/Engineer and Prime Contractor, has given written approval to the specific substitutions, changes, additions, deletions, omissions, or deviations. The Prime Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples, or similar submittals by the Architect/Engineer's approval thereof. Further, notwithstanding any approval of a submittal by the Architect/Engineer, the Prime Contractor shall be responsible for all associated Project costs, including costs of coordination's, modifications, or impacts, direct or indirect, resulting from any and all substitutions, changes, additions, deletions, omissions, or deviations, whether or not specifically identified by the Prime Contractor to the Architect/Engineer at the time of the above-mentioned submittals, including additional consulting fees, if any, in any and all accommodations associated with such substitutions, changes, additions, deletions, omissions, or deviations to the requirements of the Contract Documents.

(i) The Prime Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples, or similar submittals, to additional revisions other than those requested by the Architect/Engineer on previous submittals. In the absence of such written notice, the Architect/Engineer's approval of a resubmission shall not apply to the additional revisions not requested.

(j) Informational submittals upon which the Architect/Engineer is not expected to take responsive action may be so identified in the Contract Documents.

(k) When professional certification of performance criteria of materials, systems, or equipment is required by the Contract Documents, the Architect/Engineer shall be entitled to rely upon the accuracy and completeness of such calculations and certifications.

3.13 USE OF THE PROJECT SITE

The Prime Contractor shall confine operations at the Project site to areas permitted by law, ordinances, permits, and the Contract Documents and shall not unreasonably encumber the Project site with materials or equipment.

3.14 CUTTING AND PATCHING

(a) The Prime Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly.

(b) The Prime Contractor shall not damage or endanger a portion of the Work or any fully or partially completed construction of the Owner or separate contractors by cutting, patching, or otherwise altering the construction, or by excavating. The Prime Contractor

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shall not cut or otherwise alter the construction by the Owner or a separate contractor except with the written consent of the Owner and of the separate contractor; consent shall not be unreasonably withheld. The Prime Contractor shall not unreasonably withhold from the Owner or a separate contractor the Prime Contractor's consent to cutting or otherwise altering the Work.

(c) A "Hot Work Permit" must be obtained from the City of Denton's Facilities Management Department, 869 S. Woodrow Lane, Denton, Texas (940 349-7200) for any temporary operation involving open flames or producing heat and/or sparks. This includes, but is not limited to: Brazing, Cutting, Grinding, Soldering, Torch Applied Roofing and Welding.

3.15 CLEANING UP

(a) The Prime Contractor shall keep the Project site and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. Upon the completion of the Work the Prime Contractor shall remove from and about the Project site all waste materials, and rubbish, and all of the Prime Contractor's tools, construction equipment, machinery, and surplus materials.

(b) If the Prime Contractor fails to clean up as provided in the Contract Documents, the Owner may, at Owner's option, clean up the Project site, and the Owner's cost of cleaning up shall be charged to the Contractor.

3.16 ACCESS TO WORK

The Prime Contractor shall provide the Owner and the Architect/Engineer access to the Work in preparation and progress wherever located during the course of construction.

3.17 TESTS AND INSPECTIONS

(a) Tests, inspections, and approvals of portions of the Work required by the Contract Documents or by laws, ordinances, rules, regulations, or orders of governmental entities or agencies having jurisdiction over the Work shall be made at appropriate times. Unless otherwise provided, the Prime Contractor shall make arrangements for such tests, inspections, and approvals with an independent testing laboratory or entity acceptable to the Owner or with the appropriate governmental entity or agency, and the Prime Contractor shall bear all related costs of tests, inspections, and approvals. The Prime Contractor shall give the Architect/Engineer timely notice of when and where tests and inspections are to be made so the Architect/Engineer may observe such procedures. The Owner shall bear costs of tests, inspections, or approvals which become requirements after bids or proposals are received.

(b) If the Architect/Engineer, the Owner or other public authorities having jurisdiction over the Work determine that portions of the Work require additional testing, inspection or approval not included under Subparagraph 3.17(a), the Architect/Engineer will, upon written authorization from the Owner, instruct the Prime Contractor to make arrangements

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for such additional testing, inspection or approval by an entity acceptable to the Owner, and the Prime Contractor shall give timely notice to the Architect/Engineer of when and where tests and inspections are to be made so that the Architect/Engineer may observe such procedures. The Owner shall bear such costs except as provided in Subparagraph 3.17(c).

(c) If procedures for testing, inspection, or approval under Subparagraphs 3.17(a) and 3.17(b) reveal deficiencies or nonconformities in the Work, the Prime Contractor shall bear all costs made necessary to correct the deficiencies or nonconformities, including those of repeated procedures and compensation for the Architect/Engineer's services and expenses, if any. The Prime Contractor shall bear the costs of any subsequent testing, inspection, or approval of the corrected Work.

(d) Required certificates of testing, inspection or approval shall, unless otherwise required by the Contract Documents, be secured by the Prime Contractor and promptly delivered to the Architect/Engineer.

(e) If the Architect/Engineer is to observe tests, inspections or approvals required by the Contract Documents, the Architect/Engineer will do so promptly and, where practicable, at the normal place of testing or inspection.

(f) Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

3.18 ROYALTIES AND PATENTS

The Contractor shall pay all royalties and license fees. CONTRACTOR SHALL COMPLETELY DEFEND, INDEMNIFY AND HOLD OWNER AND ARCHITECT/ENGINEER HARMLESS FROM ANY AND ALL LIABILITIES, SUITS OR CLAIMS FOR INFRINGEMENT OF PATENT RIGHTS, REGARDLESS OF WHETHER OR NOT THE OWNER OR THE ARCHITECT/ENGINEER SPECIFIED A PARTICULAR DESIGN, PROCESS OR PRODUCT IN THE CONTRACT DOCUMENTS THAT MAY BE THE SUBJECT OF A PATENT INFRINGEMENT OR OTHERWISE ACTIVELY INDUCED OR CONTRIBUTED TO THE PATENT INFRINGEMENT. In the event the Prime Contractor has reason to believe that a particular design, process or product specified infringes a patent, the Prime Contractor shall immediately notify the Owner and the Architect/Engineer of same.

3.19 INDEMNIFICATION

(a) THE PRIME CONTRACTOR AGREES TO DEFEND, INDEMNIFY AND HOLD THE OWNER, ITS OFFICERS, AGENTS AND EMPLOYEES, AND THE ARCHITECT/ENGINEER, HARMLESS AGAINST ANY AND ALL CLAIMS, LIABILITIES, LAWSUITS, JUDGMENTS, FINES, PENALTIES, COSTS AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM OR VIOLATIONS FOR WHICH RECOVERY OF DAMAGES, FINES, OR PENALTIES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS, THAT MAY ARISE OUT OF OR BE OCCASIONED BY CONTRACTOR'S

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BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS CONTRACT, VIOLATIONS OF LAW, OR BY ANY NEGLIGENT, GROSSLY NEGLIGENT, INTENTIONAL, OR STRICTLY LIABLE ACT OR OMISSION OF THE PRIME CONTRACTOR, ITS OFFICERS, AGENTS, EMPLOYEES, SUBCONTRACTORS, OR SUB-SUBCONTRACTORS AND THEIR RESPECTIVE OFFICERS, AGENTS, OR REPRESENTATIVES, OR ANY OTHER PERSONS OR ENTITIES FOR WHICH THE PRIME CONTRACTOR IS LEGALLY RESPONSIBLE IN THE PERFORMANCE OF THIS CONTRACT; EXCEPT THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OR FAULT OF THE OWNER, ITS OFFICERS, AGENTS, EMPLOYEES OR SEPARATE CONTRACTORS, OR OF THE ARCHITECT/ENGINEER, AND IN THE EVENT OF JOINT AND CONCURRENT NEGLIGENCE OR FAULT OF THE CONTRACTOR, THE OWNER, AND THE ARCHITECT/ENGINEER, RESPONSIBILITY AND INDEMNITY, IF ANY, SHALL BE APPORTIONED IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE OWNER UNDER TEXAS LAW, AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. THE PROVISIONS OF THIS PARAGRAPH ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER THIRD PERSON OR ENTITY.

(b) In claims against any person or entity indemnified under this Paragraph 3.19 by an employee of the Prime 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 3.19 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Prime Contractor or any Subcontractor, under workers compensation acts, disability benefit acts or other employee benefit acts.

(c) Indemnification under this Paragraph 3.19 shall include, but is not limited to, liability which could result to or be created for the Owner, its officers, agents, or employees, or the Architect/Engineer pursuant to State or Federal laws or regulations relating to pollution of the environment and State or Federal laws or regulations relating to the occupational safety and health of workers. The Prime Contractor specifically agrees to comply with the above-mentioned laws and regulations in the performance of the Work by the Prime Contractor and that the obligations of the Owner, its officers, agents, and employees, and the Architect/Engineer under the above-mentioned laws and regulations are secondary to those of the Prime Contractor.

ARTICLE 4 - CONTRACT ADMINISTRATION

4.1 THE DESIGN PROFESSIONAL (ARCHITECT/ENGINEER)

(a) The design professional is the person lawfully licensed to practice architecture or engineering or a firm or other business entity lawfully practicing architecture/engineering identified as such in the formal Building Construction Services Agreement and is referred to throughout the Contract Documents as if singular in number. The term

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"Architect/Engineer" means the Architect/Engineer or the Architect/Engineer's authorized representative. The Owner may, at its option, designate a qualified Owner representative to serve as the Architect/Engineer on the Project instead of an outside firm or person. In such event, the references in these General Conditions that refer to the Architect/Engineer shall apply to the Owner-designated Architect/Engineer representative and the Owner-designated Architect/Engineer representative shall be accorded that same status by the Prime Contractor.

(b) In the event the Architect/Engineer is an outside person or firm and the Architect/Engineer's employment is terminated, the Owner may, at its option, contract with a new outside Architect/Engineer to replace the former, or may designate a qualified Owner representative to serve as the Architect/Engineer. The replacement Architect/Engineer, whether an Owner representative, an independent Architect/Engineer or any other qualified person or entity, shall be regarded as the Architect/Engineer for all purposes under the Contract Documents and shall be accorded that same status by the Prime Contractor. Any dispute in connection with such appointment shall be reviewed and settled by the Owner, whose decision shall be final and binding.

(c) Owner reserves the right to appoint a representative empowered to act for the Owner during the Construction Phase and to supersede the Architect/Engineer's Construction Phase responsibility. Similarly, from time to time the Owner may expand or reduce the Owner's delegation of powers to the Architect/Engineer, with the Owner notifying the Prime Contractor of any such changes. The Architect/Engineer shall not be construed as a third party beneficiary to the Contract and can in no way object to any expansion or reduction of powers as set forth in this Subparagraph (c). In no event, however, shall the Owner have control over charge of, or be responsible for, construction means, methods, techniques, sequences, or procedures, or for safety precautions or programs in connection with the Work since these are solely the Contractor's responsibility. The Owner will not be responsible for the Prime Contractor's failure to carry out the Work in accordance with the Contract Documents. The Owner will not have control over or charge of and will not be responsible for acts or omissions of Prime Contractor, Subcontractors, or their agents or employees, or of any other persons performing portions of the Work.

4.2 ARCHITECT/ENGINEER'S RESPONSIBILITIES DURING CONSTRUCTION

(a) The Architect/Engineer will administer the Contract as described in the Contract Documents and in accordance with the terms of the Architect/Engineer's agreement with the Owner, where applicable, subject to the direction and approval of the Owner. If requested by the Prime Contractor, the provisions of the Owner/Architect/Engineer Agreement will be made available to the Prime Contractor.

(b) The Architect/Engineer shall provide, during performance of the Work, adequate and competent periodic on-site construction observation, periodically visiting the Project site to the extent necessary to personally familiarize themselves with the progress and quality of the Work, and to determine if the Work is proceeding in accordance with the Contract Documents. The Architect/Engineer shall not, however, be required to make continuous on-site inspections to check the Work. Field reports of each visit shall be prepared by the

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Architect/Engineer and submitted to the Owner. The Architect/Engineer shall employ all reasonable measures to safeguard the Owner against defects and nonconformities in the Work. The Architect/Engineer shall not be responsible for the construction means, methods, techniques, sequences of procedures, nor for the safety precautions and programs employed in connection with the Work. The Architect/Engineer will, however, immediately inform the Owner whenever defects or nonconformities in the Work are observed, or when any observed actions or omissions are undertaken by the Prime Contractor or any Subcontractor which are not in the best interests of the Owner or the Project.

(c) The Architect/Engineer and the Owner will not have control over or charge of and will not be responsible for construction means, methods, techniques, sequences, or procedures, or for safety precautions and programs in connection with the Work, since these are solely the Prime Contractor's responsibility as provided in Paragraph 4.3. The Architect/Engineer and the Owner will not be responsible for the Prime Contractor's failure to carry out the Work in accordance with the Contract Documents. The Architect/Engineer and the Owner will not have control over or charge of and will not be responsible for acts or omissions of the Prime Contractor, Subcontractors, Sub-subcontractors, or their respective agents or employees, or of any other persons performing portions of the Work for which the Prime Contractor is responsible.

(d) Except as otherwise provided in the Contract Documents or when direct communications have been specially authorized, the Owner and Prime Contractor shall endeavor to communicate through the Architect/Engineer. Communications by and with the Architect/Engineer's consultants shall be through the Architect/Engineer. Communications by and with Subcontractors and material suppliers shall be through the Prime Contractor. Communications by and with separate contractors will be through the Owner. The Prime Contractor shall provide written confirmation of communications made directly with the Owner and provide copies of such confirmation to the Architect/Engineer.

(e) Based on the Architect/Engineer's observations and evaluations of the Prime Contractor's Applications for Payment, the Architect/Engineer will review and certify the amounts due the Prime Contractor and will issue Certificates for Payment in such amounts.

(f) The Architect/Engineer and the Owner will each have authority to reject Work which does not conform to the Contract Documents. Whenever the Architect/Engineer considers it necessary or advisable for implementation of the intent of the Contract Documents, the Architect/Engineer will have authority to require additional inspection or testing of the Work in accordance with Subparagraphs 3.17(b) and 3.17(c), whether or not such Work is fabricated, installed or completed. However, neither this authority of the Architect/Engineer nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to any duty or responsibility of the Architect/Engineer to the Prime Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons performing portions of the Work.

(g) The Architect/Engineer will review and approve or take other appropriate action upon the Prime Contractor's submittals such as Shop Drawings, Product Data, and Samples, but

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only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect/Engineer's action will be taken with such reasonable promptness as to not delay the Work or the activities of the Owner, Contractor, or separate contractors. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Prime Contractor as required by the Contract Documents. The Architect/Engineer's review of the Prime Contractor's submittals shall not relieve the Prime Contractor of any obligations under Paragraphs 3.3, 3.5, and 3.12. The Architect/Engineer's review shall not constitute approval of safety precautions or, unless otherwise specifically stated in writing by the Architect/Engineer, of any construction means, methods, techniques, sequences, or procedures. The Architect/Engineer's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

(h) The Architect/Engineer will prepare Change Orders and may authorize minor changes in the Work as provided in Paragraph 7.3.

(i) The Architect/Engineer will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion, will receive and forward to the Owner for the Owner's review and records written warranties and related documents required by the Contract and assembled by the Prime Contractor, and will issue a final Certificate for Payment upon compliance with the requirements of the Contract Documents.

(j) If the Owner and Architect/Engineer agree, the Architect/Engineer will provide one or more Project representatives to assist in carrying out the Architect/Engineer's responsibilities at the site. The duties, responsibilities, and limitations of authority of such Project representatives shall be as set forth in an exhibit to be incorporated into the Contract Documents.

(k) The Architect/Engineer will interpret and make recommendations to the Owner concerning performance under and requirements of the Contract Documents upon written request of either the Owner or Contractor. The Architect/Engineer's response to such requests will be made with reasonable promptness and within any time limits agreed upon. The Architect/Engineer shall secure the Owner's written approval before issuing instructions, interpretations, or judgments to the Prime Contractor which change the scope of the Work or which modify or change the terms and conditions of any of the Contract Documents.

(l) Interpretations and decisions of the Architect/Engineer will be consistent with the intent of and reasonably inferable from the Contract Documents and will be in writing or in the form of Drawings. When making such interpretations and decisions, the Architect/Engineer will endeavor to secure faithful performance by the Prime Contractor.

(m) The Architect/Engineer's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents; provided that the Architect/Engineer has the prior written approval of the Owner.

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4.3 CLAIMS AND DISPUTES

(a) Definition; General Notice of Claim Procedure. As used in these General Conditions, a "Claim" means a demand or assertion by one of the parties to the Contract seeking an adjustment of the terms of the Contract Documents, of the Contract Sum, of the Contract Time, or some other relief in respect to the terms of the Contract Documents. The term also includes all other disputes between the Owner and the Contractor arising out of or relating to the Project or the Contract Documents, including but not limited to claims that work was outside the scope of the Contract Documents. The responsibility to substantiate the Claim and the burden of demonstrating compliance with this provision shall rest with the party making the Claim. Except where otherwise provided in the Contract Documents, a Claim by the Prime Contractor, whether for additional compensation, additional time, or other relief, including but not limited to claims arising from concealed conditions, WITHOUT EXCEPTION, MUST BE MADE BY WRITTEN NOTICE TO THE ARCHITECT/ENGINEER AND TO THE OWNER WITHIN FOURTEEN (14) DAYS IMMEDIATELY AFTER OCCURRENCE OF THE EVENT OR EVENTS GIVING RISE TO THE PARTICULAR CLAIM. Every Claim of the Prime Contractor, whether for additional compensation, additional time, or other relief, including but not limited to claims arising from concealed conditions, shall be signed and sworn to by an authorized corporate officer (if not a corporation, then an official of the company authorized to bind the Prime Contractor by his signature) of the Prime Contractor, verifying the truth and accuracy of the Claim. THE PRIME CONTRACTOR SHALL BE CONCLUSIVELY DEEMED TO HAVE WAIVED ANY CLAIM NOT MADE STRICTLY IN ACCORDANCE WITH THE PROCEDURES AND TIME LIMITS SET OUT IN THIS PARAGRAPH.

(b) Referral to the Architect/Engineer. Claims, disputes, and other matters in question between the Prime Contractor and the Owner relating to the progress or execution of the Work or the interpretation of the Contract Documents shall be referred to the Architect/Engineer for recommendation to the Owner, which recommendation the Architect/Engineer will furnish in writing within a reasonable time, provided proper and adequate substantiation has been received. Failure of the Prime Contractor to submit the Claim to the Architect/Engineer for rendering of a recommendation to the Owner shall constitute a waiver of the Claim.

(c) Continuing Contract Performance. Pending final resolution of a claim the Prime Contractor shall proceed diligently with performance of the Work and the Owner shall continue to make payments in accordance with the Contract Documents.

(d) Claims for Concealed or Unknown Conditions. No adjustment in the Contract Sum or Time associated with concealed or unknown conditions will normally be considered or allowed; provided, however, that the Contract Sum or Time may be adjusted by the Owner in such circumstances only if:

(1) a concealed subsurface condition is encountered in the course of performance of the Work;
(2) a concealed or unknown condition in an existing structure is at variance with conditions indicated by the Contract Documents; or

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(3) an unknown physical condition is encountered below the surface of the ground or in an existing structure which is of an unusual nature and materially different from those ordinarily encountered and generally recognized as inherent in the character of the Work; and
(4) a notice of claim with proper and adequate substantiation is presented pursuant to Subparagraph 4.3(a) of these General Conditions; and
(5) the Owner and the Architect/Engineer determine that:

(i) prior to submitting its bid for the Work, the Contractor used reasonable diligence to fully inspect the portion of the Project site where the condition was discovered; and

(ii) the work caused or required by the concealed or unknown condition at issue can be considered extra work to the extent that additional new Drawings must be prepared and issued and new construction beyond the scope of the Contract Documents is required.

(e) Disclaimer of Warranties as to Reports, Drawings, and Specifications. PROJECT SITE INFORMATION AND REPORTS (INCLUDING BUT NOT LIMITED TO SOILS TESTING REPORTS, GEOTECHNICAL REPORTS, OR ENVIRONMENTAL SITE ASSESSMENTS) PROVIDED BY THE OWNER AND THE ARCHITECT/ENGINEER IN THE PROJECT MANUAL OR BY OTHER MEANS SHALL BE UTILIZED BY THE PRIME CONTRACTOR AT THE PRIME CONTRACTOR'S OWN RISK. THE OWNER AND THE ARCHITECT/ENGINEER DO NOT GUARANTEE OR WARRANT ANY INFORMATION SHOWN IN THE PROJECT SITE INFORMATION AND REPORTS.

(f) Claims for Additional Cost. If the Prime Contractor wishes to make a claim for an increase in the Contract Sum, written notice as provided in this Paragraph 4.3 shall be given before proceeding to execute the Work. Prior notice is not required for claims relating to an emergency endangering life or property arising under Paragraph 10.3. In addition, the Prime Contractor's request for an increase in the Contract Sum for any reason (other than work performed under emergency conditions) shall be made far enough in advance of required work to allow the Owner and the Architect/Engineer a sufficient amount of time, without adversely affecting the construction schedule, to review the request, prepare and distribute such additional documents as may be necessary to obtain suitable estimates or proposals and to negotiate, execute and distribute a Change Order for the required work if the Prime Contractor believes that additional cost is involved for reasons including but not limited to:

(1) a written interpretation from the Architect/Engineer;

(2) a written order for a minor change in the Work issued by the Architect/Engineer;

(3) failure of payment by the Owner;

(4) termination of the Contract by the Owner;

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(5) the Owner's temporary suspension of all or any portion of the Work where the Prime Contractor was not at fault; or

(6) other reasonable grounds.

(g) Injury or Damage to Person or Property. If the Prime Contractor suffers injury or damages to person or property because of an act or omission of the Owner, or of any of the Owner's officers, employees or agents, written, sworn-to notice of any claim for damages or injury shall be given as provided in Subparagraph 4.3(a). The notice shall provide sufficient detail to enable the Architect/Engineer and the Owner to investigate the matter.

(h) Subcontractor Pass-Through Claims. In the event that any Subcontractor of the Prime Contractor asserts a claim to the Prime Contractor, that the Prime Contractor seeks to pass through to the Owner under the Contract Documents, any entitlement of the Prime Contractor to submit and assert the claim against the Owner shall be subject to:

(1) the requirements of Paragraph 4.3 of these General Conditions; and

(2) the following additional three requirements listed below, all three of which additional requirements shall be conditions precedent to the entitlement of the Prime Contractor to seek and assert such claim against the Owner:

(ii) The Prime Contractor shall either (A) have direct legal liability as a matter of contract, common law, or statutory law to the Subcontractor for the claim that the Subcontractor is asserting or (B) the Prime Contractor shall have entered into a written liquidating agreement with the Subcontractor, under which agreement the Prime Contractor has agreed to be legally responsible to the Subcontractor for pursuing the assertion of such claim against the Owner under the Contract and for paying to the Subcontractor any amount that may be recovered, less Prime Contractor's included markup (subject to the limits in the Contract Documents for any markup). The liability or responsibilities shall be identified in writing by the Prime Contractor to the Owner at the time such claim is submitted to Owner, and a copy of any liquidating agreement shall be included by the Prime Contractor in the claim submittal materials.

(ii) The Prime Contractor shall have reviewed the claim of the Subcontractor prior to its submittal to Owner and shall have independently evaluated such claim in good faith to determine the extent to which the claim is believed in good faith to be valid. The Prime Contractor shall also certify, in writing and under oath to the Owner, at the time of the submittal of such claim, that the Prime Contractor has made a review, evaluation, and determination that the claim is made in good faith and is believed by the Contractor to be valid.

(iii) The Subcontractor making the claim to the Prime Contractor shall certify in writing and under oath that it has compiled, reviewed and evaluated the merits of such claim and that the claim is believed in good faith by the Subcontractor to be valid. A copy of the certification by the Subcontractor shall be included by Prime Contractor in the claim submittal materials made by Contractor to the Owner..

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(3) Any failure of the Prime Contractor to comply with any of the foregoing requirements and conditions precedent with regard to any such claim shall constitute a waiver of any entitlement to submit or pursue such claim against Owner.

(4) Receipt and review of a claim by the Owner under this Subparagraph shall not be construed as a waiver of any defenses to the claim available to the Owner under the Contract Documents or by applicable law.

(i) Owner's Right to Order Acceleration and to Deny Claimed and Appropriate Time Extensions, in Whole or in Part. The Prime Contractor acknowledges and agrees that Substantial Completion of the Work by or before the Scheduled Completion Date is of substantial importance to Owner. The following provisions, therefore, will apply:

(1) If the Prime Contractor falls behind the approved construction schedule for whatever reason, the Owner shall have the right, in the Owner's sole discretion, to order the Prime Contractor to develop a recovery schedule as described in Paragraph 3.10 or to accelerate its progress in such a manner as to achieve Substantial Completion on or before the Contract Time completion date or such other date as the Owner may reasonably direct and, upon receipt, the Prime Contractor shall take all action necessary to comply with the order. In such event, any possible right, if any, of the Prime Contractor to additional compensation for any acceleration shall be subject to the terms of this Subparagraph (i).

(2) In the event that the Prime Contractor is otherwise entitled to an extension of Contract Time and has properly initiated a Claim for a time extension in accordance with Subparagraph 4.3(a) above, the Owner shall have the right, in the Owner's sole discretion, to deny all, or any part, of the Claim for extension of Contract Time by giving written notice to the Prime Contractor provided within fourteen (14) days after receipt of the Prime Contractor's Claim. If the Owner denies the Prime Contractor's claim for an extension of Contract Time under this Clause (i)(2), either in whole or in part, the Prime Contractor shall proceed to prosecute the Work in such a manner as to achieve Substantial Completion on or before the then existing Scheduled Completion Date.

(3) If the Prime Contractor would have been entitled to a time extension for a reason specifically allowed under the Contract Documents, for an amount of time that would have justified approval by the Owner if not for the need and right to accelerate, the Prime Contractor may initiate a Claim for acceleration costs pursuant to Subparagraph 4.3(a). Any resulting Claim for acceleration costs properly initiated by the Prime Contractor under Subparagraph 4.3(a) above shall be limited to those reasonable and documented direct costs of labor, materials, equipment, and supervision solely and directly attributable to the actual acceleration activity necessary to bring the Work back within the then existing approved construction schedule. These direct costs include the premium portion of overtime pay, additional crew, shift, or equipment costs if requested in advance by the Contractor and approved in writing by the Owner. A percentage markup for the prorated cost of premium on the existing performance and payment bonds and

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required insurance; provided however, not to exceed five (5%) per cent, will be allowed on the claimed acceleration costs. NO OTHER MARKUP FOR PROFIT, OVERHEAD (INCLUDING BUT NOT LIMITED TO HOME OFFICE OVERHEAD) OR ANY OTHER COSTS WILL BE ALLOWED ON ANY ACCELERATION CLAIM. The Owner shall not be liable for any costs related to an acceleration claim other than those described in this Clause (i)(3).

(i) Waiver of Claims; Final Payment. The making of final payment shall constitute a waiver of claims by the Owner except those arising from:

(1) claims, security interests, purported liens, or other attempted encumbrances arising out of the Contract and remaining unsettled;

(2) defective or nonconforming Work appearing after Substantial Completion;

(3) latent defects, as defined in Subparagraph 12.2(d), appearing after Final Completion; or

(4) the terms of general and special warranties required by the Contract Documents or allowed or implied by law.

(k) THE CONTRACTOR SHALL NOT BE ENTITLED TO RECOVER ATTORNEY'S FEES AS A PART OF ANY CLAIM MADE UNDER THE CONTRACT DOCUMENTS OR IN ANY SUBSEQUENT LAWSUIT OR ALTERNATIVE DISPUTE RESOLUTION PROCEEDING.

(l) No Waiver of Governmental Immunity. NOTHING IN THE CONTRACT DOCUMENTS SHALL BE CONSTRUED TO WAIVE THE OWNER'S GOVERNMENTAL IMMUNITY FROM LAWSUIT, WHICH IMMUNITY IS EXPRESSLY RETAINED TO THE EXTENT IT IS NOT CLEARLY AND UNAMBIGUOUSLY WAIVED BY APPLICABLE STATE LAW.

ARTICLE 5 - SUBCONTRACTORS

5.1 DEFINITIONS OF SUBCONTRACTOR

(a) A Subcontractor is person or entity who has a direct Contract with the Prime Contractor to perform a portion of the Work at the Project site or to supply materials or equipment to the Prime Contractor by purchase or lease for use in performance of or incorporation into the Work. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a separate contractor or subcontractors of a separate contractor.

(b) A Sub-subcontractor is a person or entity who has a direct or indirect Contract with a Subcontractor to perform a portion of the Work at the Project site or to supply materials or equipment to the Subcontractor or another Sub-subcontractor by purchase or lease for use

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in performance of or incorporation into the Work. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

(a) Immediately after the award of the Contract by the Owner, and before the Building Construction Services Agreement is signed by the Prime Contractor and the Owner, the Prime Contractor shall furnish to the Architect/Engineer in writing, for acceptance by the Owner and the Architect/Engineer, a list of the names, addresses, telephone numbers, M/WBE certification numbers (where applicable), and type of work of the Subcontractors (including those who are to furnish materials or equipment fabricated to a special design), proposed for the principal portions of the Work, including furnishings when made a part of the Contract. The Prime Contractor shall immediately notify the Owner in writing of any changes in the list as they occur. The Architect/Engineer will promptly reply to the Contractor in writing stating whether or not the Owner or the Architect/Engineer, after due investigation, has reasonable objection to any such proposed person or entity. Failure of the Owner or Architect/Engineer to reply promptly shall constitute notice of no reasonable objection.

(b) The Prime Contractor shall not Contract with a proposed person or entity to whom the Owner or Architect/Engineer has made reasonable and timely objection.

(c) Architect/Engineer's and Owner's approval of or objection to any Subcontractor or of a particular process or material will not relieve the Prime Contractor of his responsibility for performance of Work as called for under the Contract Documents, and shall not provide a basis for any claim for additional time or money on the part of the Prime Contractor. Approval shall not be construed to create any contractual relationship between the Subcontractor and either the Owner or Architect/Engineer. In no event shall the Contract Sum be increased as a result of the rejection of any Subcontractor.

(d) The Prime Contractor shall not change a Subcontractor previously selected if the Owner or Architect/Engineer makes reasonable objection to such change.

5.3 SUBCONTRACTUAL RELATIONS

(a) By appropriate agreement, written where legally required for validity, the Prime Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Prime Contractor by the terms of the Contract Documents (including but not limited to these General Conditions), and to assume toward the Prime Contractor all the obligations and responsibilities which the Prime Contractor, by the Contract Documents, assumes toward the Owner and the Architect/Engineer. Each subcontract agreement shall preserve and protect the rights of the Owner and the Architect/Engineer under the Contract Documents (including but not limited to these General Conditions) with respect to the Work to be performed by the Subcontractor so that subcontracting will not prejudice the rights of the Owner and the Architect/Engineer.

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Where appropriate, the Prime Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Prime Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor is to be bound. Subcontractors shall similarly make copies of applicable portions of such Documents available to their respective proposed Sub-subcontractors.

(b) The Prime Contractor is solely responsible for making payments properly to the Prime Contractor's Subcontractors on the Project. During performance of the Work, the Prime Contractor shall comply with the following additional rules regarding Subcontractor payments:

(1) The Prime Contractor shall submit, beginning with the Second Application and Certificate for Payment, a Subcontractor Payment Report (the "Report") with each Application and Certificate for Payment. The Report shall show all payments made to date by the Prime Contractor (plus existing retainage) to each Subcontractor involved in the Project. The Report shall be made on a form approved and supplied by the Owner. As an alternative to the Report, the Prime Contractor may furnish Affidavits of Payment Received with the Application and Certificate for Payment, which affidavits shall be executed by each Subcontractor owed money and paid by Subcontractor during the previous progress payment period for work or materials furnished on the Project. RECEIPT BY THE OWNER OF THE REPORT OR AFFIDAVITS OF PAYMENT RECEIVED SHALL BE A CONDITION PRECEDENT TO PAYMENT ON ANY APPLICATION FOR PAYMENT.

(2) If, for any reason, the Prime Contractor is withholding payment to a Subcontractor due to a dispute or other problem with performance, the Prime Contractor shall note the amount withheld and further note that the payment is in dispute. The Owner may, in its sole discretion, require the Prime Contractor to document and verify the dispute or other problem in question.

(3) The Owner reserves the right in its sole discretion, to withhold payment to the Prime Contractor pursuant to Paragraph 9.5(a) of the General Conditions, should it appear from the Report, statements of payment received or other information furnished to the Owner that:

(i) the Report has not been properly completed;

(ii) the Prime Contractor has knowingly provided false information regarding payment of any Subcontractor; or

(iii) the Prime Contractor has otherwise failed to make payments properly to any Subcontractor.

(4) THE PRIME CONTRACTOR SHALL NOT HAVE ANY RIGHT TO MAKE A CLAIM FOR ADDITIONAL TIME OR ADDITIONAL COMPENSATION AS A RESULT OF THE OWNER'S OR ARCHITECT/ENGINEER'S ENFORCEMENT OF

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THIS SUBPARAGRAPH 5.3(b). NO PROVISION OF THIS SUBPARAGRAPH OR ANY OF THE CONTRACT DOCUMENTS SHALL BE CONSTRUED TO CREATE A CONTRACTUAL RELATIONSHIP, EXPRESS OR IMPLIED, BETWEEN ANY SUBCONTRACTOR AND EITHER THE OWNER OR THE ARCHITECT/ENGINEER AND SHALL NOT BE CONSTRUED TO MAKE ANY SUBCONTRACTOR OR ANY OTHER PERSON OR ENTITY, A THIRD-PARTY BENEFICIARY OF THE CONTRACT BETWEEN THE OWNER AND THE PRIME CONTRACTOR.

5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS

In the event of a termination of this Contract by the Owner under Article 14, the Prime Contractor shall, if requested in writing by the Owner, within fifteen (15) days after the date notice of termination is sent, deliver and assign to Owner, or any person or entity acting on the Owner's behalf, any or all subcontracts made by Prime Contractor in the performance of the Work, and deliver to the Owner true and correct originals and copies of the subcontract documents. In the event assignment is not requested by the Owner, Prime Contractor shall terminate all subcontracts to the extent that Owner has not directed assignment of same and to the extent that they relate to the performance of Work terminated by the notice of termination.

ARTICLE 6 - CONSTRUCTION BY THE OWNER/ SEPARATE CONTRACTORS

6.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

(a) The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the Project site under Conditions of the Contract identical or substantially similar to these General Conditions, including those portions related to insurance and waiver of subrogation. If the Prime Contractor claims that delay or additional cost is involved because of such action by the Owner, the Prime Contractor shall make a claim as provided elsewhere in, and in accordance with the Contract Documents.

(b) When separate Contracts are awarded for different portions of the Project or other construction or operations on the Project site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Building Construction Services Agreement with the Owner.

(c) The Owner shall provide for coordination of the activities of the Owner's own forces and of each separate contractor with the Work of the Prime Contractor, who shall cooperate with them. The Prime Contractor shall participate with other separate contractors and the Owner in reviewing their construction schedules when directed to do so. The Prime Contractor shall, with the approval of the Owner, make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Prime Contractor, separate

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contractors, and the Owner until subsequently revised by mutual agreement or by written Change Order. If the Prime Contractor believes it is entitled to an adjustment of the Contract Sum under the circumstances, the Prime Contractor shall submit a written proposal for a Change Order pursuant to Article 7 of the General Conditions. In the event the Prime Contractor's Change Order proposal is denied by the Owner, the Prime Contractor must submit any Claim pursuant to Paragraph 4.3 of the General Conditions.

(d) Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces, the Owner shall be deemed to be subject to the same obligations and to have the same rights which apply to the Prime Contractor under these General Conditions, including, without excluding others, those stated in Article 3, this Article 6, and Articles 10, 11 and 12.

6.2 MUTUAL RESPONSIBILITY

(a) The Prime Contractor shall afford the Owner and separate contractors' reasonable opportunity for access to and storage of their materials and equipment and the performance of their activities and shall coordinate the Prime Contractor's construction and operations with the separate contractors as required by the Contract Documents.

(b) If part of the Prime Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a separate contractor, the Prime Contractor shall, prior to proceeding with that portion of the Work, promptly report to the Architect/Engineer apparent discrepancies or defects in the other construction that would render it unsuitable for proper execution and results. Failure of the Prime Contractor to so report shall constitute an acknowledgment that the Owner's or separate contractors completed or partially completed construction is fit and proper to receive the Prime Contractor's Work, except as to defects not then reasonably discoverable.

(c) The Owner shall not be liable to the prime Contractor for damages suffered by the Prime Contractor due to the fault or negligence of a separate contractor or through failure of a separate contractor to carry out the directions of the Owner or the Architect/Engineer. Should any interference occur between the Prime Contractor and a separate contractor, the Architect/Engineer or the Owner may furnish the Prime Contractor with written instructions designating priority of effort or change in methods, whereupon the Prime Contractor shall immediately comply with such direction. In such event, the Prime Contractor shall be entitled to an extension of the Contract Time only for unavoidable delays verified by the Architect/Engineer; no increase in the Contract Sum, however, shall be due to the Prime Contractor.

(d) The Prime Contractor shall promptly remedy damage wrongfully caused by the Prime Contractor to completed or partially completed construction or to property of the Owner or separate contractors as provided in Subparagraph 10.2(e).

(e) Should the Prime Contractor cause damage to the work or property of any separate contractor on the Project, the Prime Contractor shall, upon due notice, settle with the separate contractor by agreement, if the separate contractor will so settle. If the separate

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contractor sues the Owner or submits a claim on account of any damage alleged to have been so sustained, the Owner shall notify the Prime Contractor who shall defend such proceedings, at the Prime Contractor's sole expense, and if any judgment or award against the Owner arises from the separate contractor's claim, the Prime Contractor shall fully pay or satisfy it and shall reimburse the Owner for any and all attorney's fees and costs which the Owner has incurred.

(f) The Owner and each separate contractor shall have the same responsibilities for cutting and patching as are described for the Prime Contractor in Paragraph 3.14.

6.3 OWNER'S RIGHT TO CLEAN UP

If a dispute arises among the Contractor, separate contractors and the Owner as to the responsibility under their respective contracts for maintaining the Project Site and surrounding area free from waste materials and rubbish as described in Paragraph 3.15, the Owner may clean up, but is not obligated to do so, and Owner shall allocate the cost among those parties responsible, as the Architect/Engineer recommends to be just.

ARTICLE 7 - AMENDMENTS

7.1 CHANGE ORDERS

(a) A Change Order is a written order to the Contractor, signed by the Owner and the Architect/Engineer, issued after execution of the Contract, authorizing a change in the Work, an adjustment in the Contract Sum, or an adjustment to the Contract Time, consistent with other applicable provisions of this Contract. The Owner, without invalidating the Contract and without requiring notice of any kind to the sureties, may order changes to the scope of Work under the Contract by additions, deletions, or other revisions, the Contract Sum and Contract Time to be adjusted consistent with other applicable provisions of this Contract. All Change Orders shall be executed on a Change Order form approved by the Owner and the Owner's City Attorney.

(b) In addition to the Owner and the Architect/Engineer, the Contractor shall sign all Change Orders to verify and confirm the terms and conditions established by Change Order; however, should the Contractor refuse to sign a Change Order, this shall not relieve him of his obligation to perform the change directed by the Owner and the Architect/Engineer to the best of his ability in accordance with the provisions of this Article 7. A Change Order signed by the Contractor indicates his agreement with all of the changes approved, including the adjustment in the Contract Sum or the Contract Time. EACH CHANGE ORDER SHALL BE SPECIFIC AND FINAL AS TO PRICES AND EXTENSIONS OF TIME, WITH NO RESERVATIONS OR OTHER PROVISIONS ALLOWING FOR FUTURE ADDITIONAL MONEY OR TIME AS A RESULT OF THE PARTICULAR CHANGES IDENTIFIED AND FULLY COMPENSATED IN THE CHANGE ORDER. 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. The Contractor forever releases any claim against the Owner for additional time or compensation for matters relating to or arising out of or resulting from the Work included within or affected by the

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executed Change Order. This release applies to claims related to the cumulative impact of all Change Orders and to any claim related to the effect of a change on other Work.

(c) No extra work (except under emergency conditions) or changes shall be made nor shall any substitutions, changes or additions to or omissions or deviations from the requirements of the Drawings and Specifications be made unless pursuant to a written Change Order signed by the Owner and the Architect/Engineer, it being expressly understood that the Owner shall not be liable for the cost of extra work or any substitution, change, addition, omission or deviation from the requirements of the Drawings or Specifications unless the same shall have been authorized in writing by the Owner and the Architect/Engineer in a written change order or other Amendment. The provisions of this Paragraph 7.1 shall control in the event of any inconsistency between such provisions and the other provisions of this Article 7. See Subparagraph 10.3(a) of the General Conditions for Change Orders under emergency conditions.

(d) The method of determining the cost or credit to the Owner for any change in the Work shall be one of the following:

(1) mutual acceptance of a not-to-exceed lump-sum amount properly itemized and supported by sufficient substantiating data to permit evaluation; or

(2) unit prices stated in the Contract Documents or subsequently agreed upon; or

(3) cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or

(4) the force account method provided in Subparagraph 7.1(e)

(e) If the parties cannot agree to one of the methods of calculating cost provided in Clauses (d) (1), (d) (2), or (d) (3), or if the parties agree to a method but cannot agree on a final dollar figure; or if the Contractor for whatever reason refuses to sign the Change Order in question; the Contractor, provided he receives a written order signed by the Owner, shall promptly proceed with the Work involved. The cost of the Work involved shall then be calculated on the basis of the reasonable jobsite expenditures and savings of those performing the Work attributable to the changes, including a reasonable allowance for overhead and profit, such allowance in any case never to exceed fifteen (15%) per cent. In such case, the Contractor shall keep an itemized accounting of the Work involved, on a daily basis, in such form and with the appropriate supporting data as the Architect/Engineer and Owner may prescribe. Sworn copies of the itemized accounting shall be delivered to the Architect/Engineer each day during the performance of force account work, with copies to the Owner.

FAILURE OF THE CONTRACTOR TO SUBMIT THE SWORN-TO ITEMIZED ACCOUNTING DAILY AS REQUIRED HEREIN SHALL CONSTITUTE A WAIVER BY THE CONTRACTOR OF ANY RIGHT TO DISPUTE THE OWNER'S DETERMINATION OF THE AMOUNT DUE THE CONTRACTOR FOR FORCE ACCOUNT WORK. Costs to be charged under this Subparagraph for force account work

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are limited to the following:

(1) costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and worker's compensation insurance;

(2) costs of materials, supplies and equipment (but not to include off-site storage unless approved in writing by the Owner), whether incorporated or consumed;

(3) rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;

(4) costs of premiums for all bonds and insurance related to the Work; and

(5) additional costs of supervision and field office personnel directly attributable to the changed Work. Pending final determination of cost to the Owner, payment of undisputed amounts on force account shall be included on the Architect/Engineer's Certificate of Payment as work is completed.

(f) The amount of credit to be allowed to the Owner for any deletion of Work or any other change which results in a net decrease of the Contract Sum shall be the amount of actual net cost confirmed by the Architect/Engineer plus the stated percentage for overhead and profit. When both additions and deletions or credits covering related Work or substitutions are involved in any one change, the allowance for overhead and profit shall be figured on the basis of the net increase or decrease with respect to that change.

7.2 SUPPLEMENTAL AGREEMENTS

A written Supplemental Agreement can also be used to implement changes in the Work instead of a Change Order form, including but not limited to situations involving partial occupancy of the Work under Paragraph 9.8, a change made to the Drawings or the Specifications without an increase in the Contract Sum, or special circumstances where it is necessary or more appropriate for the Owner to use a Supplemental Agreement. Written Supplemental Agreements shall have a status equal to that of Change Orders for purposes of priority of Contract Documents interpretation, except that to the extent of a conflict, later Supplemental Agreements in time control over earlier Supplemental Agreements, and the latest Change Order or Supplemental Agreement in time controls over earlier dated Change Orders and Supplemental Agreements. The rules of Subparagraphs 7.1(b) through (f) shall also apply to the negotiation and execution of Supplemental Agreements.

7.3 MINOR CHANGES IN THE WORK

The Architect/Engineer, after notifying the Owner, shall be authorized to order minor changes in the Work not involving an adjustment in the Contract Sum or an extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Minor changes shall be effected by written order, and shall be binding on the Owner and the Contractor. The Contractor shall carry out such written orders promptly. These written orders shall not be deemed to change or impact the Contract Sum or the Contract Time. Contractor shall have no

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Claim for any minor change ordered to the Work under this Paragraph 7.3 unless the Contractor submits its change proposal, prior to complying with the minor change ordered and in no event later than ten (10) working days from the date the minor change was ordered, to the Owner for approval.

7.4 TIME REQUIRED TO PROCESS AMENDMENTS

(a) All of the Contractor's responses to proposal requests shall be accompanied by a complete, itemized breakdown of costs. Responses to proposal requests shall be submitted sufficiently in advance of the required work to allow the Owner and the Architect/Engineer a minimum of thirty (30) calendar days after receipt by the Architect/Engineer to review the itemized breakdown and to prepare or distribute additional documents as may be necessary. All of the Prime Contractor's responses to proposal requests shall include a statement that the cost described in the response represents the complete, total and final cost and additional Contract Time associated with the extra work, change, addition to, omission, deviation, substitution, or other grounds for seeking extra compensation under the Contract Documents, without reservation or further recourse.

(b) All Amendments require approval by either the City Council or, where authorized by the State law and City ordinance, by the City Manager pursuant to Administrative Action. The approval process requires a minimum of forty-five (45) calendar days after submission to the Owner in final form with all supporting data. Receipt of a submission by Owner does not constitute acceptance or approval of a proposal, nor does it constitute a warranty that the proposal will be authorized by City Council Resolution, Ordinance or Administrative Action. THE TIME REQUIRED FOR THE APPROVAL PROCESS SHALL NOT BE CONSIDERED A DELAY AND NO EXTENSIONS TO THE CONTRACT TIME OR INCREASE IN THE CONTRACT SUM WILL BE CONSIDERED OR GRANTED AS A RESULT OF THIS PROCESS. Pending the approval described above, the Contractor will proceed with the work under a pending Amendment only if directed in writing by the Owner.

ARTICLE 8 - CONTRACT TIME

8.1 DEFINITIONS

(a) Unless otherwise provided, the Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

(b) The date of commencement of the Work is the date established in the Notice to Proceed from the Owner. The date of commencement shall not be postponed by the failure of the Prime Contractor, or of persons or entities for whom the Prime Contractor is responsible to act promptly to commence the Work. If the Owner unreasonably delays the issuance of the notice to proceed, through no fault of the Prime Contractor, the Prime Contractor shall be entitled only to an equitable extension of the Contract Time; the Contract Sum shall remain unchanged.

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(c) The date of Substantial Completion is the date certified by the Architect/Engineer in accordance with Paragraph 9.7.

(d) The term "day" as used in the Contract Documents shall mean a calendar day, beginning and ending at 12:00 midnight, unless otherwise specifically defined by special provision.

8.2 PROGRESS AND COMPLETION

(a) **Time limits stated in the Contract Documents are of the essence of the Contract**. By executing the Building Construction Services Agreement, the Prime Contractor confirms that the Contract Time is a reasonable period for performing the Work.

(b) The Prime Contractor shall not knowingly, except by agreement with or instruction of the Owner in writing, prematurely commence operations on the Project site or elsewhere prior to the effective date of insurance to be furnished by the Prime Contractor as required by Article 11. The date of commencement of the Work shall not be changed by the effective date of insurance required by Article 11.

8.3 DELAYS AND EXTENSIONS OF TIME

(a) If the Prime Contractor is delayed at any time in the progress of the Work by an act or neglect of the Owner or Architect/Engineer, or of an employee of either, or of a separate contractor employed by the Owner, or by changes ordered in the Work, or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond the Prime Contractor's control, or by delay authorized by the Owner pending a claim, or by other causes which the Architect/Engineer determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Architect/Engineer and Owner may determine.

(b) Claims relating to Contract Time and time extensions shall be made in accordance with the applicable provisions of Paragraph 4.3.

(c) No Damages for Delay. NOTWITHSTANDING ANY OTHER PROVISIONS OF THE CONTRACT DOCUMENTS, INCLUDING THE GENERAL CONDITIONS, NO ADJUSTMENT SHALL BE MADE TO THE CONTRACT SUM AND THE PRIME CONTRACTOR SHALL NOT BE ENTITLED TO CLAIM OR RECEIVE ANY ADDITIONAL COMPENSATION AS A RESULT OF OR ARISING OUT OF ANY DELAY, HINDRANCE, DISRUPTION, FORCE MAJEURE, IMPACT, OR INTERFERENCE, INTENTIONAL OR UNINTENTIONAL, FORESEEN OR UNFORESEEN, WHICH INCREASES THE TIME TO COMPLETE THE WORK, INCLUDING BUT NOT LIMITED TO ANY DELAYS CAUSED IN WHOLE OR IN PART BY THE ACTS, OMISSIONS, FAILURES, NEGLIGENCE, OR FAULT OF THE OWNER, THE ARCHITECT/ENGINEER, OR THE OWNER'S REPRESENTATIVE, AN EXTENSION OF THE CONTRACT TIME UNDER SUBPARAGRAPH 8.3(a) BEING THE PRIME CONTRACTOR'S SOLE REMEDY.

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(d) The Owner shall have the right to occupy, without prejudice to the right of either party, any completed or largely completed portions of the structure or Work, notwithstanding the fact that the Contract Time for completing all or a portion of the Work may not have expired. Partial occupancy and use shall not be deemed as an acceptance of the Work taken or used.

(e) The Prime Contractor shall promptly suspend the Work when either the Prime Contractor or the Owner is ordered to do so by a court order from a court having lawful jurisdiction, and the Prime Contractor will not be entitled to additional compensation by virtue of any delays resulting from the court order. The Prime Contractor will also not be liable to the Owner for a delay caused in fact by the Work being suspended by a court order.

(f) The Architect/Engineer, with the consent of the Owner, shall have the authority to suspend the Work, in whole or in part, for such period or periods as the Architect/Engineer deems necessary due to unusual or severe weather conditions as are considered unfavorable for the suitable prosecution of the Work, or due to failure on the part of the Prime Contractor to correct conditions considered unsafe for workmen or the general public. If it should become necessary to stop the Work for an indefinite period, the Prime Contractor shall store all materials in such a manner that they will not obstruct or impede the public unnecessarily or become damaged in any way, and shall take every precaution to prevent damage or deterioration of the Work performed. In cases of suspension of the Work under this Subparagraph, the Prime Contractor shall also provide suitable drainage about the Work and erect temporary structures where necessary. The Prime Contractor shall not suspend the Work in whole or in part without written authority from the Architect/Engineer or the Owner, and shall resume the Work promptly when notified by the Architect/Engineer or the Owner to resume operations.

(g) In the event of a delay that is the responsibility of the Prime Contractor or any of the Subcontractors, for which the Prime Contractor is not entitled to a time extension under the provisions of this Contract, the Owner may direct that the Work be accelerated by means of overtime, additional crews or additional shifts, or resequencing. This acceleration shall be at no cost to the Owner and will continue until the Contract Time is restored. In the event of a delay for which the Prime Contractor is entitled to a time extension, as determined by the Architect/Engineer, Owner may similarly direct acceleration and the Prime Contractor agrees to perform same on the basis that the Prime Contractor will be reimbursed only to the extent described in Subparagraph 4.3(i). THE PRIME CONTRACTOR EXPRESSLY WAIVES ANY OTHER COMPENSATION RESULTING FROM ACCELERATION, SUCH AS LOSS OF LABOR PRODUCTIVITY OR EFFICIENCY.

ARTICLE 9 - PAYMENTS AND COMPLETION

9.1 CONTRACT SUM

The Contract Sum is stated in the Building Construction Services Agreement and, including authorized adjustments, is the total amount of compensation payable by the Owner to the Prime Contractor for the performance of the Work under the Contract Documents.

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9.2 SCHEDULE OF VALUES

Before the first Application for Payment, the Prime Contractor shall submit to the Architect/Engineer a schedule of values allocated to various portions of the Work, prepared in such form and supported by such data to substantiate its accuracy as the Architect/Engineer may require. This schedule, when approved by the Architect/Engineer and the Owner, shall be used as a basis for the Prime Contractor's Application for Payment. The schedule of values shall follow the trade division of the Specifications. Prime Contractor's Application for Payment shall be filed on the current version of AIA Form G702 (Application and Certificate for Payment), as approved by the Owner.

9.3 APPLICATIONS FOR PAYMENT

(a) At least ten (10) days before the date established for each progress payment, the Prime Contractor shall submit to the Architect/Engineer an itemized Application for Payment for Work completed in accordance with the schedule of values. The Application shall be notarized, if required, and supported by data substantiating the Prime Contractor's right to payment as the Owner or Architect/Engineer may require, including but not limited to copies of requisitions from Subcontractors and material suppliers, and reflecting the applicable retainage as required in the Contract Documents. Prime Contractor's Application for Payment shall also provide other supporting documentation as the Owner or the other applicable provisions of the Contract Documents may require.

(b) Applications for Payment may not include requests for payment of amounts the Prime Contractor does not intend to pay to a Subcontractor because of a good faith dispute, unless the Prime Contractor complies with Clause 5.3(b) (2) of these General Conditions and the Prime Contractor's Payment Bond Surety consents in writing to payment to the Prime Contractor of the funds deemed to be in dispute.

(c) Unless otherwise provided in the Contract Documents, progress payments shall include payment for materials and equipment delivered and suitably stored at the Project site for subsequent incorporation into the Work within thirty (30) days after delivery to the Project site. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored away from the Project site at a location agreed upon in writing. Payment for costs incurred in storage of materials or equipment away from the Project site will NOT be made by Owner unless:

(1) the Owner has given prior approval of such off-site storage in writing;
(2) the materials or equipment are stored in a bonded warehouse located in Denton County and identified with the Project for which they are stored, as evidenced by warehouse receipts and appropriate documents of title; and
(3) the materials or equipment stored off-site will be incorporated into the Work within thirty (30) days after delivery. STORAGE IN FACILITIES OF THE MANUFACTURER OR THE PRIME CONTRACTOR WILL NOT BE PERMITTED OR PAID FOR, UNLESS THE OWNER HAS EXPRESSLY GIVEN PRIOR APPROVAL OF SUCH STORAGE IN WRITING.

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(d) The Prime Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Prime Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall be free and clear of liens, claims, security interests or encumbrances in favor of the Prime Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials, and equipment relating to the Work.

(e) All materials or equipment delivered to the Project site earlier than thirty (30) days prior to an approved schedule for delivery to the Project site shall be classified as an "early delivery." All early delivery materials or equipment must have the express written permission of the Owner to be stored on the Project site. If any unauthorized early delivery occurs, Prime Contractor shall, at Prime Contractor's expense or at the expense of the responsible Subcontractor or Supplier, cause such early delivery to be removed from the Project site and stored off-site until required at the Project site. All costs of labor, transportation and storage will be included as part of the expense. If the Prime Contractor fails or refuses to remove unauthorized early delivery materials, the Owner may cause such materials to be removed at the Prime Contractor's sole expense, and amounts may be withheld from the Prime Contractor's Application for Payment to reimburse the Owner for any costs incurred in removing unauthorized early delivery materials. OWNER WILL NOT BE RESPONSIBLE FOR THE PROTECTION OF OR RISK OF LOSS ON ANY EARLY DELIVERY MATERIALS OR EQUIPMENT, NOR WILL OWNER BE LIABLE FOR ANY PAYMENT FOR THE EARLY DELIVERY MATERIALS OR EQUIPMENT. Any materials or equipment classified as early delivery will not be approved for payment as stored materials prior to thirty (30) days before the incorporation of the materials or equipment into the Work, unless storage and payment at an earlier date is expressly approved in writing by the Owner.

(f) If the Contract Sum is equal to or less than $25,000, and if performance and payment bonds are not furnished by the Contractor, then no payment applied for will be payable under the Contract until the Work has been finally completed and accepted.

9.4 CERTIFICATES FOR PAYMENT

(a) The Architect/Engineer will, within ten (10) days after receipt of the Prime Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Prime Contractor, for such amount as the Architect/Engineer determines is properly due, or notify the Prime Contractor and Owner in writing of the Architect/Engineer's reasons for withholding certification in whole or in part as provided in:
(a) City of Denton "General Conditions for Building Construction."
(b) Subparagraph 9.5(a). The Certificate for Payment shall be issued on the current version of AIA Form G702 (Application and Certificate for Payment) as approved by the Owner.
(c) The issuance of a Certificate for Payment will constitute a representation by the Architect/Engineer to the Owner, based on the Architect/Engineer's observations at the site and the data comprising the Application for Payment, that the Work has progressed to the point indicated and that, to the best of the Architect/Engineer's knowledge, information and belief, quality of the Work is in accordance with the Contract Documents. The

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foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial and Final Completion, to results of subsequent tests and inspections, to minor deviations from the Contract Documents correctable prior to Final Completion and to specific qualifications expressed by the Architect/Engineer. The issuance of a Certificate for Payment will further constitute a representation that the Prime Contractor is entitled to payment in the amount certified, subject to the Owner's approval. The issuance of a Certificate for Payment is not a representation that the Architect/Engineer has:

(1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work;

(2) reviewed construction means, methods, techniques, sequences or procedures;

(3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Prime Contractor's right to payment; or

(4) made examination to ascertain how or for what purpose the Prime Contractor has used money previously paid on account of the Contract Sum.

(d) Whenever the Application for Payment for Work done since the last previous Application for Payment exceeds one hundred dollars ($100.00) in amount, Owner will pay a percentage of the Application, less applicable retainage, to the Prime Contractor within thirty (30) days following Owner's receipt and approval of the Certificate for Payment certified by the Architect/Engineer. The Application may include acceptable nonperishable materials delivered to the Work or stored as provided for in Paragraph 9.3(c) and the payment will be allowed on the net invoice value, less taxes and applicable retainage.

(e) The City is required to withhold retainage for public works contracts in which the total contract price estimate at the time of execution is more than $400,000; however, this requirement is applied by the City for all public works contracts in excess of $50,000. The retainage will be withheld by the Owner from each progress payment until final completion of the Work by the Contractor, approval of final completion by the Architect/Engineer, and final acceptance of the Work by the Owner. Unless otherwise required by state law, the retainage percentage as specified in Exhibit A is based upon the original Contract Sum, and will not be affected in the event the original Contract Sum is subsequently increased by Change Order.

(f) No progress payments shall be made on contracts where performance and payment bonds are not required or furnished. In such instances, payment for the Work performed will be made upon final completion and acceptance by the Owner of all Work.

9.5 DECISIONS TO WITHHOLD CERTIFICATION

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(a) The Architect/Engineer or the Owner may decide not to certify payment and may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner's interest, if in the Architect/Engineer's or Owner's opinion the representations to the Owner required by Subparagraph 9.4(b) cannot be made. If the Architect/Engineer or the Owner is unable to certify payment in the amount of the Application, the Architect/Engineer or the Owner will notify the Prime Contractor as provided in Subparagraph 9.4(a). If the Prime Contractor and Architect/Engineer or the Owner cannot agree on a revised amount, the Architect/Engineer will promptly issue a Certificate for Payment for the amount for which the Architect/Engineer is able to make the required representations to the Owner. The Architect/Engineer or the Owner may also decide not to certify payment or, because of subsequently discovered evidence or subsequent observations, may nullify the whole or a part of a Certificate for Payment previously issued to such extent as may be necessary, in the Architect/Engineer's or Owner's opinion, to protect the Owner from loss because of:

(1) defective or nonconforming Work not remedied;

(2) third-party claims filed or reasonable evidence indicating probable filing of such claims;

(3) failure of the Prime Contractor to make payments properly to Subcontractors or for labor, materials, or equipment;

(4) reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;

(5) damage to the Owner or another contractor;

(6) reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or damages for the anticipated delay;

(7) persistent failure to carry out the Work in accordance with the Contract Documents; or

(8) mathematical or other errors that are discovered in the Application for Payment.

(b) When all of the above reasons that existed for withholding certification are removed or remedied, then, at that time, certification will be made for amounts previously withheld.

(c) The Owner may, at its option, offset any progress payment or final payment under the Contract Documents against any debt (including taxes) lawfully due to the Owner from the Prime Contractor, regardless of whether the amount due arises pursuant to the terms of the Contract Documents or otherwise, and regardless of whether or not the debt due to the Owner has been reduced to judgment by a court.

9.6 PROGRESS PAYMENTS

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(a) After the Architect/Engineer has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect/Engineer. The Owner shall not be liable for interest on any late or delayed progress payment or final payment caused by any claim or dispute, any discrepancy in quantities, any failure to provide supporting documentation or other information required with the Application for Payment or as a precondition to payment under the Contract Documents, or due to any payment the Owner or the Architect/Engineer has a right to withhold or not certify under the Contract Documents. Notwithstanding the foregoing, the Owner may refuse to make payment on any Certificate for Payment (including, without limitation, the final Certificate for Payment) for any default under the Contract Documents, including but not limited to those defaults set forth in Subparagraph 9.5(a), Clauses (1) through (7). The Owner shall not be deemed in default by reason of withholding payment while any Prime Contractor default remains uncured.

(b) The Prime Contractor shall promptly pay each Subcontractor, upon receipt of payment from the Owner, out of the amount paid to the Prime Contractor on account of each Subcontractor's portion of the Work, the amount to which said Subcontractor is entitled, reflecting percentages actually retained from payments to the Prime Contractor on account of such Subcontractors portion of the Work. The Prime Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in similar manner.

(c) The Architect/Engineer will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Prime Contractor and action taken thereon by the Architect/Engineer and the Owner on account of portions of the Work done by such Subcontractor.

(d) Neither the Owner nor the Architect/Engineer shall have an obligation to pay or to see to the payment of money to a Subcontractor except as may otherwise be required by law. That obligation belongs to the Prime Contractor or, in the event of the Prime Contractor's failure to pay a Subcontractor, to the Surety on the Payment Bond as required under Paragraph 11.3.

(e) Payment to material suppliers shall be treated in a manner similar to that provided in Subparagraphs 9.6(b), (c), and (d).

(f) A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not performed in accordance with the Contract Documents.

9.7 SUBSTANTIAL COMPLETION

(a) The Date of Substantial Completion of the Work, or designated portion of the Work, is the date certified by the Architect/Engineer when construction is sufficiently completed in accordance with the City Of Denton General Conditions For Building Construction.

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(a) the Contract Documents such that the Owner may beneficially occupy and use the Work, or designated portions of the Work, for the purposes for which it is intended and only trivial and insignificant items remain which do not affect the Work as a whole.

(b) When the Prime Contractor considers that the Work, or the portion of the Work which the Owner agrees to accept separately, is Substantially Complete, the Prime Contractor shall prepare and submit to the Architect/Engineer a comprehensive list of remaining items to be completed or corrected. The Prime Contractor shall proceed promptly to complete and correct items on the list (hereinafter called the "punch list"). Failure to include an item on the punch list does not alter the responsibility of the Prime Contractor to complete all Work in accordance with the Contract Documents. Upon receipt of the punch list, the Architect/Engineer will make an inspection to determine whether the Work, or designated portion of the Work, is Substantially Complete. If the Architect/Engineer's inspection discloses any item, whether or not included on the punch list, which is not in accordance with the requirements of the Contract Documents and which renders the Work inspected not Substantially Complete the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct the item upon notification by the Architect/Engineer. The Prime Contractor shall then submit a request for another inspection by the Architect/Engineer to determine Substantial Completion. When the Work or designated portion of the Work is Substantially Complete, the Architect/Engineer will prepare a Certificate of Substantial Completion which shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and the Prime Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Prime Contractor shall finish all items on the punch list accompanying the Certificate.

(c) The Certificate of Substantial Completion shall be submitted to the Owner and the Prime Contractor for their written acceptance of responsibilities assigned to them in the Certificate.

(d) Upon Substantial Completion of the Work or designated portion thereof and upon application by the Prime Contractor and certification by the Architect/Engineer, the Owner shall make payment, reflecting adjustment in retainage, if any, for the Work, or portion of the Work, as provided in the Contract Documents.

9.8 PARTIAL OCCUPANCY OR USE

(a) The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate Supplemental Agreement with the Prime Contractor, provided such occupancy or use is consented to by the insurer as required under Subparagraph 11.2(e) and authorized by public authorities having jurisdiction over the Work. Such partial occupancy or use may commence whether or not the portion is Substantially Complete, provided the Owner and Prime Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of

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warranties required by the Contract Documents. When the Prime Contractor considers a portion Substantially Complete, the Prime Contractor shall prepare and submit a list to the Architect/Engineer as provided under Subparagraph 9.7(b). Consent of the Prime Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Prime Contractor or, if no agreement is reached, by decision of the Architect/Engineer.

(b) Immediately prior to such partial occupancy or use, the Owner, Prime Contractor, and Architect/Engineer shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

(c) Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

9.9 FINAL COMPLETION AND FINAL PAYMENT

(a) Upon receipt of written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect/Engineer, accompanied by the Owner's representative, will promptly make final inspection and, when the Architect/Engineer finds the Work acceptable under the Contract Documents and the Contract Documents fully performed, the Architect/Engineer will promptly issue a final Certificate for Payment stating that to the best of the Architect/Engineer's knowledge, information and belief, and on the basis of the Architect/Engineer's observations and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Prime Contractor and noted in said final Certificate is due and payable. The Architect/Engineer's final Certificate for Payment will constitute a further representation that conditions listed in Subparagraph 9.9(b) as a condition precedent to the Prime Contractor's being entitled to final payment have been fulfilled. Owner will normally make final payment within thirty (30) days after Owner's receipt and approval of the final Certificate for Payment. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work, unless otherwise provided by separate agreement between the Owner and the Prime Contractor.

(b) Neither final payment nor any remaining retained percentage shall become due until the Prime Contractor submits to the Architect/Engineer:

(1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied;
(2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be cancelled or allowed to expire until at least thirty (30) days prior written notice has been given to the Owner;

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(3) a written statement that the Prime Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents;
(4) a consent of surety to final payment; and
(5) if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner.

(c) As a precondition to final payment by the Owner under this Contract, the Prime Contractor's affidavit under Clause (b)(1) shall state that the Prime Contractor has paid each of his subcontractors, laborers or materialmen in full for all labor and materials provided to Contractor for the Work performed under this Contract. In the event the Prime Contractor has not paid each of his subcontractors, laborers or materialmen in full, the Prime Contractor shall state in the affidavit the amount owed and the name of each subcontractor, laborer or materialmen to whom such payment is owed. IN ANY EVENT, THE PRIME CONTRACTOR SHALL BE REQUIRED TO EXECUTE THE OWNER'S STANDARD AFFIDAVIT OF FINAL PAYMENT AND RELEASE AS A PRECONDITION TO RECEIPT OF FINAL PAYMENT.

(d) If, after Substantial Completion of the Work, final completion of the Work is materially delayed through no fault of the Prime Contractor or by issuance of Change Orders affecting final completion and the Architect/Engineer confirms the delay, the Owner shall, upon application by the Prime Contractor and certification by the Architect/Engineer, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect/Engineer prior to certification of payment. Payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

(e) The acceptance by the Prime Contractor of the final payment shall operate as and shall be a complete release of the Owner from all claims or liabilities under the Contract, for anything done or furnished or relating to the Work or the Project, or for any act or neglect of the Owner relating to or connected with the Work or the Project.

ARTICLE 10 - SAFETY, SECURITY AND UTILITY PROVISIONS; ENVIRONMENTAL COMPLIANCE

10.1 SAFETY PRECAUTIONS AND PROGRAMS

The Prime Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract, and will comply with all applicable City, County, State and Federal health and safety regulations.

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10.2 SAFETY OF PERSONS AND PROPERTY

(a) The Prime Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to:

(1) employees on the Work and other persons who may be affected thereby;

(2) the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Prime Contractor or the Prime Contractor's Subcontractors or Sub-subcontractors; and

(3) other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

(b) The Prime Contractor shall give notices and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

(c) The Prime Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities.

(d) When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Prime Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

(e) USE OF EXPLOSIVES - CLAIMS AND TOTAL INDEMNIFICATION. The Owner shall have the right to pre-approve the use of any explosives on the Project; the Prime Contractor shall not assume in its bid that permission to use explosives will be granted. The Owner shall NOT be liable for any claim for additional time or compensation as a result of the Owner's denial of permission to use explosives. Where use of explosives is permitted by the Owner, the Prime Contractor EXPRESSLY AGREES TO BE SOLELY RESPONSIBLE for the determination as to whether explosives shall actually be used, and for any result from the use, handling or storage of explosives, and shall INDEMNIFY, DEFEND AND HOLD COMPLETELY HARMLESS the Owner, its officers, agents and employees, and the Architect/Engineer against any and all claims, lawsuits, judgments, costs or expenses for personal injury (including death), property damage or other harm for which recovery of damages is sought, suffered by any person or persons, as the result of the use, handling or storage of the explosives by the Prime Contractor or any Subcontractor, REGARDLESS OF WHETHER SAID USE, HANDLING OR STORAGE WAS NEGLIGENT OR NOT, AND REGARDLESS OF WHETHER THE DAMAGE OR INJURY WAS CONTRIBUTED TO IN ANY WAY BY THE NEGLIGENCE OR FAULT OF THE OWNER, ITS OFFICERS, AGENTS, EMPLOYEES, OR REPRESENTATIVES, OR THE ARCHITECT/ENGINEER AND ITS OFFICERS, AGENTS, EMPLOYEES, OR REPRESENTATIVES. In the event of conflict with any

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other indemnity paragraph in this Contract, this paragraph controls. This indemnity paragraph is intended solely for the benefit of the parties to this Contract and is not intended to create or grant any rights, contractual or otherwise, to or for any other person or entity. The Prime Contractor shall furnish the Owner and the Architect/Engineer with evidence of insurance sufficient to cover possible damage or injury, which insurance shall either include the Owner and the Architect/Engineer as additional insureds or be sufficiently broad in coverage as to fully protect the Owner and the Architect/Engineer. All explosives shall be stored in a safe and secure manner, under the care of a competent watchman at all times, and all storage places shall be marked clearly and conspicuously: "DANGEROUS-EXPLOSIVES." The method of storing and handling explosives and highly flammable materials shall conform to Federal and State laws, City of Denton ordinances, and the City of Denton Fire Department regulations. The Prime Contractor shall notify any telecommunications and public utility company and any private property owners having structures in the proximity of the Project Site of the Prime Contractor's intention to use explosives, and such notice shall be given sufficiently in advance to enable the telecommunications and public utility companies and private property owners to take such steps as they may deem necessary to protect their property from injury. The notice shall not relieve the Prime Contractor of any responsibility for damage resulting from any blasting operations.

(f) The Prime Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Clauses 10.2(a)(2) and 10.2(a)(3) caused in whole or in part by the Prime Contractor, a Subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Prime Contractor is responsible under Clauses 10.2(a)(2) and 10.2(a)(3), except damage or loss attributable to acts or omissions of the Owner or Architect/Engineer or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Prime Contractor or any of its Subcontractors. The foregoing obligations of the Prime Contractor are in addition to the Prime Contractor's obligations under Paragraph 3.l9. To the extent that any such damage or loss may be covered by property insurance or other insurance required by the Contract Documents, the Owner and the Prime Contractor shall exercise their best efforts to make a claim and obtain recovery from the insurers to provide for the cost, in whole or in part, of the repair work or to provide for reimbursement for such damage or loss.

(g) The Prime Contractor shall designate a responsible member of the Prime Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Prime Contractor's superintendent unless otherwise designated by the Prime Contractor in writing to the Owner and Architect/Engineer.

(h) The Prime Contractor shall not load or permit any part of the Work or the Project site to be loaded so as to endanger its safety.

10.3 EMERGENCIES

In an emergency affecting safety, health, or security of persons or property, the Prime

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Contractor shall act, at the Prime Contractor's discretion, to prevent threatened damage, injury, or loss. Additional compensation or extension of time claimed by the Prime Contractor on account of an emergency shall be determined as provided in Paragraph 4.3 and Article 7.

10.4 PUBLIC CONVENIENCE AND SAFETY

(a) The Prime Contractor shall place materials stored about the Work and shall conduct the Work at all times in a manner that causes no greater obstruction to the public than is considered necessary by the Owner. Sidewalks or streets shall not be obstructed, except by special permission of the Owner. The materials excavated and the construction materials or plant used in the performance of the Work shall be placed in a manner that does not endanger the Work or prevent free access to all fire hydrants, water mains and appurtenances, water valves, gas valves, manholes for the telephone, telegraph signal or electric conduits, wastewater mains and appurtenances, and fire alarm or police call boxes in the vicinity.

(b) The Owner reserves the right to remedy any neglect on the part of the Prime Contractor in regard to public convenience and safety which may come to the Owner's attention, after twenty-four (24) hours notice in writing to the Prime Contractor. In case of an emergency, the Owner shall have the right to immediately remedy any neglect without notice. In either case, the cost of any work done by the Owner to remedy the Prime Contractor's neglect shall be deducted from the Contract Sum. The Prime Contractor shall notify the City Traffic Control Department when any street is to be closed or obstructed. The notice shall, in the case of major thoroughfares or street upon which transit lines operate, be forty-eight (48) hours in advance. The Owner reserves the right to postpone or prohibit any closure or obstruction of any streets or thoroughfares to the extent necessary for the safety and benefit of the traveling public. The Prime Contractor shall, when directed by the Architect/Engineer or the Owner, keep any street or streets in condition for unobstructed use by City departments. When the Prime Contractor is required to construct temporary bridges or make other arrangements for crossing over ditches or around structures, the Prime Contractor's responsibility for accidents shall include the roadway approaches as well as the crossing structures.

10.5 BARRICADES, LIGHTS AND WATCHMEN

If the Work is carried on or adjacent to any street, alley or public place, the Prime Contractor shall, at the Prime Contractor's own cost and expense, furnish, erect and maintain sufficient barricades, fences, lights and danger signals, shall provide sufficient watchmen, and shall take such other precautionary measures as are necessary for the protection of persons or property and of the Work. All barricades shall be painted in a color that will be visible at night, shall indicate in bold letters thereon the Prime Contractor's name and shall be illuminated by lights from sunset to sunrise. The term "lights," as used in this Paragraph, shall mean flares, flashers, or other illuminated devices. A sufficient number of barricades with adequate markings and directional devices shall also be erected to keep vehicles from being driven on or into any Work under construction. The Prime Contractor will be held responsible for all damage to the Work due to failure of barricades, signs, lights and

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watchmen to protect the Work. Whenever evidence is found of such damage, the Architect/Engineer may order the damaged portion immediately removed and replaced by the Prime Contractor at Prime Contractor's cost and expense. The Prime Contractor's responsibility for maintenance of barricades, signs, and lights, and for providing watchmen, shall not cease until the Project has been finally accepted by the Owner.

10.6 PUBLIC UTILITIES AND OTHER PROPERTIES TO BE CHANGED

In case it is necessary to change or move the property of the Owner or of any telecommunications or public utility, such property shall not be removed or interfered with until ordered to do so by the Architect/Engineer. The right is reserved to the owner of any public or private utilities to enter upon the Project site for the purpose of making such changes or repairs of their property that may become necessary during the performance of the Work. The Owner reserves the right of entry upon the Project site for any purpose, including repairing or relaying sewer and water lines and appurtenances, repairing structures, and for making other repairs, changes, or extensions to any of the Owner's property. The Owner's actions shall conform to the Prime Contractor's current and approved schedule for the performance of the Work, provided that proper notification of schedule requirements has been given to the Owner by the Prime Contractor.

10.7 TEMPORARY STORM SEWER AND DRAIN CONNECTIONS

When existing storm sewers or drains have to be taken up or removed, the Prime Contractor shall at his own expense provide and maintain temporary outlets and connections for all public and private storm sewers and drains. The Prime Contractor shall also take care of all storm sewage and drainage which will be received from these storm drains and sewers; for this purpose, the Prime Contractor shall provide and maintain, at the Prime Contractor's own expense, adequate pumping facilities and temporary outlets or diversions. The Prime Contractor shall, at the Prime Contractor's own expense, construct such troughs, pipes, or other structures necessary and shall be prepared at all times to dispose of storm drainage and sewage received from these temporary connections until such time as the permanent connections are built and in service. The existing storm sewers and connections shall be kept in service and maintained under the Contract, except where specified or ordered to be abandoned by the Architect/Engineer. All storm water and sewage shall be disposed of in a satisfactory manner so that no nuisance is created and that the Work under construction will be adequately protected.

10.8 ARRANGEMENT AND CHARGE FOR WATER FURNISHED BY THE OWNER; ELECTRICITY FOR THE PROJECT

(a) When the Prime Contractor desires to use the Owner's water in connection with the Work, the Prime Contractor shall make complete and satisfactory arrangements with the Denton Water Utilities Department and shall be responsible for the cost of the water the Prime Contractor uses. Where meters are used, the charge will be at the regular established rate; where no meters are used, the charge will be as prescribed by City ordinance, or where no ordinance applies, payment shall be based on estimates made by the Denton Water Utilities Department.

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(b) The Prime Contractor shall make complete and satisfactory arrangements for electricity and metered electrical connections with the Owner or with Denton Municipal Electric in the event that separately metered electrical connections are required for the Project. The Prime Contractor shall pay for all electricity used in the performance of the Work through separate metered electrical connections obtained by the Prime Contractor through the City of Denton.

10.9 USE OF FIRE HYDRANTS

The Prime Contractor, Subcontractors, and any other person working on the Project shall not open, turn off, interfere with, attach any pipe or hose to, or connect anything with any fire hydrant, stop valve, or stop cock, or tap any water main belonging to the Owner, unless duly authorized to do so by the Denton Water Utilities Department in accordance with the Denton City Code.

10.10 ENVIRONMENTAL COMPLIANCE

(a) The Prime Contractor and its Subcontractors are deemed to have made themselves familiar with and at all times shall comply with all applicable federal, state or local laws, rules, regulations, ordinances, and rules of common law now in effect (including any amendments now in effect), relating to the environment, Hazardous Substances or exposure to Hazardous Substances, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C.A. §§ 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C.A. §§ 1801, et seq.; the Resource Conservation and Recovery Act of 1976, 42 U.S.C.A. §§ 6901, et seq.; the Federal Water Pollution Control Act, 33 U.S.C.A §§ 1201, et seq.; the Toxic Substances Control Act, 15 U.S.C.A. §§ 2601, et seq.; the Clean Air Act, 42 U.S.C.A. §§ 7401, et seq.; the Safe Drinking Water Act, 42 U.S.C.A. §§ 3808, et seq., and any current judicial or administrative interpretation of these laws, rules, regulations, ordinances, or rules of common law, including but not limited to any judicial or administrative order, consent decree, or judgment affecting the Project.

(b) In the event the Prime Contractor encounters on the site materials reasonably believed to be a Hazardous Substance that have not been rendered harmless, and removal of such materials is not a part of the scope of Work required under the Contract Documents, the Prime Contractor shall immediately stop Work in the affected area and report in writing the facts of such encounter to the Architect/Engineer and the Owner. Work in the affected area shall not thereafter be resumed except by written order of the Owner unless and until the material is determined not to be a Hazardous Substance or the Hazardous Substance is remediated. The Owner may choose to remediate the Hazardous Substance with a separate contractor or through a Change Order with the Prime Contractor. If the Owner determines that the Hazardous Substance exists in the affected area due to the fault or negligence of the Prime Contractor or any of its Subcontractors, the Prime Contractor shall be responsible for remediating the condition at the sole expense of the Prime Contractor in accordance with the Prime Contractor's APPROVED Spill Remediation Plan. An extension of the Contract Time for any delay in the progress schedule caused as a result of the discovery and remediation of a

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Hazardous Substance may be granted by the Owner only if all remaining Work on the Project must be suspended and the delay cannot be made up elsewhere in the progress schedule. Any request for an extension of the Contract Time related to the discovery and remediation of a Hazardous Substance is subject to the provisions of Paragraph 4.3 and Article 8.

(c) The Prime Contractor shall be responsible for identification, abatement, cleanup, control, removal, remediation, and disposal of any Hazardous Substance brought into or upon the site by the Prime Contractor or any Subcontractor or Supplier. The Prime Contractor shall obtain any and all permits necessary for the legal and proper handling, transportation, and disposal of the Hazardous Substance and shall, prior to undertaking any abatement, cleanup, control, removal, remediation, and disposal, notify the Owner and the Architect/Engineer so that they may observe the activities; provided, however, that it shall be the Prime Contractor's sole responsibility to comply with all applicable laws, rules, regulations, or ordinances governing the activities.

(d) Spill Prevention Plan. At least seventy-two (72) hours prior to commencing performance of any of the Work at the Project site, the Prime Contractor shall submit to the Owner for review and approval a Spill Prevention and Response Plan (SPRP) meeting the requirements of federal and state law, rules, and regulations. The SPRP shall be specially designed for the Prime Contractor's planned work methods and procedures. The SPRP shall be designed to complement all applicable safety standards, fire prevention regulations, and pollution prevention policies and procedures. The SPRP shall include estimates of the quantity and rate of flow should equipment fail, and detail containment or diversionary structures to prevent spills from leaving the site or migrating into adjacent properties or navigable waters. The SPRP shall include methods of recovery of spilled materials and all applicable twenty-four (24) hour emergency phone numbers, including without limitation that of the Owner's Project Manager or other designated representative. The Prime Contractor shall not commence any field work prior to approval of such plan by the Owner. The following additional rules shall apply with respect to spills caused by the Prime Contractor or a Subcontractor:

(1) The Prime Contractor shall immediately report any spill or release at the Project site, whether or not it is associated with this Contract, to the Owner's Project Manager or other designated representative. Thereafter, within two (2) working days after the occurrence of such event, the Prime Contractor shall submit a written report describing such event in a degree of detail reasonably acceptable to the Owner.

(2) The Prime Contractor shall immediately respond in accordance with the SPRP in the event of a spill.

(3) The Prime Contractor shall dispose of spilled materials in accordance with EPA and Texas Commission on Environmental Quality (TCEQ) regulations and any other applicable federal, state, or local laws, rules, or regulations. In connection with such disposals, the Prime Contractor shall use only those transporters and

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disposal facilities that are approved in advance in writing by the Owner. A copy of all transport manifests for the spilled materials shall be obtained and retained in the Prime Contractor's records for reference purposes, to be provided upon request of the Architect/Engineer, the Owner, or any governmental regulatory agency with jurisdiction over the matter. ALL COSTS OF COLLECTION, CONTAINMENT, AND DISPOSAL OF SPILLED MATERIALS SHALL BE THE SOLE RESPONSIBILITY OF THE PRIME CONTRACTOR.

(4) For purposes of this Subparagraph (e), the term "spill" includes any kind of environmental discharge or release.

(e) Clean Air Management Plan. The Prime Contractor shall comply with the Clean Air Management Plan submitted to and approved by the Owner during the contractor selection process. The Owner reserves the right, at the Prime Contractor's sole expense, to require the removal or retrofitting of any equipment used in the course of construction that does not comply with the Plan submitted to and approved by the Owner.

(f) The Prime Contractor shall deposit surplus or waste excavation or other materials removed as part of the Work at a legal disposal site in accordance with all applicable state, federal, and local laws, rules, regulations, and ordinances. The Prime Contractor shall submit to the Owner for review and approval all planned disposal sites or proposed uses for the surplus or waste excavation or other materials prior to removal of any excavation or other material from the Project site. A copy of all transport manifests for surplus or waste excavation or other materials shall be obtained and retained in the Prime Contractor's records for reference purposes, to be provided upon request to the Architect/Engineer, the Owner, or any governmental regulatory agency with jurisdiction over the matter.

(g) The Prime Contractor is responsible for obtaining all TXPDES Storm Water Permits from TCEQ for construction of the Project under regulations contained in 40 CFR Part 122, as amended, pursuant to the Clean Water Act, 33 U.S.C.A. §§1251 et seq. These regulations require the filing of a notice of intent to obtain and abide by the general storm water permit for construction activities promulgated by EPA, including but not limited to cleaning, grading, and excavation that disturb the applicable amount of total land area. In addition, the Prime Contractor shall comply with all regulations of the Owner relating to storm water and storm water runoff management at the Project site pursuant to Chapter 19, Article IX, Denton City Code, as amended.

(h) The Prime Contractor shall not install any materials in the performance of the Work that contain asbestos or asbestos-related material such as hydrated mineral silicate, including chrysolite, amosite, crocidolite, tremolite, anthophyllite or actinolite, whether friable or non-friable.

(i) The Owner reserves the right in its sole option to exercise the following remedies (without waiving the right to pursue the imposition of any civil or criminal fines or penalties that may be imposed under state, federal, or local laws or ordinances), at no additional cost to the Owner and without an extension of the Contract Time, in the

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event the Prime Contractor fails or refuses after seven (7) days advance written notice from the Owner to comply with the provisions of this Paragraph 10.10, the terms of the SPRP, the terms of the Clean Air Management Plan, any storm water permit or other environmental permit issued in connection with the Work, or any applicable environmental law, rule, regulation, or ordinance:

(1) suspend all or any portion of the Work until the noncompliance is corrected, or until a detailed plan to achieve compliance within a reasonably prompt period of time is prepared by the Prime Contractor and approved by the Owner;

(2) if the Prime Contractor fails to properly address the noncompliance within the time stipulated by the Owner, perform the necessary remediation or correction work and backcharge the Prime Contractor for the cost of the remediation or correction; or

(3) terminate the Contract for cause as provided in Article 13.

ARTICLE 11 INSURANCE AND BONDS

11.1 PRIME CONTRACTOR'S INSURANCE

Prime Contractors shall refer to the requirements listed within the solicitation document and resulting contract for all City of Denton insurance requirements. Should a conflict arise between the solicitation document and the resulting contract, the requirements set forth in the actual contract shall prevail.

11.2 PROPERTY INSURANCE

Prime Contractors shall refer to the requirements listed within the solicitation document and resulting contract for all City of Denton insurance requirements. Should a conflict arise between the solicitation document and the resulting contract, the requirements set forth in the actual contract shall prevail.

11.3 'UMBRELLA' LIABILITY INSURANCE

Prime Contractors shall refer to the requirements listed within the solicitation document and resulting contract for all City of Denton insurance requirements. Should a conflict arise between the solicitation document and the resulting contract, the requirements set forth in the actual contract shall prevail.

11.4 POLICY ENDORSEMENTS AND SPECIAL CONDITIONS

Prime Contractors shall refer to the requirements listed within the solicitation document and resulting contract for all City of Denton insurance requirements. Should a conflict arise between the solicitation document and the resulting contract, the requirements set forth in the actual contract shall prevail.

11.5 PERFORMANCE AND PAYMENT BONDS

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(a) Subject to the provisions of Subparagraph 11.5(b), the Prime Contractor shall, with the execution and delivery of the Construction Services Agreement, furnish and file with the Owner in the amounts required in this Paragraph, the surety bonds described in Clauses (a)(1) and (a)(2) below, which surety bonds shall be in accordance with the Charter of the City of Denton and the provisions of Chapter 2253, Texas Government Code, as amended; each bond shall be signed by the Prime Contractor, as Principal, and by an established bonding company, as surety, meeting the requirements of Subparagraph 11.5(c) and approved by the Owner. The surety bonds shall be accompanied by an appropriate Power-of-Attorney clearly establishing the extent and limitations of the authority of each signer to so sign:

(1) Performance Bond. A good and sufficient bond in the amount of $1,000,000, guaranteeing the full and faithful execution of the Work and performance of the Contract in accordance with Plans, Specifications and all other Contract Documents, including any Amendments thereof, for the protection of the Owner. This bond shall also provide for the repair and maintenance of all defects due to faulty materials and workmanship that appear within a period of two (2) years from the date of final completion and acceptance of the improvements by the Owner or lesser or longer periods as may be otherwise designated in the Contract Documents.

(2) Payment Bond. A good and sufficient bond in the amount of $1,000,000, guaranteeing the full and prompt payment of all claimants supplying labor or materials in the prosecution of the Work provided for in the Contract Documents and any Amendments thereto, and for the use and protection of each claimant.

(b) No surety will be accepted by the Owner who is now in default or delinquent on any bonds or who is a party to any litigation against the Owner. All bonds shall be made and executed on the Owner's standard forms, shall be approved by the Owner, and shall be executed by not less than one corporate surety that is authorized and admitted to do business in the State of Texas, is licensed by the State of Texas to issue surety bonds, is listed in the most current United States Department of the Treasury List of Acceptable Sureties, and is otherwise acceptable to the Owner. Each bond shall be executed by the Prime Contractor and the surety, and shall specify that legal venue for enforcement of each bond shall lie exclusively in Denton County, Texas. Each surety shall designate an agent resident in Denton County, Texas to whom any requisite statutory notices may be delivered and on whom service of process may be had in matters arising out of the suretyship.

(c) Contractor will be required to furnish original performance and payment bonds for $1,000,000 before work is to commence. The Contractor shall assume all costs in increasing the bond limits if change orders are formally approved. Bonds shall be in accordance with the V.T.C.A Government Code Section 2253.021, as amended, from a surety licensed to do business in the State of Texas. The City, at its option, may waive the payment and performance bond requirements for projects of less than $50,000. The contractor shall obtain an independent payment and performance bonds for 100% of the project value for any single project in excess of $400,000.

Bond forms are attached and shall be returned upon notice of contract award by the City. Bonds

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should be forwarded to the City of Denton within fourteen (14) calendar days from contract award. This contract is not fully executed until payment and performance bonds are received and accepted by the City. Upon approval, a purchase order will be issued.

(d) The failure of the Contractor to deliver the required statutory bonds and evidence of insurance within fourteen (14) calendar days after the Contract is awarded shall constitute a material breach of the Prime Contractor's bid proposal and the Owner may rescind the Contract award and collect or retain the proceeds of the bid security. By reason of the uncertainty of the market prices or materials and labor, and it being impracticable and difficult to determine accurately the amount of damages occurring to the Owner by reason of the Prime Contractor's failure to execute and furnish the statutory bonds within fourteen (14) calendar days, the filing of a bid proposal with the accompanying bid security will be considered as an acceptance of this Subparagraph 11.5(e). In the event the Owner should re-advertise for bids, the defaulting Prime Contractor shall not be eligible to bid, and the lowest responsible bid obtained in the re-advertisement shall be the bid referred to in this Paragraph.

ARTICLE 12 DEFECTIVE AND NONCONFORMING WORK

12.1 UNCOVERING OF WORK

(a) If a portion of the Work is covered contrary to the Architect/Engineer's request or to requirements specifically expressed in the Contract Documents, the Work must, if required in writing by the Architect/Engineer, be uncovered for the Architect/Engineer's observation and be replaced at the Prime Contractor's expense without change in the Contract Time.

(b) If a portion of the Work has been covered which the Architect/Engineer has not specifically requested to observe prior to it being covered, the Architect/Engineer may request to see such Work and it shall be uncovered by the Prime Contractor. If such Work is in accordance with the Contract Documents, costs of uncovering and replacement shall, by appropriate Change Order, be charged to the Owner. If any Work is not in accordance with the Contract Documents, the Prime Contractor shall pay the costs of uncovering, repair, replacement unless the condition was caused by the Owner or a separate contractor in which event the Owner shall be responsible for payment of such costs.

12.2 CORRECTION OF WORK

(a) The Prime Contractor shall promptly correct Work rejected by the Architect/Engineer as failing to conform to the requirements of the Contract Documents, whether observed before or after Substantial Completion and whether or not fabricated, installed or completed. The Prime Contractor shall bear costs of correcting such rejected Work, including additional testing and inspections and compensation for the Architect/Engineer's services and expenses made necessary thereby.

(b) If any of the Work is found to be defective or nonconforming with the requirements of the Contract Documents, the Prime Contractor shall correct it promptly after receipt of

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written notice from the Architect/Engineer or the Owner to do so unless the Owner has previously given the Prime Contractor a written acceptance or waiver of the defect or nonconformity. The Prime Contractor's obligation to correct defective or nonconforming Work remains in effect for:

(1) one year after the date of Substantial Completion of the Work or designated portion of the Work;

(2) one year after the date for commencement of warranties established by agreement in connection with partial occupancy under Subparagraph 9.8(a); or

(3) the stipulated duration of any applicable special warranty required by the Contract Documents.

(c) The one-year period described in Clauses (b)(1) and (b)(2) shall be extended with respect to portions of the Work performed, repaired, or corrected after Substantial Completion by the period of time between Substantial Completion and the actual completion of the Work.

(d) The obligations of the Prime Contractor under this Paragraph 12.2 shall survive final acceptance of the Work and termination of this Contract. The Owner shall give notice to the Prime Contractor promptly after discovery of a defective or nonconforming condition in the Work. The one-year period stated in Clauses (b)(1) and (b)(2) does not limit the ability of the Owner to require the Prime Contractor to correct latent defects or nonconformities in the Work, which defects or nonconformities could not have been discovered through reasonable diligence by the Owner or the Architect/Engineer at the time the Work was performed or at the time of inspection for certification of Substantial Completion or Final Completion. The one year period also does not relieve the Prime Contractor from liability for any defects or deficiencies in the Work that may be discovered after the expiration of the one year correction period.

(e) The Prime Contractor shall remove from the Project site portions of the Work which are not in accordance with the requirements of the Contract Documents and are neither corrected by the Prime Contractor nor accepted by the Owner.

(f) If the Prime Contractor fails to correct defective or nonconforming Work within a reasonable time after notice from the Owner or the Architect/Engineer, the Owner may correct it in accordance with Paragraph 2.4. If the Prime Contractor does not proceed with correction of defective or nonconforming Work within a reasonable time fixed by written notice from the Architect/Engineer, the Owner may remove or replace the defective or nonconforming Work and store the salvageable materials or equipment at the Prime Contractor's expense. If the Prime Contractor does not pay costs of removal and storage within ten days after written notice, the Owner may, upon ten (10) additional days written notice, sell the materials and equipment at auction or at private sale and shall account for the proceeds after deducting costs and damages that should have been borne by the Prime Contractor, including compensation for the Architect/Engineer's services and expenses made necessary as a result of the sale. If the proceeds of sale do not cover

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costs which the Prime Contractor should have borne, the Contract Sum shall be reduced by the deficiency. If payments due to the Prime Contractor then or thereafter are not sufficient to cover the deficiency, the Prime Contractor shall pay the difference to the Owner.

(g) The Prime Contractor shall bear the cost of correcting destroyed or damaged construction of the Owner or separate contractors, whether the construction is completed or partially completed, that is caused by the Prime Contractor's correction or removal of Work which is not in accordance with the requirements of the Contract Documents.

(h) Nothing contained in this Paragraph 12.2 shall be construed to establish a period of limitation with respect to other obligations which the Prime Contractor might have under the Contract Documents. Establishment of the one-year time period as described in Subparagraph 12.2(b) relates only to the specific obligation of the Prime Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Prime Contractor's liability with respect to the Prime Contractor's obligations other than specifically to correct the Work.

(i) Any Work repaired or replaced pursuant to this Article 12 shall be subject to the provisions of Article 12 to the same extent as Work originally performed or installed.

12.3 ACCEPTANCE OF NONCONFORMING WORK

The Owner may, in the Owner's sole discretion, accept Work which is not in accordance with the requirements of the Contract Documents instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. The adjustment will be accomplished whether or not final payment has been made.

ARTICLE 13 - COMPLETION OF THE CONTRACT; TERMINATION; TEMPORARY SUSPENSION

13.1 FINAL COMPLETION OF CONTRACT

The Contract will be considered completed, except as provided in any warranty or maintenance stipulations, bond, or by law, when all the Work has been finally completed, the final inspection is made by the Architect/Engineer, and final acceptance and final payment is made by the Owner.

13.2 WARRANTY FULFILLMENT

Prior to the expiration of the specified warranty period provided for in the Contract Documents, the Architect/Engineer will make a detailed inspection of the Work and will advise the Prime Contractor and the Prime Contractor's Surety of the items that require correction. The Architect/Engineer will make a subsequent inspection and if the corrections have been properly performed, the Architect/Engineer will issue a letter of release on the

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maintenance stipulations to the Prime Contractor and the Surety. If for any reason the Prime Contractor has not made the required corrections before the expiration of the warranty period, the warranty provisions as provided for in the Contract Documents shall remain in effect until the corrections have been properly performed and a letter of release issued.

13.3 TERMINATION BY THE OWNER FOR CAUSE

(a) Notwithstanding any other provision of these General Conditions, the Work or any portion of the Work may be terminated immediately by the Owner for any good cause after giving seven (7) days advance written notice and opportunity to cure to the Prime Contractor, including but not limited to the following causes:

(1) Failure or refusal of the Prime Contractor to start the Work within ten (10) days after the date of written notice by the Owner to commence the Work.

(2) A reasonable belief that the progress of the Work being made by the Prime Contractor is insufficient to complete the Work within the specified time.

(3) Failure or refusal of the Prime Contractor to provide sufficient and proper equipment or construction forces to properly execute the Work in a timely manner.

(4) A reasonable belief that the Prime Contractor has abandoned the Work.

(5) A reasonable belief that the Contractor has become insolvent, bankrupt, or otherwise financially unable to carry on the Work.

(6) Failure or refusal on the part of the Contractor to observe any requirements of the Contract Documents or to comply with any written orders given by the Architect/Engineer or the Owner as provided for in the Contract Documents.

(7) Failure or refusal of the Prime Contractor to promptly make good any defects in materials or workmanship, or any defects of any nature, the correction of which has been directed in writing by the Architect/Engineer.

(8) A reasonable belief by the Owner that collusion exists or has occurred for the purpose of illegally procuring the Contract or a Subcontractor, or that a fraud is being perpetrated on the Owner in connection with the construction of Work under the Contract.

(9) Repeated and flagrant violation of safe working procedures.

(10) The filing by the Prime Contractor of litigation against the Owner prior to completion of the Work.

(b) When the Work or any portion of the Work is terminated for any of the causes itemized above or for any other cause except termination for convenience pursuant to Subparagraph 13.3(e), the Prime Contractor shall, as of the date specified by the Owner,

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discontinue the Work or portion of the Work as the Owner shall designate, whereupon the surety shall, within fifteen (15) days after the written notice of termination for cause has been served upon the Prime Contractor and the surety or its authorized agents, assume the obligations of the Prime Contractor for the Work or that portion of the Work which the Owner has ordered the Prime Contractor to discontinue and may:

(1) perform the Work with forces employed by the surety;

(2) with the written consent of the Owner, tender a replacement contractor to take over and perform the Work, in which event the surety shall be responsible for and pay the amount of any costs required to be incurred for the completion of the Work that are in excess of the amount of funds remaining under the Contract as of the time of the termination; or

(3) with the written consent of the Owner, tender and pay to the Owner in settlement the amount of money necessary to finish the balance of uncompleted Work under the Contract, correct existing defective or nonconforming Work, and compensate the Owner for any other loss sustained as a result of Prime Contractor's default.

In the event of termination for cause involving Clause (b)(1) or (b)(2), the Surety shall assume the Prime Contractor's place in all respects, and the amount of funds remaining unpaid under the Contract shall be paid by the Owner for all Work performed by the surety or the replacement contractor in accordance with the terms of the Contract Documents, subject to any rights of the Owner to deduct any costs, damages, or actual damages that the Owner may have incurred, including but not limited to additional fees and expenses of the Architect/Engineer and attorneys fees, as a result of such termination.

(c) The balance of the Contract Sum remaining at the time of the Prime Contractor’s default and of the termination shall become due and payable to the surety as the Work progresses, subject to all of the terms, covenants, and conditions of the Contract Documents. If the surety does not, within the time specified in Subparagraph 13.3(b), exercise its obligation to assume the obligations of the Contract, or that portion of the Contract which the Owner has ordered the Prime Contractor to discontinue, then the Owner shall have the power to complete the Work by contract or otherwise, as it may deem necessary. The Prime Contractor agrees that the Owner shall have the right to take possession of or use any or all of the materials, plant, tools, equipment, supplies, and property of every kind provided by the Prime Contractor for the purpose of the Work, and to procure other tools, equipment, labor, and materials for the completion of the Work, and to charge to the account of the Prime Contractor the expenses of completion and labor, materials, tools, equipment, and incidental expenses. The expenses incurred by the Owner to complete the Work shall be deducted by the Owner out of the balance of the Contract Sum remaining unpaid to or unearned by the Contractor. The Prime Contractor and the surety shall be liable to the Owner for any costs incurred in excess of the balance of the Contract Sum for the completion and correction of the Work, and for any other costs, damages, expenses (including but not limited to additional fees of

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the Architect/Engineer and attorney's fees), and damages incurred as a result of the termination.

(d) The Owner shall not be required to obtain the lowest bid for the Work of completing the Contract as described in Subparagraph 13.3(c), but the expenses to be deducted from the Contract Sum shall be the actual cost of such Work. In case the Owner's expense is less than the sum which would have been payable under the Contract, if the same had been completed by the Prime Contractor, then the Owner may pay to the Prime Contractor (or the Surety, in the event of a complete termination for cause) the difference in the cost, provided that the Prime Contractor (or the Surety) shall not be entitled to any claim for damages or for loss of anticipated profits. In case such expenses for completion shall exceed the amount which would have been payable under the Contract if the same had been completed by the Prime Contractor, then the Prime Contractor and his Sureties shall pay the amount of the excess to the Owner on notice from the Owner for excess due. When only a particular part of the Work is being carried on by the Owner by contract or otherwise under the provisions of this Subparagraph, the Prime Contractor shall continue the remainder of the Work in conformity with the terms of the Contract, and in such manner as not to hinder or interfere with the performance of workmen employed and provided by the Owner.

(e) The unconditional right to terminate this Contract for the convenience of the Owner (including but not limited to non-appropriation of funding) is expressly retained by the Owner. In the event of termination for convenience, the Owner shall deliver at least ten (10) days advance written notice of termination for convenience to the Prime Contractor. Upon the Prime Contractor's receipt of such written notice, the Prime Contractor shall cease the performance of the Work and shall take reasonable and appropriate action to secure and protect the Work in place. The Prime Contractor shall then be reimbursed by the Owner in accordance with the terms and provisions of the Contract Documents, not to exceed actual labor costs incurred, materials stored at the Project site or away from the Project site as approved by the Owner but not yet paid for, plus actual, reasonable, and documented termination charges, if any, paid by the Prime Contractor in connection with the Work in place which is completed and in conformance with the Contract Documents to the date of termination for convenience. No amount shall ever be due to the Prime Contractor for lost or anticipated profits.

13.4 TEMPORARY SUSPENSION OF THE WORK

(a) The Work or any portion of the Work may be temporarily suspended by the Owner immediately upon written notice to the Prime Contractor for any reason, including but not limited to:
(1) the causes described in Clauses 13.1(a)(1) through (a)(10) above;

(2) where other provisions in the Contract Documents require or permit temporary suspension of the Work;

(3) situations where the Work is threatened by, contributes to, or causes an immediate threat to public health, safety, or security; or

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(4) other unforeseen conditions or circumstances.

(b) The Prime Contractor shall immediately resume the temporarily suspended Work when ordered in writing by the Owner to do so. The Owner shall not under any circumstances be liable for any claim of the Prime Contractor arising from a temporary suspension due to a cause described in Clause (a)(1) above; provided, however, that in the case of a temporary suspension for any of the reasons described under Clauses (a)(2) through (a)(4), where the Prime Contractor is not a contributing cause of the suspension under one of those Clauses or where the provision of the Contract Documents in question specifically provides that the suspension is at no cost to the Owner, the Owner will make an equitable adjustment for the following items, provided that a claim is properly made by the Prime Contractor under Subparagraph 4.3 of these General Conditions:

(1) an equitable extension of the Contract Time, not to exceed the actual delay caused by the temporary suspension as determined by the Architect/Engineer and the Owner;

(2) an equitable adjustment to the Contract Sum for the actual, necessary, and reasonable costs of properly protecting any Work that is finished or partially finished during the period of the temporary suspension (no profit and overhead shall be allowed on top of these costs); and

(3) if it becomes necessary to move equipment from the Project site and then return it to the Project site when the Work is ordered to be resumed, an equitable adjustment to the Contract Sum for the actual, necessary, and reasonable cost of these moves; provided, however, that no adjustment shall be due if the equipment is moved to another Project site of the Owner.

ARTICLE 14 MISCELLANEOUS PROVISIONS

14.1 GOVERNING LAW; COMPLIANCE WITH LAWS AND REGULATIONS

(a) This Contract shall be in all things governed by the laws of the State of Texas without regard to conflict of laws principles.

(b) The Contractor shall, during the performance of the Work, comply with all applicable City codes and ordinances, as amended, and all applicable State and Federal laws, rules and regulations, as amended.

14.2 SUCCESSORS AND ASSIGNS

The Owner and the Prime Contractor respectively bind themselves, their partners, successors, assigns, and legal representatives to the promises, covenants, terms, conditions, and obligations contained in the Contract Documents. The Prime Contractor shall not assign, transfer, or convey its interest or rights in the Contract, in part or as a whole, without written consent of the Owner. If the Prime Contractor attempts to make an assignment, transfer, or conveyance without the Owner's written consent, the Contractor shall nevertheless remain legally responsible for all obligations under the Contract Documents. The Owner shall not

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assign any portion of the Contract Sum due or to become due under this Contract without the written consent of the Prime Contractor, except where assignment is compelled or allowed by court order, the terms of the Contract Documents, or other operation of law.

14.3 WRITTEN NOTICE

Except as otherwise provided in Article 16, any notice, payment, statement, or demand required or permitted to be given under this Contract by either party to the other may be effected by personal delivery in writing or by mail, postage prepaid to the Project Manager or Superintendent of either party, or to an officer, partner, or other designated representative of either party. Mailed notices shall be addressed to the parties at an address designated by each party, but each party may change its address by written notice in accordance with this section. Mailed notices shall be deemed communicated as of three (3) days after mailing.

14.4 RIGHTS AND REMEDIES; NO WAIVER OF RIGHTS BY OWNER

(a) The duties and obligations imposed on the Prime Contractor by the Contract Documents and the rights and remedies available to the Owner under the Contract Documents shall be in addition to, and not a limitation of, any duties, obligations, rights, and remedies otherwise imposed or made available by law.

(b) No action or failure to act by the Owner shall constitute a waiver of a right afforded the Owner under the Contract Documents, nor shall any action or failure to act by the Owner constitute approval of or acquiescence in a breach of the Contract by Prime Contractor, except as may be specifically agreed in writing by Change Order or Supplemental Agreement.

14.5 INTEREST

The Owner shall not be liable for interest on any progress or final payment to be made under the Contract Documents, except as may be provided by the applicable provisions of the Prompt Payment Act, Chapter 2251, Texas Government Code, as amended, subject to Paragraph 9.6(a) of these General Conditions.

14.6 OFFICERS OR EMPLOYEES OF THE OWNER NOT TO HAVE FINANCIAL INTEREST IN ANY CONTRACT OF THE OWNER

No officer or employee of the Owner shall have a financial interest, direct or indirect, in any Contract with the Owner, or be financially interested, directly or indirectly, in the sale to the Owner of any land, materials, supplies or services, except on behalf of the Owner as an officer or employee as defined in the City's Ethic Ordinance 18-757 and in the City Charter chapter 2 article XI(Ethics). Any violation of this article shall constitute malfeasance in office, and any officer or employee of Owner guilty thereof shall thereby forfeit his office or position. Any violation of this section, with the knowledge, express or implied, of the person, persons, partnership, company, firm, association or corporation contracting with the Owner shall render the Contract involved voidable by the Owner's City Manager or City Council.

14.7 VENUE

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This Contract is deemed to be performed in Denton County, Texas, and if legal action is necessary to enforce this Contract, exclusive venue shall lie in Denton County, Texas.

14.8 INDEPENDENT CONTRACTOR

In performing the Work under this Contract, the relationship between the Owner and the Prime Contractor is that of an independent contractor. The Prime Contractor shall exercise independent judgment in performing the Work and is solely responsible for setting working hours, scheduling or prioritizing the Work flow and determining the means and methods of performing the Work, subject only to the requirements of the Contract Documents. No term or provision of this Contract shall be construed as making the Prime Contractor an agent, servant, or employee of the Owner, or making the Prime Contractor or any of the Prime Contractor's employees, agents, or servants eligible for the fringe benefits, such as retirement, insurance and worker's compensation, which the Owner provides to its employees.

14.9 NONDISCRIMINATION

As a condition of this Contract, the Prime Contractor covenants that he will take all necessary actions to insure that, in connection with any work under this Contract, the Prime Contractor and its Subcontractors will not discriminate in the treatment or employment of any individual or groups of individuals on the grounds of race, color, religion, national origin, age, sex, sexual orientation, or handicap unrelated to job performance, either directly, indirectly or through contractual or other arrangements. The Prime Contractor shall also comply with all applicable requirements of the Americans with Disabilities Act, 42 U.S.C.A. §§12101-12213, as amended. In this regard, the Prime Contractor shall keep, retain and safeguard all records relating to his Contract or Work performed thereunder for a minimum period of three (3) years from final Contract completion, with full access allowed to authorized representatives of the Owner, upon request, for purposes of evaluating compliance with this and other provisions of the Contract.

14.10 GIFTS TO PUBLIC SERVANTS

(a) The Owner may terminate this Contract immediately if the Prime Contractor has offered, conferred, or agreed to confer any benefit on a City of Denton employee or official that the City of Denton employee or official is prohibited by law from accepting.

(b) For purposes of this Article, "benefit" means anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person in whose welfare the beneficiary has a direct or substantial interest, but does not include a contribution or expenditure made and reported in accordance with law.

(c) Notwithstanding any other legal remedies, the Owner may require the Prime Contractor to remove any employee of the Prime Contractor from the Project who has violated the restrictions of this Article or any similar State or Federal law, and obtain reimbursement for any expenditures made to the Prime Contractor as a result of the improper offer, agreement to confer, or conferring of a benefit to a City of Denton employee or official.

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ARTICLE 15 RIGHT TO AUDIT CONTRACTOR'S RECORDS

By execution of the Building Construction Services Agreement, the Prime Contractor grants the Owner the right to audit, at the Owner's election, all of the Prime Contractor's records and billings relating to the performance of the Work under the Contract Documents. The Prime Contractor agrees to retain its Project records for a minimum of five (5) years following completion of the Work. The Owner agrees that it will exercise the right to audit only at reasonable hours. City may review any and all of the services performed by Prime Contractor under this Contract. Any payment, settlement, satisfaction, or release made or provided during the course of performance of this Contract shall be subject to City's rights as may be disclosed by an audit under this section.

ARTICLE 16 NOTICE OF CONTRACT CLAIM

This Contract is subject to the provisions of the Denton City Code, as amended, relating to requirements for filing a notice of a breach of contract claim against City. Prime Contractor shall comply with the requirements of this ordinance as a precondition of any litigation relating to this Contract, in addition to all other requirements in this Contract related to claims and notice of claims.

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EXHIBIT D
PAYMENT AND PERFORMANCE BOND REQUIREMENTS

Contractor will be required to furnish original performance and payment bonds for $1,000,000 before work is to commence. The Contractor shall assume all costs in increasing the bond limits if change orders are formally approved. Bonds shall be in accordance with the V.T.C.A Government Code Section 2253.021, as amended, from a surety licensed to do business in the State of Texas. The contractor shall obtain an independent payment and performance bonds for 100% of the project value for any single project in excess of $400,000. The City, at its option, may waive the payment and performance bond requirements for projects of less than $50,000.

Bond forms shall be returned upon notice of contract award by the City. Bonds should be forwarded to the City of Denton within fourteen (14) calendar days from contract award. This contract is not fully executed until payment and performance bonds are received and accepted by the City. Upon approval, a purchase order will be issued.

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EXHIBIT E
INSURANCE REQUIREMENTS AND WORKERS' COMPENSATION REQUIREMENTS

Upon contract execution, all insurance requirements shall become contractual obligations, which the successful contractor shall have a duty to maintain throughout the course of this contract.

STANDARD PROVISIONS:

Without limiting any of the other obligations or liabilities of the Contractor, the Contractor shall provide and maintain until the contracted work has been completed and accepted by the City of Denton, Owner, the minimum insurance coverage as indicated hereinafter.

Contractor shall file with the Purchasing Department satisfactory certificates of insurance including any applicable addendum or endorsements, containing the contract number and title of the project. Contractor may, upon written request to the Purchasing Department, ask for clarification of any insurance requirements at any time; however, Contractor shall not commence any work or deliver any material until he or she receives notification that the contract has been accepted, approved, and signed by the City of Denton.

All insurance policies proposed or obtained in satisfaction of these requirements shall comply with the following general specifications, and shall be maintained in compliance with these general specifications throughout the duration of the Contract, or longer, if so noted:

- Each policy shall be issued by a company authorized to do business in the State of Texas with an A.M. Best Company rating of at least **A or better**.

- Any deductibles or self-insured retentions shall be declared in the proposal. If requested by the City, the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the City, its officials, agents, employees and volunteers; or, the contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

- Liability policies shall be endorsed to provide the following:

    - Name as Additional Insured the City of Denton, its Officials, Agents, Employees and volunteers.

    - That such insurance is primary to any other insurance available to the Additional Insured with respect to claims covered under the policy and that this insurance applies separately to each insured against whom claim is made or suit is brought. The inclusion of more than one insured shall not operate to increase the insurer's limit of liability.

    - Provide a Waiver of Subrogation in favor of the City of Denton, its officials, agents, employees, and volunteers.

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- ***Cancellation: City requires 30 day written notice should any of the policies described on the certificate be cancelled or materially changed before the expiration date.***

- Should any of the required insurance be provided under a claims made form, Contractor shall maintain such coverage continuously throughout the term of this contract and, without lapse, for a period of three years beyond the contract expiration, such that occurrences arising during the contract term which give rise to claims made after expiration of the contract shall be covered.

- Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit providing for claims investigation or legal defense costs to be included in the general annual aggregate limit, the Contractor shall either double the occurrence limits or obtain Owners and Contractors Protective Liability Insurance.

- Should any required insurance lapse during the contract term, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this contract, effective as of the lapse date. If insurance is not reinstated, City may, at its sole option, terminate this agreement effective on the date of the lapse.

SPECIFIC ADDITIONAL INSURANCE REQUIREMENTS:

All insurance policies proposed or obtained in satisfaction of this Contract shall additionally comply with the following marked specifications, and shall be maintained in compliance with these additional specifications throughout the duration of the Contract, or longer, if so noted:

[X] A. **General Liability Insurance:**

General Liability insurance with combined single limits of not less than **$1,000,000.00** shall be provided and maintained by the Contractor. The policy shall be written on an occurrence basis either in a single policy or in a combination of underlying and umbrella or excess policies.

If the Commercial General Liability form (ISO Form CG 0001 current edition) is used:

- Coverage A shall include premises, operations, products, and completed operations, independent contractors, contractual liability covering this contract and broad form property damage coverage.

- Coverage B shall include personal injury.

- Coverage C, medical payments, is not required.

If the Comprehensive General Liability form (ISO Form GL 0002 Current Edition and ISO Form GL 0404) is used, it shall include at least:

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- Bodily injury and Property Damage Liability for premises, operations, products and completed operations, independent contractors and property damage resulting from explosion, collapse or underground (XCU) exposures.

- Broad form contractual liability (preferably by endorsement) covering this contract, personal injury liability and broad form property damage liability.

[X] **Automobile Liability Insurance:**

Contractor shall provide Commercial Automobile Liability insurance with Combined Single Limits (CSL) of not less than **$1,000,000** either in a single policy or in a combination of basic and umbrella or excess policies. The policy will include bodily injury and property damage liability arising out of the operation, maintenance and use of all automobiles and mobile equipment used in conjunction with this contract.

Satisfaction of the above requirement shall be in the form of a policy endorsement for:

- any auto, or
- all owned hired and non-owned autos.

[X] **Workers' Compensation Insurance**

Contractor shall purchase and maintain Workers' Compensation insurance which, in addition to meeting the minimum statutory requirements for issuance of such insurance, has Employer's Liability limits of at least $100,000 for each accident, $100,000 per each employee, and a $500,000 policy limit for occupational disease. The City need not be named as an "Additional Insured" but the insurer shall agree to waive all rights of subrogation against the City, its officials, agents, employees and volunteers for any work performed for the City by the Named Insured. For building or construction projects, the Contractor shall comply with the provisions of Attachment 1 in accordance with §406.096 of the Texas Labor Code and rule 28TAC 110.110 of the Texas Workers' Compensation Commission (TWCC).

[X] **Owner's and Contractor's Protective Liability Insurance**

The Contractor shall obtain, pay for and maintain at all times during the prosecution of the work under this contract, an Owner's and Contractor's Protective Liability insurance policy naming the City as insured for property damage and bodily injury which may arise in the prosecution of the work or Contractor's operations under this contract. Coverage shall be on an "occurrence" basis and the policy shall be issued by the same insurance company that carries the Contractor's liability insurance. Policy limits will be at least **$1,000,000.00** combined bodily injury and property damage per occurrence with a **$2,000,000.00** aggregate.

[ ] **Fire Damage Legal Liability Insurance**

Coverage is required if Broad form General Liability is not provided or is unavailable to

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the contractor or if a contractor leases or rents a portion of a City building. Limits of not less than _____ each occurrence are required.

[ ] **Professional Liability Insurance**

Professional liability insurance with limits not less than **$1,000,000.00** per claim with respect to negligent acts, errors or omissions in connection with professional services is required under this Agreement.

[X] **Builders' Risk Insurance**

Builders' Risk Insurance, on an All-Risk form for 100% of the completed value shall be provided. Such policy shall include as "Named Insured" the City of Denton and all subcontractors as their interests may appear.

[X] **Environmental Liability Insurance**

Environmental liability insurance for $2,000,000 to cover all hazards contemplated by this contract.

[ ] **Riggers Insurance**

The Contractor shall provide coverage for Rigger's Liability. Said coverage may be provided by a Rigger's Liability endorsement on the existing CGL coverage; through and Installation Floater covering rigging contractors; or through ISO form IH 00 91 12 11, Rigger's Liability Coverage form. Said coverage shall mirror the limits provided by the CGL coverage

[ ] **Commercial Crime**

Provides coverage for the theft or disappearance of cash or checks, robbery inside/outside the premises, burglary of the premises, and employee fidelity. The employee fidelity portion of this coverage should be written on a "blanket" basis to cover all employees, including new hires. This type insurance should be required if the contractor has access to City funds. Limits of not less than $_____ each occurrence are required.

[ ] **Additional Insurance**

Other insurance may be required on an individual basis for extra hazardous contracts and specific service agreements. If such additional insurance is required for a specific contract, that requirement will be described in the "Specific Conditions" of the contract specifications.

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ATTACHMENT 1

[X] **Workers' Compensation Coverage for Building or Construction Projects for Governmental Entities**

A. 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/person's work on the project has been completed and accepted by the governmental entity.

Persons providing services on the project ("subcontractor" in §406.096) - 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, owner-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.

B. The contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any overage 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.

C. The Contractor must provide a certificate of coverage to the governmental entity prior to being awarded the contract.

D. 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.

E. 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

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2. 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.

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

G. The contractor shall 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.

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

I. 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 to 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 to the 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 year thereafter;

6. notify the governmental entity 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

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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.

J. 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.

K. The contractor’s failure to comply with any of these provisions is a breach of contract by the contractor which entitles the governmental entity to declare the contract void if the contractor does not remedy the breach within ten days after receipt of notice of breach from the governmental entity.

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Exhibit F
Certificate of Interested Parties Electronic Filing

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that the City may not enter into this contract unless the Contractor submits a disclosure of interested parties (Form 1295) to the City at the time the Contractor submits the signed contract. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Commission.

Contractor will be required to furnish a Certificate of Interest Parties before the contract is awarded, in accordance with Government Code 2252.908.

The contractor shall:

1. Log onto the State Ethics Commission Website at : https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm
2. Register utilizing the tutorial provided by the State
3. Print a copy of the completed Form 1295
4. Enter the Certificate Number on page 2 of this contract.
5. Complete and sign the Form 1295
6. Email the form to purchasing@cityofdenton.com with the contract number in the subject line. (EX: Contract 1234 – Form 1295)

The City must acknowledge the receipt of the filed Form 1295 not later than the 30th day after Council award. Once a Form 1295 is acknowledged, it will be posted to the Texas Ethics Commission's website within seven business days.

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EXHIBIT G

FACILITIES MANAGEMENT
869 S. Woodrow Lane
Denton, Texas 76205

Date Issued:

REQUEST FOR COST			
Project Name:		**Building:**	
Physical Address:			
Legal Description:			

Insert Picture of Building	*Insert Picture*

EXISTING CONDITIONS:	PROPOSED CONDITIONS:

SCOPE OF WORK:			
Project Manager:		**Email:**	

ATTACHMENTS		
☐ **Floor Plans**	☐ **Photos**	☐ **Specifications**

The undersigned hereby proposes to complete the scope of services detailed herein by the specified time frame. By submitting this Request for Costs, they acknowledge they have received all attachments, have reviewed all attachments, and have performed a site visit. All work will be performed in accordance with the Contract between the Vendor and the City of Denton.

Company Name:		**Contact Name:**	
Contingencies:		**Email:**	

COST/SCHEDULE ESTIMATE			
Days For Mobilization:		**Name:**	
Days For Construction:		**Job Title:**	
Labor Costs:	$		
Material Costs:	$	**Signature:**	
Equipment/Rental Costs:	$		
TOTAL COST:	$		
REQUEST FOR COST DUE:		**DATE SIGNED:**	

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EXHIBIT H

CONFLICT OF INTEREST QUESTIONNAIRE - FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

This questionnaire is being filed in accordance with chapter 176 of the Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local government entity 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.

1 **Name of person who has a business relationship with local governmental entity.**

SOLID FOUNDATIONS CONCRETE, LLC

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 **Name of local government officer with whom filer has an employment or business relationship.**

NA

Name of Officer

This section, (item 3 including subparts A, B, C & D), must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

☐ Yes ☐ No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

☐ Yes ☐ No

D. Describe each affiliation or business relationship.

4 ☒ **I have no Conflict of Interest to disclose.**

5 DocuSigned by:

Mark Ashley

5650154FD114453...

Signature of person doing business with the governmental entity

3/31/2026

Date

File # 8983

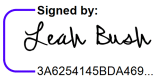
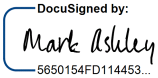
Certificate Of Completion

Envelope Id: 9E0A0F9A-FAD3-445D-A424-0A331F9E752E
Status: Sent
Subject: Please DocuSign: City Council Contract 8983 Parking Lot Maintenance, Repairs, Construction & DEMO
Source Envelope:
Document Pages: 88
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Crystal Westbrook
901B Texas Street
Denton, TX 76209
crystal.westbrook@cityofdenton.com
IP Address: 198.49.140.10

Record Tracking

Status: Original
3/24/2026 11:55:10 AM
Holder: Crystal Westbrook
crystal.westbrook@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Crystal Westbrook crystal.westbrook@cityofdenton.com Senior Buyer City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	**Completed** Using IP Address: 198.49.140.10	Sent: 3/24/2026 12:00:09 PM Viewed: 3/24/2026 12:00:18 PM Signed: 3/24/2026 12:01:08 PM
Lori Hewell lori.hewell@cityofdenton.com Purchasing Manager City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.104	Sent: 3/24/2026 12:01:11 PM Viewed: 3/24/2026 1:24:17 PM Signed: 3/24/2026 1:28:25 PM
Leah Bush leah.bush@cityofdenton.com Assistant City Attorney Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 3/24/2026 1:28:27 PM Viewed: 3/25/2026 10:07:25 AM Signed: 3/25/2026 10:14:44 AM
Mark Ashley mashley@sfconcretellc.com President Solid Foundations Concrete Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 3/31/2026 4:13:16 PM ID: d6e8bd04-2e77-4602-9692-ab2d27e04f4b	 Signature Adoption: Pre-selected Style Using IP Address: 104.58.216.170	Sent: 3/25/2026 10:14:46 AM Resent: 3/31/2026 3:56:38 PM Viewed: 3/31/2026 4:13:16 PM Signed: 3/31/2026 4:19:26 PM

Signer Events	Signature	Timestamp
Tom Gramer tom.gramer@cityofdenton.com Director Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	DocuSigned by: Tom Gramer 7B58DA8FCE5F49C... Signature Adoption: Pre-selected Style Using IP Address: 2600:100c:b285:2abf:c567:1cf0:38a9:8351 Signed using mobile	Sent: 3/31/2026 4:19:28 PM Viewed: 3/31/2026 4:20:38 PM Signed: 3/31/2026 4:20:57 PM
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		Sent: 3/31/2026 4:21:00 PM
Cassey Ogden Cassey.Ogden@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Ingrid Rex Ingrid.Rex@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 3/24/2026 12:01:12 PM
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None)	COPIED	Sent: 3/31/2026 4:20:59 PM Viewed: 4/1/2026 10:48:59 AM

Carbon Copy Events	Status	Timestamp
Electronic Record and Signature Disclosure: Not Offered via Docusign		
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Danny Defee daniel.defee@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/24/2026 12:00:09 PM
Envelope Updated	Security Checked	3/31/2026 3:56:37 PM
Envelope Updated	Security Checked	3/31/2026 3:56:37 PM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, City of Denton (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact City of Denton:
You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: purchasing@cityofdenton.com

To advise City of Denton of your new e-mail address
To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at melissa.kraft@cityofdenton.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..
In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

To request paper copies from City of Denton
To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with City of Denton
To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
ii. send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail, full name, IS Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	•Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

Acknowledging your access and consent to receive materials electronically
To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.
By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and

- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and

- Until or unless I notify City of Denton as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by City of Denton during the course of my relationship with you.

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

ACM: Kenneth Hedges

DATE: June 2, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton extending the approval period for a Specific Use Permit for a multifamily use originally approved via Ordinance S23-0001a for approximately 2.4 acres of land, generally located on the south side of North Elm Street, approximately 560 feet east of Riney Road in the City of Denton, Denton County, Texas; adopting an amendment to the City's official zoning map; providing for a penalty in the maximum amount of $2,000.00 for violations thereof; providing for severability and an effective date. (S26-0002, 3301 N Elm Multifamily, Ashley Ekstedt)

BACKGROUND

The request is to grant a one-year extension to the approval period for the Specific Use Permit (SUP) for a Multifamily use on approximately 2.4 acres of land, originally approved on September 17, 2024, as Ordinance Number S23-0001a (provided as Exhibit 2). The SUP was approved with conditions to allow for the development of a Multifamily use consisting of 67 one- and two- bedroom multifamily units.

Section 2.5.2C.6.b of the Denton Development Code provides for the expiration of a Specific Use Permit if the authorized use or construction is not substantially underway within 24 months after the date of approval unless an extension is granted. Since the approval of the SUP, the applicant for this project has submitted and received approval of civil engineering plans and a final plat and has submitted a building permit application, which is still under staff review. Due to rising costs of materials, labor, and contractor services, the applicant is requesting additional time to begin construction (See Exhibit 3). Staff recognizes that this property is for sale, and while the current property owners may not be who ultimately develops this property, the SUP runs with the land and a future property owner would be required to follow the approved plans.

Sections 2.5.2 and 2.4.8D of the Denton Development Code authorize the City Council, being the original approval body, to grant an extension of the approval period for a SUP for a period of up to one year for good cause. There are no additional criteria for approval that need to be met for this type of request. The developer has provided a letter detailing the rationale for their request for the extension, which is provided as Exhibit 3.

If approved, the requested extension would be valid through September 17, 2027.

OPTIONS

1. Approve as submitted.
2. Approve subject to conditions.
3. Deny.

4. Postpone item.

RECOMMENDATION

Staff recommends approval of this request.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Date	Council, Board, Commission	Request	Action
June 5, 2019	Planning & Zoning Commission	Conveyance Plat	Approved
October 25, 2023	Planning & Zoning Commission	Subdivision Variance (V23-0006)	Approved
July 24, 2024	Planning & Zoning Commission	Specific Use Permit	Recommended Approval
September 17, 2024	City Council	Specific Use Permit	Approved
September 10, 2025	Planning & Zoning Commission	Final Plat	Approved

DEVELOPER ENGAGEMENT DISCLOSURES

No developer contact and/or meeting disclosures have been provided to staff as of the issuance of this report.

EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance S23-0001a
Exhibit 3 - Extension Request
Exhibit 4 - Draft Ordinance
Exhibit 5 - Staff Presentation

ORDINANCE NO. S23-0001a

AN ORDINANCE OF THE CITY OF DENTON, TEXAS REGARDING A REQUEST FOR A SPECIFIC USE PERMIT (SUP) TO ALLOW FOR A MULTI-FAMILY RESIDENTIAL USE ON APPROXIMTELY 2.4 ACRES OF LAND, GENERALLY LOCATED ON THE SOUTH SIDE OF NORTH ELM STREET, APPROXIMATELY 560 FEET EAST OF RINEY ROAD, IN THE CITY OF DENTON, DENTON COUNTY, TEXAS; ADOPTING AN AMENDMENT TO THE CITY'S OFFICIAL ZONING MAP; PROVIDING FOR A PENALTY IN THE MAXIMUM AMOUNT OF $2,000.00 FOR VIOLATIONS THEREOF; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE. (S23-0001a)

WHEREAS, Travis Pruett with Jacob and Hefner, LLC, representing the property owner SY3M, LLC has applied for a new Specific Use Permit ("SUP") to allow for a Multifamily Residential use on an approximately 2.4-acre site, within the Residential 7 (R7) zoning district and use classification, as described in **Exhibit "A"** (hereinafter, "the Property"); and

WHEREAS, on July 24, 2024, the Planning and Zoning Commission, in compliance with the laws of the State of Texas, having given the requisite notices by publication and otherwise, and having afforded full and fair hearings and to all property owners interested in this regard, has recommended approval [4-1] of the requested SUP, subject to conditions; and

WHEREAS, on September 17, 2024, the City Council likewise conducted a public hearing as required by law to consider the SUP request. Upon consideration, the City Council hereby finds that the request is consistent with the Denton 2040 Comprehensive Plan and federal, state, and local law, and that the Applicant has agreed to comply with all provisions of the Denton Development Code ("DDC"), and has further agreed to comply with the additional restrictions and conditions set forth herein; and

WHEREAS, the City Council has determined that it will be beneficial to Denton and its citizens to grant the SUP; that such grant will not be detrimental to the public welfare, safety, or health; that proposed permit, as conditioned below, satisfies criteria set forth in Sections 2.4.5E and 2.5.2D of the Denton Development Code; and that the SUP should be granted; NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained in the preamble of this ordinance are incorporated herein by reference and found to be true.

SECTION 2. The SUP to allow the Multifamily Residential Use on the Property as shown on the site plan attached and incorporated herein as **Exhibit "B",** the landscape plan attached and incorporated herein as **Exhibit "C,"** and the building elevations attached and incorporated herein as **Exhibit "D",** is hereby approved, subject to the use-specific standards of the DDC, as amended, and with the following conditions:

1. The attached Site Plan and Landscape Plan reflect an intent to comply with the 2019 Denton Development Code (DDC), as amended.

2. The attached Site Plan and Landscape Plan are incorporated as requirements of the SUP. Staff shall have the ability to approve a reduction in the building footprint, an increase in the landscape area, and a decrease in the number of dwelling units with associated parking of up to 5% of any of the amounts specified in requirements "a" through "c" below, provided all applicable requirements of the DDC are met:

    a. No more than 67 one- and two-bedroom units with a total building footprint not to exceed 23,540 square feet.
    b. A minimum total landscape area of 31,378 square feet. At minimum, on-site amenities shall include a trail throughout the open space and a fire pit.
    c. One hundred and eight (108) parking spaces and eighteen (18) bicycle parking spaces are proposed for the multi-family development indicated on the site plan.
    d. One full point of access, and one emergency only point of access, to North Elm Street shall be provided.

3. Minor alterations to the depicted locations of buildings, pedestrian pathways, and parking may be approved by City Staff, provided that the final plan complies with the attached site plan in terms of access and internal pedestrian connectivity.

4. Minor alterations to the depicted locations of individual plantings may be approved by City staff, provided that the final landscaping, as planted, complies with the attached landscape plan in terms of required landscape elements, open space, overall tree canopy, as well as all elements of the DDC.

5. Building architecture shall be consistent in style and detailing to the attached conceptual elevations. Minor alterations to the building elevations may be approved by City Staff, provided that the final project complies with DDC Section 7.10.

6. Improvements within the Texas Department of Transportation (TxDOT) roadway require approval by TxDOT. If TxDOT requires minor alterations to relocate the proposed drive approaches off of North Elm Street, adjust building location and relocate parking spaces impacted by the relocation of a drive approach, add a turn lane, or any other minor changes required by TxDOT, these changes may be approved by City staff, provided that the final configuration of the drive approaches complies with the TxDOT requirements as well as all elements of the DDC. All other changes to site access shall require a Specific Use Permit amendment in accordance with the Denton Development Code.

7. Notwithstanding the limited administrative approvals authorized in conditions 2, 3, 4, 5, and 6, the City reserves the right to require approval by ordinance of any amendments or alterations to the SUP, the attached site plan, and the attached landscape plan.

8. The zoning map shall reflect the Specific Use Permit on the property consistent with the DDC.

SECTION 3. Failure to Comply. Except as otherwise stated above, all terms of the SUP shall be complied with prior to issuance of a Certificate of Occupancy. Failure to comply with any term or condition of the Ordinance will result in the SUP being declared null and void, and of no force and effect. The SUP is issued to the entity named above runs with the land and is assignable and transferable to subsequent owners of the Property.

SECTION 4. SUP Regulations. Upon notice to the property owner and a hearing before the City Council, a SUP may be revoked or modified if: 1. There is one or more of the conditions imposed by this Ordinance that has not been met or has been violated on the Property; or 2. The SUP was obtained or extended by fraud or deception; or 3. As otherwise permitted by law and/or permitted by the Denton Development Code.

SECTION 5. Unlawful use. It shall be unlawful for any person, firm, entity, or corporation to make use of the above-referenced Property in some manner other than as authorized by the Denton's Codes of Ordinances and this Ordinance.

SECTION 6. Severability. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid by any court, such invalidity shall affect the validity of the provisions or applications, and to this end the provisions of this ordinance are severable.

SECTION 7. Penalty. Any person, firm, entity or corporation violating any provision of this ordinance shall, upon conviction, be fined a sum not exceeding $2,000.00 for each violation. Each day that a provision of this ordinance is violated shall constitute a separate and distinct offense. The penal provisions imposed under this Ordinance shall not preclude Denton from filing suit to enjoin the violation and it retains all legal rights and remedies available to it under local, state and federal law.

SECTION 8. In compliance with Section 2.09(c) of the Denton Charter, this ordinance shall become effective fourteen (14) days from the date of its passage, and the City Secretary is hereby directed to cause the caption of this ordinance to be published twice in the Denton Record-Chronicle, a daily newspaper published in the City of Denton, Texas, within ten (10) days of the date of its passage.

The motion to approve this ordinance was made by Gerard Hudspeth and seconded by Vicki Byrd, the ordinance was passed and approved by the following vote [5 - 2]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	✓			
Vicki Byrd, District 1:	✓			

Brian Beck, District 2:	____	✓	____	____
Paul Meltzer, District 3:	____	✓	____	____
Joe Holland, District 4:	✓	____	____	____
Brandon Chase McGee, At Large Place 5:	✓	____	____	____
Jill Jester, At Large Place 6:	✓	____	____	____

PASSED AND APPROVED this the 17th day of September, 2024.

GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: Lauren Thoden

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Hilary Noyon

EXHIBIT A

Legal Description

BEING a 104,543 square foot (2.400 acre) tract of land situated in the THOMAS TOBY SURVEY, ABSTRACT NO. 1288 and the B.B.B. & C.R.R. CO. SURVEY, ABSTRACT NO. 186, City of Denton, Denton County, Texas, same being all of Lot 1, Block 1, of DENTON LIVING ADDITION, an Addition to the City of Denton, Denton County, Texas, by Conveyance Plat recorded in Instrument Number 2019-318, Official Public Records, Denton County, Texas, further being all of that certain tract of land conveyed to SY3M, LLC, by General Warranty Deed recorded in Instrument Number 202100135224, Official Public Records, Denton County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a TxDOT Brass Monument found for the northwest corner of said Lot 1, same being on the southwest right-of-way line of US-77 (North Elm Street), (Variable Width R.O.W.), same being the northeast corner of that certain tract of land conveyed to Herbert Thomas Nelson, Jr. & Teresa Nelson, by General Warranty Deed recorded in Instrument Number 200900012057, Official Public Records, Denton County, Texas;

THENCE South 58 degrees 12 minutes 05 seconds East, along said southwest right-of-way line with the northeast line of said Lot 1, for a distance of 216.07 feet, to a capped iron rod with Yellow plastic cap stamped, "PLS INC" found;

THENCE South 59 degrees 08 minutes 47 seconds East, continuing along said southwest right-of-way line with the northeast line of said Lot 1, for a distance of 363.50 feet, to a 1/2" iron rod found for the northeast corner of said Lot 1, same being the northwest corner of that certain tract of land conveyed to CITY OF DENTON, TEXAS, by Special Warranty Deed recorded in Instrument Number 201000083899, Official Public Records, Denton County, Texas;

THENCE South 00 degrees 20 minutes 25 seconds West, departing said southwest right-of-way line, along the east line of said Lot 1 and along the west line of said CITY OF DENTON, TEXAS tract, for a distance of 62.58 feet, to a 1/2" iron rod found for the southeast corner of said Lot 1, same being the southwest corner of said CITY OF DENTON, TEXAS tract, further being on the north line of Lot 2, Block 1, of Lot 1R and Lot 2, Block 1, Lake Cities Addition, an Addition to the City of Denton, Denton County, Texas, by Plat recorded in Instrument Number 2010-145, Official Public Records, Denton County, Texas;

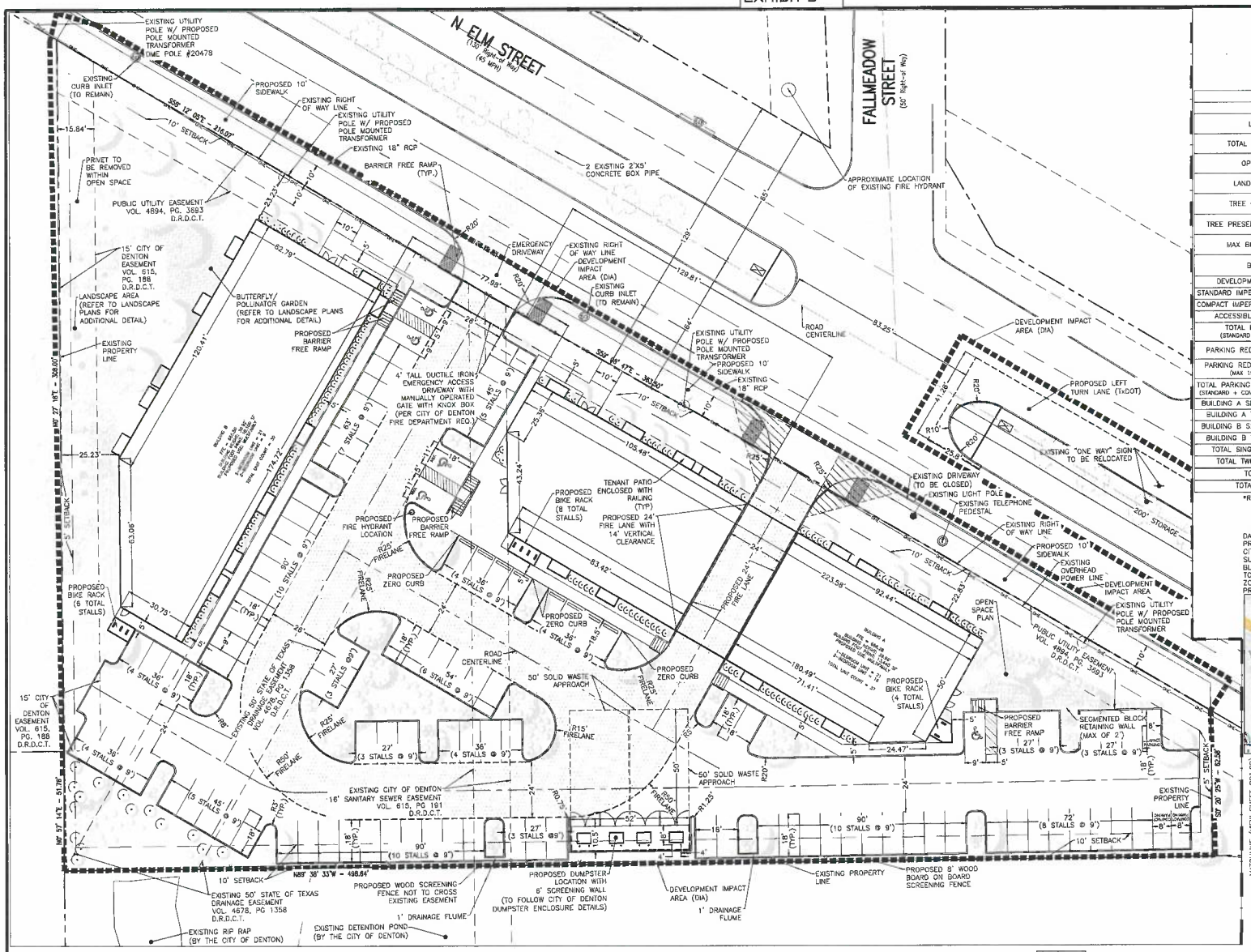
THENCE North 89 degrees 38 minutes 33 seconds West, along the south line of said Lot 1 and along the north line of said Lot 2, for a distance of 498.64 feet, to a capped iron rod with Yellow plastic cap found for the southwest corner of said Lot 1, same being the northwest corner of said Lot 2, further being on the east line of that certain tract of land conveyed to HERBERT THOMAS NELSON, JR. & TERESA JO NELSON, by Warranty Deed with Vendor's Lien recorded in Instrument Number 99-47871, Deed Records, Denton County, Texas;

THENCE North 00 degrees 57 minutes 14 seconds East, along the west line of said Lot 1 and along the east line of said HERBERT THOMAS NELSON, JR. & TERESA JO NELSON tract,

for a distance of 51.76 feet, to a 5/8" iron rod with Purple plastic cap stamped, "RPLS 6451" set for a westerly corner of said Lot 1, same being the northeast corner of said HERBERT THOMAS NELSON, JR. & TERESA JO NELSON tract, further being the southeast corner of the aforementioned Herbert Thomas Nelson, Jr. & Teresa Nelson tract, recorded in Instrument Number 200900012057, Official Public Records, Denton County, Texas;

THENCE North 00 degrees 27 minutes 18 seconds East, continuing along the west line of said Lot 1 and along the east line of said Herbert Thomas Nelson, Jr. & Teresa Nelson tract, for a distance of 308.00 feet to the POINT OF BEGINNING and containing 104,543 square feet or 2.400 acres of land, more or less.

EXHIBIT B



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GRAPHIC SCALE 1"= 20'
0 10' 20' 40'

SITE DATA TABLE		
	REQUIRED	PROVIDED
LOT AREA	4,000 SF	2.40 AC (104,543 SF)
TOTAL BUILDING AREA	85% MAX	23,540 SF (23%)
OPEN SPACE*	8,363 SF (8%)	8,894 SF (8.5%)
LANDSCAPE AREA*	22,476 SF (20%)	31,378 SF (27.9%)
TREE CANOPY AREA*	44,953 SF (40%)	46,246 SF (41.1%)
TREE PRESERVED (DBH INCHES)*	59.4"	64"
MAX BUILDING HEIGHT	40 FT (MAX)	39.96 FT (MAX)
BIKE RACK	8	18 (12 ADDITIONAL)
DEVELOPMENT IMPACT AREA		2.58 AC
STANDARD IMPERVIOUS PARKING STALL		100
COMPACT IMPERVIOUS PARKING STALLS		3
ACCESSIBLE PARKING STALLS	5	5
TOTAL PARKING STALLS (STANDARD + COMPACT + ADA)	113	108
PARKING REDUCTION (BIKE RACK)		12 ADDED = 3 PARKING STALLS
PARKING REDUCTION (TREE PRES.) (MAX 15% = 16 STALLS)		64"=2 PARKING STALLS
TOTAL PARKING STALLS W/ REDUCTION (STANDARD + COMPACT + ADA - REDUCTION)	108	108
BUILDING A SINGLE BEDROOM UNITS		21
BUILDING A TWO BEDROOM UNITS		16
BUILDING B SINGLE BEDROOM UNITS		21
BUILDING B TWO BEDROOM UNITS		9
TOTAL SINGLE BEDROOM UNITS		42
TOTAL TWO BEDROOM UNITS		25
TOTAL UNITS		67
TOTAL BEDROOMS		92

*REFER TO LANDSCAPE PLANS FOR ADDITIONAL DETAIL

DATE OF PREPARATION: 12/12/2023
PROJECT NAME: 3301 N. ELM STREET
CITY PROJECT NUMBER: S23-0001
SUBDIVISION: DENTON LIVING ADDITION
BLOCK A; LOT 1
TOTAL AREA: 2.40 AC
ZONING: R7
PROPOSED LAND USE: MULTIFAMILY

PER FEMA FIRMETTE 48121C0360G DATED 04/18/2011, THERE IS NO 100-YEAR FLOODPLAIN EXISTING ON THIS PROPERTY

ACCESS LOCATION AND TURN LANES SHOWN ARE SUBJECT TO TXDOT APPROVAL

CONTRACTOR TO INSTALL BIKE RACK PER CITY OF DENTON REQUIREMENTS
1. MUST PROVIDE CLEARANCE OF AT LEAST 2' FROM CLOSEST WALL
2. MUST PROVIDE CLEARANCE OF AT LEAST 3' BETWEEN BIKE RACKS
3. MUST NOT INTERFERE WITH PEDESTRIAN PATHWAYS
4. MUST SUPPORT THE BICYCLE IN AT LEAST TWO PLACES
5. MUST ENABLE THE FRAME AND AT LEAST ONE WHEEL TO BE SECURED

= PEDESTRIAN PATHWAY / SIDEWALK
= FIRE LANE
= OPEN SPACE (SEE LA PLANS FOR ADDITIONAL DETAIL)
= PRESERVED TREES REFER TO LANDSCAPE PLANS FOR ADDITIONAL DETAILS
= PROPOSED PLANTS REFER TO LANDSCAPE PLANS FOR ADDITIONAL DETAILS

LEGEND

CLEAR ZONE/HORIZONTAL CLEARANCE - VISIBILITY TRIANGLE 30'x30' (DRIVEWAY)
= EXISTING STORM SEWER
= PROPOSED GATE WITH KNOX LOCK
= EASEMENT LINE
= EX. PROPERTY LINE
= ROAD CENTERLINE
= PROPOSED SCREENING WALL
= SETBACK LINE
= EXISTING OVERHEAD ELECTRIC
= DEVELOPMENT IMPACT AREA
= EXISTING UTILITY POLE

PREPARED: 12/12/2023
CITY OF DENTON PROJECT #: S23-0001

OWNER/DEVELOPER:
SY3M, LLC
4633 Portrait Lane,
Plano TX 75024
Contact: Ali Mortazavi
PH: 214-228-5338
email: Alim38@yahoo.com

ARCHITECT:
idd Architecture
14455 Webb Chapel Road, Ste 200
Farmers Branch, Texas 75234
Contact: Vijay Sarma, AIA
PH: 214-205-7956
email: vsarma@iddarch.com

LANDSCAPE ARCHITECT:
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Addison, Texas, 75001
Contact: Eric Shapley, PLA
PH: 800-680-6630
email: eric@evergreendesigngroup.com

SURVEYOR:
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2112 Blackfoot Trail
Mesquite, Texas, 75149
Contact: Dustin Dawson, RPLS
PH: 214-317-0665
email: dustin@duenesandsurveying.com

ENGINEER/PLAN PREPARER:
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Dallas, Texas 75248
Contact: Travis Pruett, PE
PH: 469-893-0329
email: Tpruett@jhainc.com

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SUSTAINABILITY ▪ FACILITY ASSESSMENTS
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Addison, TX 75001
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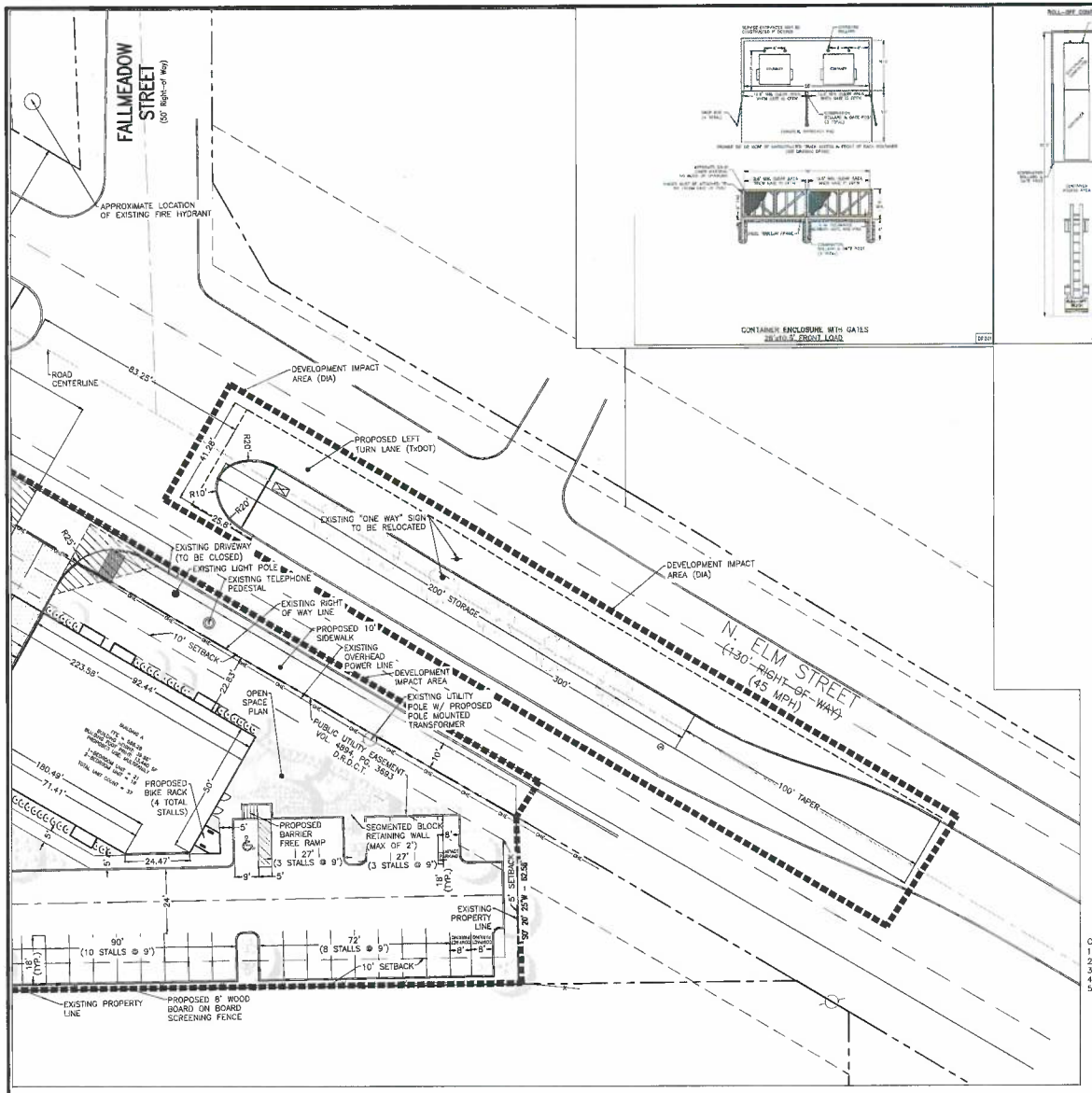
Eric@evergreendesigngroup.com

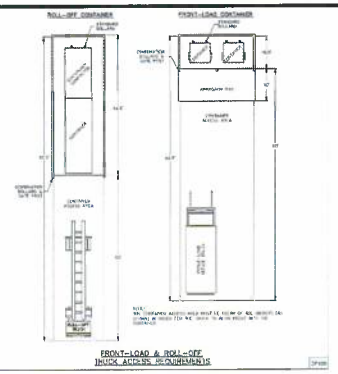
SY3M LLC
3301 N. ELM STREET
Denton, TX 76207

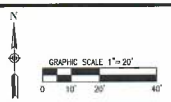
THIS DRAWING IS FOR REVIEW ONLY NOT FOR REGULATORY APPROVAL, PERMITTING, OR CONSTRUCTION
TRAVIS M. PRUETT
136310

No.	Revision	Date

Sheet Name
SITE PLAN
Project number
Date
Drawn by
Checked by
Sheet Number
C01.01







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*REFER TO LANDSCAPE PLANS FOR ADDITIONAL DETAIL
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PROJECT NAME: 3301 N. ELM STREET
CITY PROJECT NUMBER: S23-0001
SUBDIVISION: DENTON LIVING ADDITION
BLOCK & LOT: 1, 1
TOTAL AREA: 2.40 AC
ZONING: R7
PROPOSED LAND USE: MULTIFAMILY

CONTRACTOR TO INSTALL BIKE RACK PER CITY OF DENTON REQUIREMENTS
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PER FEMA FIRMETTE 48121C0360G DATED 04/18/2011, THERE IS NO 100-YEAR FLOODPLAIN EXISTING ON THIS PROPERTY

ACCESS LOCATION AND TURN LANES SHOWN ARE SUBJECT TO TXDOT APPROVAL

LEGEND

= EXISTING UTILITY POLE
= PEDESTRIAN PATHWAY / SIDEWALK
= FIRE LANE
= OPEN SPACE SEE LA PLANS FOR ADDITIONAL DETAIL
= PRESERVED TREES REFER TO LANDSCAPE PLANS FOR ADDITIONAL DETAILS
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= EX. PROPERTY LINE
= ROAD CENTERLINE
= PROPOSED SCREENING WALL
= SETBACK LINE
= EXISTING OVERHEAD ELECTRIC
= DEVELOPMENT IMPACT AREA

PREPARED: 12/12/2023
CITY OF DENTON PROJECT #: S23-0001

OWNER/DEVELOPER:
SY3M, LLC
4633 Portrait Lane,
Plano TX 75024
Contact: Ali Mortazavi
PH: 214-228-5338
email: Alim99@yahoo.com

ARCHITECT:
idd Architecture
14455 Webb Chapel Road, Ste 200
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PH: 214-205-7956
email: vsarma@iddarch.com

LANDSCAPE ARCHITECT:
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15455 Dallas Parkway, Suite 600
Addison, Texas, 75001
Contact: Eric Shepley, PLA
PH: 800-680-6830
email: eric@evergreendesigngroup.com

SURVEYOR:
Duenes Land Surveying LLC
2112 Blackfoot Trail
Mesquite, Texas, 75149
Contact: Dustin Davison, RPLS
PH: 214-317-0665
email: dustin@duenessurveying.com

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TRAVIS M. PRUETT
136310

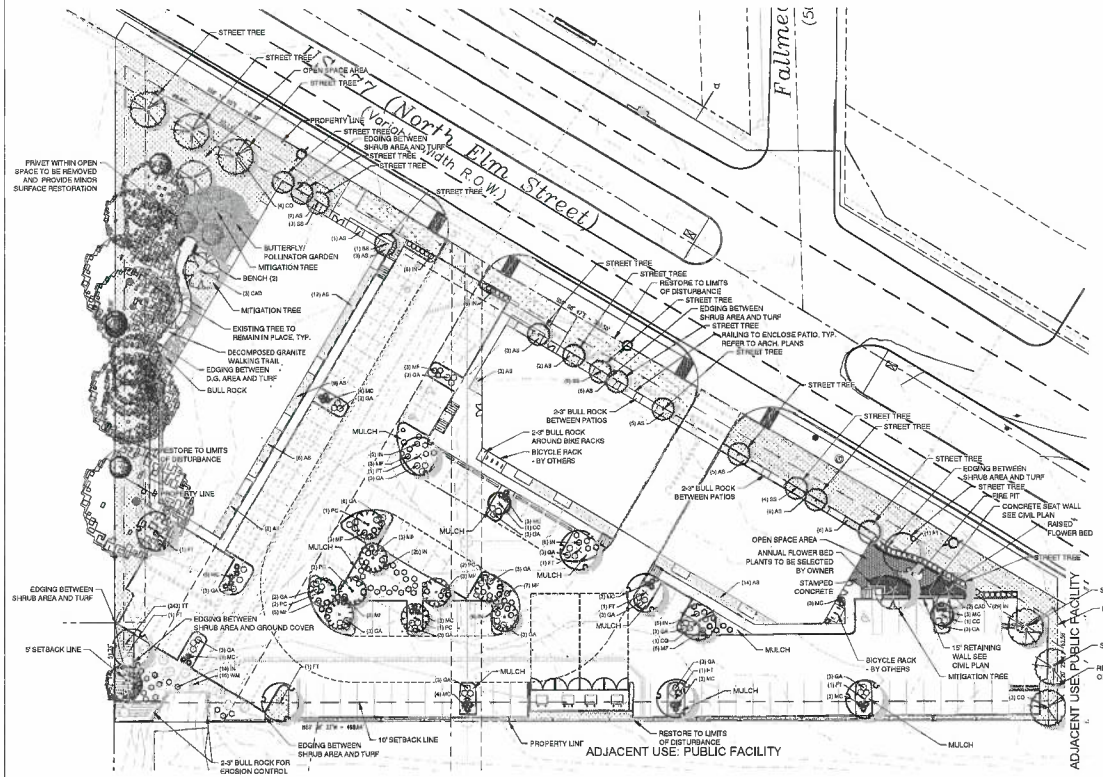
No.	Revision	Date

Sheet Name
SITE PLAN

Project number
Date
Drawn by
Checked by

Sheet Number
C01.02

EXHIBIT C



GENERAL GRADING AND PLANTING NOTES

1. BY SUBMITTING A PROPOSAL FOR THE LANDSCAPE PLANTING SCOPE OF WORK, THE CONTRACTOR CONFIRMS THAT HE HAS READ AND WILL COMPLY WITH, THE ASSOCIATED NOTES, SPECIFICATIONS, AND DETAILS WITH THIS PROJECT.
2. THE GENERAL CONTRACTOR IS RESPONSIBLE FOR REMOVING ALL EXISTING VEGETATION (EXCEPT WHERE NOTED TO REMAIN).
3. IN THE CONTEXT OF THESE PLANS, NOTES, AND SPECIFICATIONS, "FINISH GRADE" REFERS TO THE FINAL ELEVATION OF THE SOIL SURFACE (NOT TOP OF MULCH, AS INDICATED ON THE GRADING PLANS).
   a. BEFORE STARTING WORK, THE LANDSCAPE CONTRACTOR SHALL VERIFY THAT THE ROUGH GRADES OF ALL LANDSCAPE AREAS ARE WITHIN +/-0.1' OF FINISH GRADE. SEE SPECIFICATIONS FOR MORE DETAILED INSTRUCTION ON TURF AREA AND PLANTING BED PREPARATION.
   b. CONSTRUCT AND MAINTAIN FINISH GRADES AS SHOWN ON GRADING PLANS, AND CONSTRUCT AND MAINTAIN SLOPES AS RECOMMENDED BY THE GEOTECHNICAL REPORT. ALL LANDSCAPE AREAS SHALL HAVE POSITIVE DRAINAGE AWAY FROM STRUCTURES AT THE MINIMUM SLOPE SPECIFIED IN THE REPORT AND ON THE GRADING PLANS, AND AREAS OF POTENTIAL PONDING SHALL BE REGRADED TO BLEND IN WITH THE SURROUNDING GRADES AND ELIMINATE PONDING POTENTIAL.
   c. THE LANDSCAPE CONTRACTOR SHALL DETERMINE WHETHER OR NOT THE DEPOSIT OF ANY SOIL WILL BE NEEDED, TAKING INTO ACCOUNT THE ROUGH GRADE PROVIDED, THE AMOUNT OF SOIL AMENDMENTS TO BE ADDED (SEE ON & FOR "TYPE" PER SPECIFICATIONS), AND THE FINISH GRADES TO BE ESTABLISHED.
   d. ENSURE THAT THE FINISH GRADE IN SHRUB AREAS IMMEDIATELY ADJACENT TO WALKS AND OTHER WALKING SURFACES, AFTER INSTALLING SOIL AMENDMENTS, IS 3" BELOW THE ADJACENT FINISH SURFACE. IN ORDER TO ALLOW FOR PROPER MULCH DEPTH, TAPER THE SOIL SURFACE TO MEET FINISH GRADE, AS SPECIFIED ON THE GRADING PLANS, AT APPROXIMATELY 18" AWAY FROM THE WALKS.
   e. ENSURE THAT THE FINISH GRADE IN TURF AREAS IMMEDIATELY ADJACENT TO WALKS AND OTHER WALKING SURFACES, AFTER INSTALLING SOIL AMENDMENTS, IS 1" BELOW THE FINISH SURFACE OF THE WALKS. TAPER THE SOIL SURFACE TO MEET FINISH GRADE, AS SPECIFIED ON THE GRADING PLANS, AT APPROXIMATELY 18" AWAY FROM THE WALKS.
   f. SHOULD ANY CONFLICTS AND/OR DISCREPANCIES ARISE BETWEEN THE GRADING PLANS, GEOTECHNICAL REPORT, THESE NOTES AND PLANS, AND ACTUAL CONDITIONS, THE CONTRACTOR SHALL IMMEDIATELY BRING SUCH ITEMS TO THE ATTENTION OF THE LANDSCAPE ARCHITECT, GENERAL CONTRACTOR, AND OWNER.
4. ALL PLANT LOCATIONS ARE DIAGRAMMATIC. ACTUAL LOCATIONS SHALL BE VERIFIED WITH THE LANDSCAPE ARCHITECT OR DESIGNER PRIOR TO PLANTING. THE LANDSCAPE CONTRACTOR SHALL ENSURE THAT ALL REQUIREMENTS OF THE PERMITTING AUTHORITY ARE MET (I.E., MINIMUM PLANT QUANTITIES, PLANTING METHODS, TREE PROTECTION METHODS, ETC.).
   a. THE LANDSCAPE CONTRACTOR IS RESPONSIBLE FOR DETERMINING PLANT QUANTITIES; PLANT QUANTITIES SHOWN ON LEGENDS AND CALLOUTS ARE FOR GENERAL INFORMATION ONLY. IN THE EVENT OF A DISCREPANCY BETWEEN THE PLAN AND THE PLANT LEGEND, THE PLANT QUANTITY AS SHOWN ON THE PLAN (FOR INDIVIDUAL SYMBOLS) OR CALLOUT (FOR GROUNDCOVER PATTERNS) SHALL TAKE PRECEDENCE.
   b. NO SUBSTITUTIONS OF PLANT MATERIALS SHALL BE ALLOWED WITHOUT THE WRITTEN PERMISSION OF THE LANDSCAPE ARCHITECT. IF SOME OF THE PLANTS ARE NOT AVAILABLE, THE LANDSCAPE CONTRACTOR SHALL NOTIFY THE LANDSCAPE ARCHITECT IN WRITING (VIA PROPER CHANNELS).
   c. THE CONTRACTOR SHALL, AT A MINIMUM, PROVIDE REPRESENTATIVE PHOTOS OF ALL PLANTS PROPOSED FOR THE PROJECT. THE CONTRACTOR SHALL ALLOW THE LANDSCAPE ARCHITECT AND THE OWNER/OWNER'S REPRESENTATIVE TO INSPECT, AND APPROVE OR REJECT, ALL PLANTS DELIVERED TO THE JOBSITE. REFER TO SPECIFICATIONS FOR ADDITIONAL REQUIREMENTS FOR SUBMITTALS.
5. THE CONTRACTOR SHALL MAINTAIN THE LANDSCAPE IN A HEALTHY CONDITION FOR 90 DAYS AFTER ACCEPTANCE BY THE OWNER. REFER TO SPECIFICATIONS FOR CONDITIONS OF ACCEPTANCE FOR THE START OF THE MAINTENANCE PERIOD, AND FOR FINAL ACCEPTANCE AT THE END OF THE MAINTENANCE PERIOD.
6. SEE SPECIFICATIONS AND DETAILS FOR FURTHER REQUIREMENTS.

ROOT BARRIERS

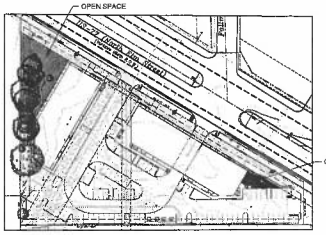
THE CONTRACTOR SHALL INSTALL ROOT BARRIERS NEAR ALL NEWLY-PLANTED TREES THAT ARE LOCATED WITHIN FIVE (5) FEET OF PAVING OR CURBS. ROOT BARRIERS SHALL BE "CENTURY" OR "DEEP-ROOT" 24" DEEP PANELS (OR EQUAL). BARRIERS SHALL BE LOCATED IMMEDIATELY ADJACENT TO HARDSCAPE. INSTALL PANELS PER MANUFACTURER'S RECOMMENDATIONS. UNDER NO CIRCUMSTANCES SHALL THE CONTRACTOR USE ROOT BARRIERS OF A TYPE THAT COMPLETELY ENCIRCLE THE ROOTBALL.

MULCHES

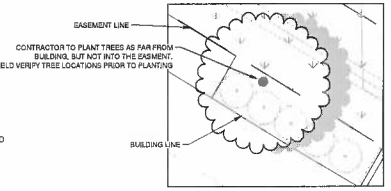
AFTER ALL PLANTING IS COMPLETE, CONTRACTOR SHALL INSTALL 3" THICK LAYER OF 1-1/2" SHREDDED WOOD MULCH, NATURAL (UNDYED), OVER LANDSCAPE FABRIC IN ALL PLANTING AREAS (EXCEPT FOR TURF AND SEEDED AREAS). CONTRACTOR SHALL SUBMIT SAMPLES OF ALL MULCHES TO LANDSCAPE ARCHITECT AND OWNER FOR APPROVAL PRIOR TO CONSTRUCTION. ABSOLUTELY NO EXPOSED GROUND SHALL BE LEFT SHOWING ANYWHERE ON THE PROJECT AFTER MULCH HAS BEEN INSTALLED (SUBJECT TO THE CONDITIONS AND REQUIREMENTS OF THE "GENERAL GRADING AND PLANTING NOTES" AND SPECIFICATIONS).

IRRIGATION CONCEPT

1. AN AUTOMATIC IRRIGATION SYSTEM SHALL BE INSTALLED AND OPERATIONAL BY THE TIME OF FINAL INSPECTION. THE ENTIRE IRRIGATION SYSTEM SHALL BE INSTALLED BY A LICENSED AND QUALIFIED IRRIGATION CONTRACTOR.
2. THE IRRIGATION SYSTEM WILL OPERATE ON POTABLE WATER, AND THE SYSTEM WILL HAVE APPROPRIATE BACKFLOW PREVENTION DEVICES INSTALLED TO PREVENT CONTAMINATION OF THE POTABLE SOURCE.
3. ALL NON-TURF PLANTED AREAS SHALL BE DRIP IRRIGATED. SODDED AND SEED AREAS SHALL BE IRRIGATED WITH SPRAY OR ROTOR HEADS AT 100% HEAD-TO-HEAD COVERAGE.
4. ALL PLANTS SHARING SIMILAR HYDROZONE CHARACTERISTICS SHALL BE PLACED ON A VALVE DEDICATED TO PROVIDE THE NECESSARY WATER REQUIREMENTS SPECIFIC TO THAT HYDROZONE.
5. THE IRRIGATION SYSTEM SHALL BE DESIGNED AND INSTALLED, TO THE MAXIMUM EXTENT POSSIBLE, TO CONSERVE WATER BY USING THE FOLLOWING DEVICES AND SYSTEMS: MATCHED PRECIPITATION RATE TECHNOLOGY ON ROTOR AND SPRAY HEADS (WHEREVER POSSIBLE), RAIN SENSORS, AND MULTI-PROGRAM COMPUTERIZED IRRIGATION CONTROLLERS FEATURING SENSORY INPUT CAPABILITIES.



AREA COUNTED TOWARD OPEN SPACE



STREET TREE PLANTING DETAIL - NTS

PLANT SCHEDULE PLAN

SYMBOL	CODE	QTY	BOTANICAL / COMMON NAME	CAL.	CONT.	SIZE
TREES						
	CAD	5	Acer saccharum caddo Caddo Sugar Maple	4" Cal.	Cont. or B&B	12-14' HT.
	CC	2	Cercis canadensis Texas Redbud	4" Cal.	Cont. or B&B	10' Min.
	FT	9	Fraxinus texensis Texas Ash	4" Cal.	Cont. or B&B	12-14' HT.
	PC	9	Pistacia chinensis Chinese Pistache	4" Cal.	Cont. or B&B	12-14' HT.
	CO	8	Quercus muhlenbergii Chinquapin Oak	4" Cal.	Cont. or B&B	12-14' HT.
	SS	13	Sophora secundiflora Texas Mountain Laurel TREES TO BE PLANTED 4' FROM BUILDING FACE AND OUTSIDE OF EASEMENT. CONTRACTOR TO VERIFY LOCATION PRIOR TO PLANTING. + SEE DETAIL BELOW	3-5 CANES, 2.5" OVERALL	Cont.	6' Ht. Min.

SYMBOL	CODE	QTY	BOTANICAL / COMMON NAME	CONTAINER	SPACING	SIZE
SHRUBS						
	GA	60	Abelia grandiflora Glossy Abelia	5 gal.	Per Plan	18" Min. Ht.
	AS	126	Abelia x grandiflora 'Sherwoodii' Sherwood Dwarf Abelia	5 gal	Per Plan	18" Min. Ht.
	IN	101	Ilex vomitoria 'Nana' Dwarf Yaupon	5 gal.	Per Plan	18" Min. Ht.
	MC	37	Muhlenbergia capillaris Pink Muhly	3 gal	Per Plan	15" Min. Ht.
	WM	16	Myrica cerifera Wax Myrtle	5 gal.	Per Plan	24" Min. Ht.
	MF	35	Stipa tenacissima Mexican Feather Grass	5 gal	Per Plan	15" Min. Ht.

SYMBOL	CODE	QTY	BOTANICAL / COMMON NAME	CONT	SPACING	SIZE
GROUND COVERS						
	BR	427 sf	Bull Rock over weed barrier	4" depth		
	PG	1,186 sf	Butterfly/Pollinator Garden **	seed		
	BG	2,961 sf	Cynodon dactylon Bermuda Grass	Hydromulch		
	CD	15,876 sf	Cynodon dactylon `tif 419` Bermuda Grass	sod		
	DG	764 sf	Decomposed Granite Gravel over weed barrier	4" depth		
	TT	243	Trachelospermum asiaticum `Tricolor` Dwarf Tricolor Asiatic Jasmine	4" Pot		

LANDSCAPE CALCULATIONS - DENTON

ZONING DISTRICT:	R7
GROSS SITE AREA:	104,542 SF
DEVELOPMENT IMPACT AREA:	112,384 SF (2.58 ACRES)
REQUIRED LANDSCAPE AREA:	22,476 SF (20%)
PROVIDED LANDSCAPE AREA:	31,378 SF (27.9%)
REQUIRED TREE CANOPY:	44,953 SF (40%)
PROVIDED TREE CANOPY:	40,591 SF NEW 5,565 SF EXISTING (ONLY HEALTHY TREES COUNTED)
TOTAL	46,246 SF (41.1%)

THE REQUIRED TREE CANOPY AREA SHALL APPLY THE ENTIRE DEVELOPMENT IMPACT AREA.

STREET TREES:	
N ELM STREET:	579 / 30 = 20 TREES
STREET TREES REQUIRED:	20 TREES
STREET TREES PROVIDED:	20 TREES (1 TREES IN ALTERNATE LOCATION)*
PARKING AREA:	44,262 SF
MIN. LANDSCAPE AREA:	3,098 SF (7% OF PARKING AREA)
MIN. TREE CANOPY:	6,639 SF (15% OF PARKING AREA)
LANDSCAPE AREA PROVIDED	3,928 SF (8.9% OF PARKING AREA)
TREE CANOPY PROVIDED:	23,864 SF (53.9% OF PARKING AREA)
OPEN SPACE AREA REQUIRED	8,363 SF (8% MIN.)
OPEN SPACE AREA PROVIDED:	8,894 SF (8.5%)
MITIGATION REQUIRED	8" OF MITIGATION REQUIRED 2 - 4" TREES PROVIDE FOR 8" OF MITIGATION
BUTTERFLY \ POLLINATOR GARDENS	
AREA REQUIRED	1,124 SF (5% OF REQUIRED LANDSCAPE AREA, 22,476 SF X 5% = 1,123.8 SF.)
AREA PROVIDED	1,186 SF (5.09%)

* SMALL TREE USED DUE TO EASEMENTS AND BUILDING FOOTPRINT ALONG FRONTAGE.

** TEXAS REGION NATIVE POLLINATOR WILDFLOWER MIXTURE BY STOVER SEED, OR APPROVED EQUAL

NO FILL OR EXCAVATION MAY OCCUR WITHIN THE DRIPLINE OF A TREE TO BE PRESERVED UNLESS THERE IS A SPECIFIC APPROVED PLAN FOR USE OF TREE WELLS OR RETAINING WALLS. MAJOR CHANGES OF GRADE (FOUR INCHES OR GREATER) WILL REQUIRE ADDITIONAL MEASURES TO MAINTAIN PROPER OXYGEN AND WATER EXCHANGE WITH THE ROOTS.

BUFFER DATA TABLE	REQ'D POINTS	PROPOSED ELEMENTS	POINTS PROVIDED
SW PROPERTY LINE	20	5 GAL SHRUBS (5 GAL)	5
		1 CANOPY TREE PER 30'	10
		PRESERVATION OF SECONDARY TREE WITHIN 50% OF BUFFER	5
		20 TOTAL	

LANDSCAPE POINTS REQUIRED:	30
PROVIDED =	
A. A MINIMUM THREE-FOOT HIGH CONTINUOUS HEDGE OF EVERGREEN SHRUBS	5
B. INTERNAL ISLAND MIN 9X18' END ISLANDS WITH A TREE	5 5
C. 4" TREES PROVIDED	5
MIN. 75% DROUGHT RESISTANT	5
BUTTERFLY / POLLINATOR GARDENS	5
TOTAL PROPOSED LANDSCAPE POINTS:	30

Scale 1" = 30'

CITY PROJECT No. S23-0001

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07/15/2024

No.	Revision	Date

Sheet Name
LANDSCAPE PLANTING

Project number
Date
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Sheet Number
LP-1

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EXHIBIT D

01 North East Elevation (facing N Elm St.)

Scale 1/8"=1'-0"

02 South West Elevation (facing Parking lot)

Scale 1/8"=1'-0"

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3301 N. ELM STREET

Denton, TX 76207

No.	Revision	Date

Sheet Name

Elevations: Building A

Project number	2020.10
Date	02/16/2024
Drawn by	VIJAYS
Checked by	ANDY

Sheet Number

A 1.00

FEBURARY 16 2024

01 North West Elevation
Scale 1/8"=1'-0"

03 Building Entrance
Scale 3/16"=1'-0"

02 South East Elevation
Scale 1/8"=1'-0"

CITY PROJECT No. S23-0001

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REGISTERED ARCHITECT VIJAY SARMA STATE OF TEXAS 02/16/24

No.	Revision	Date

Sheet Name
Elevations: Building A

Project number	2020.10
Date	02/16/2024
Drawn by	VIJAYS
Checked by	ANDY

Sheet Number
A 2.00

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01 South East Elevation (facing Parking lot)

Scale 1/8"=1'-0"

02 North West Elevation (facing Open space)

Scale 1/8"=1'-0"

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REGISTERED ARCHITECT VIJAY SARMA STATE OF TEXAS

No.	Revision	Date

Sheet Name
Elevations: Building B

Project number	2020.10
Date	02/16/2024
Drawn by	VIJAYS
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Sheet Number
A 3.00

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01 North East Elevation (facing N. Elm St.)

Scale 1/8"=1'-0"

03 Building Entrance

Scale 3/16"=1'-0"

02 South West Elevation (facing Detention pond)

Scale 1/8"=1'-0"

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REGISTERED ARCHITECT VIJAY SARMA STATE OF TEXAS 02/16/24

No.	Revision	Date

Sheet Name

Elevations: Building B

Project number	2020.10
Date	02/16/2024
Drawn by	VIJAYS
Checked by	ANDY

Sheet Number

A 4.00

FEBURARY 16 2024

01 Change in Relief elements

Scale: None

Material Legend

Acme Brick "Westchester"

3-coat Stucco Plaster paint finish "White"

3-coat Stucco Plaster paint finish "Charcoal Gray"

Cementitious board by Nichiha Vintagewood Bark (Used at Building entrance)

Compliance Tables

7.10.4G.1	Building A		
North East Façade (Elm St)	Façade Area	Min %	Reqd. Opening Area
	7015	25.00%	1753.75
	Area (Ea.)	Count	Area Provided
Windows	26	33	858
Patio Door 1st floor	67.36	4	269.44
Patio Door 2 & 3 flr	60.33	10	603.3
Main entry door	75.6	1	75.6
Main entry windows	22.14	2	44.28
Provided			1850.62
South West Façade sf	Façade Area	Min %	Reqd. Opening Area
	6280	15.00%	942
	Area (Ea.)	Count	Area Provided
Windows	26	19	494
Patio Door 1st floor	67.36	6	404.16
Patio Door 2 & 3 flr	60.33	14	844.62
Provided			1742.78
North West Façade	Façade Area	Min %	Reqd. Opening Area
	2319	0.15	346.5
	Area (Ea.)	Count	Area Provided
Windows	26	8	208
Patio Door 1st floor	67.36	1	67.36
Patio Door 2 & 3 flr	60.33	0	0
Entry Door 1st flr	60.5	2	121
Provided			396.36
South East Façade	Façade Area	Min %	Reqd. Opening Area
	2520	0.15	378
	Area (Ea.)	Count	Area Provided
Windows	26	11	286
Entry Door 1st flr	55	2	110
Provided			396
Note: All areas are in SF			

7.10.4G.1	Building B		
North East Façade (Elm St)	Façade Area	Min %	Reqd. Opening Area
	2130	25.00%	532.5
	Area (Ea.)	Count	Area Provided
Windows	26	9	234
Patio Door 1st floor	67.36	1	67.36
Patio Door 2 & 3 flr	60.33	2	120.66
Main entry door	75.17	1	75.17
Main entry windows	22.14	2	44.28
Provided			541.47
South West Façade sf	Façade Area	Min %	Reqd. Opening Area
	3060	15.00%	459
	Area (Ea.)	Count	Area Provided
Windows	26	16	416
Entry door	45	2	90
Provided			506
North West Façade	Façade Area	Min %	Reqd. Opening Area
	4556	15.00%	683.4
	Area (Ea.)	Count	Area Provided
Windows	26	18	464
Patio Door 1st floor	67.36	5	336.8
Patio Door 2 & 3 flr	60.33	10	603.3
Provided			1408.1
South East Façade	Façade Area	Min %	Reqd. Opening Area
	6356	15.00%	953.7
	Area (Ea.)	Count	Area Provided
Windows	26	21	546
Patio Door 1st floor	67.36	6	404.16
Patio Door 2 & 3 flr	60.33	12	723.96
Provided			1674.12
Note: All areas are in SF			

7.10.4E.1.c			
Building A	Façade Area	Min %	Reqd. Opening Area
North East Façade (Elm St)	7015	15.00%	1052.25
			Area Provided
Water table			380.00
1st flr Patio columns			500.00
Fireplace entry			154.00
Building A Entry			566.00
Cornice			260.00
Total Reliof area provided			1860.00
Building B	Façade Area	Min %	Reqd. Opening Area
North East Façade (Elm St)	2130	15.00%	319.50
			Area Provided
Water table			130.00
1st flr Patio columns			43.00
Building B Entry			566.00
Cornice			72.00
Total Reliof area provided			811.00
Note: All areas are in SF			

CITY PROJECT No. S23-0001

idd ARCHITECTURE
ARCHITECTURE ▪ PLANNING ▪INTERIORS
SUSTAINABILITY ▪ FACILITY ASSESSMENTS
14455 WEBB CHAPEL ROAD, SUITE 200
FARMERS BRANCH, TX 75234
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Jacob & Hefner Associates, INC. Firm No. F-21096
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Landscape Architect
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Evergreen Design Group
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Addison, TX 75001
Ph: 800.880.4630
eric@evergreendesigngroup.com

SY3M LLC
3301 N. ELM STREET
Denton, TX 76207

No.	Revision	Date

Sheet Name
Compliance Tables

Project number	2020.10
Date	02/16/2024
Drawn by	VIJAYS
Checked by	ANDY

Sheet Number
A 5.00

FEBURARY 16 2024

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Subject: SUP Extension Request – 3301 N Elm Street, Project S23-0001

Dear Members of the City of Denton City Council,

We respectfully request a one-year extension of our Special Use Permit for 3301 N Elm Street (expiring September 17, 2026) through September 17, 2027. This request reflects the realities of today's construction environment, not inaction.

We are shovel-ready. Construction documents are complete, City engagement has been continuous, and we have invested over $500,000 in architectural, engineering, and permitting costs. Our commitment to this project is demonstrated.

What has changed is the cost environment. Since our SUP was issued, a convergence of forces has materially increased the capital required to deliver this project:

- Material costs (steel, concrete, lumber, MEP) have surged due to supply chain disruption and tariff pressure
- Contractor contingencies have jumped from 5–8% to 12–18%+, inflating bid totals well beyond our original model
- Labor, insurance, and freight costs have risen sharply with inflation
- The most aggressive Fed tightening cycle in four decades has increased financing costs and equity requirements across the board

These are industry-wide, well-documented conditions—not unique to this project. We are actively working to close our capital structure and expect to finalize financing by the end of 2026, with groundbreaking to follow within the extended term.

Proceeding undercapitalized would risk a stalled project, an outcome that serves no one. We are asking only for the time to do this right.

No changes to approved conditions, scope, use, or design are requested—only time.

This project will bring real economic benefits to Denton—jobs, tax revenue, and revitalization of 3301 N Elm Street. Approving this extension ensures those benefits are delivered.

We appreciate the City Council's consideration and welcome any questions.

Respectfully submitted,

Ali Mortazavi. P.E

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON EXTENDING THE APPROVAL PERIOD FOR A SPECIFIC USE PERMIT FOR A MUTLIFAMILY USE ORIGINALLY APPROVED VIA ORDINANCE S23-0001a FOR APPROXIMATELY 2.4 ACRES OF LAND, GENERALLY LOCATED ON THE SOUTH SIDE OF NORTH ELM STREET, APPROXIMATELY 560 FEET EAST OF RINEY ROAD IN THE CITY OF DENTON, DENTON COUNTY, TEXAS; ADOPTING AN AMENDMENT TO THE CITY'S OFFICIAL ZONING MAP; PROVIDING FOR A PENALTY IN THE MAXIMUM AMOUNT OF $2,000.00 FOR VIOLATIONS THEREOF; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE. (S26-0002)

WHEREAS, Travis Pruett of Jacob and Hefner, LLC, on behalf of the property owner, SY3M, LLC, has submitted a request to extend the approval period for the Specific Use Permit ("SUP") for a Multifamily use on approximately 2.4 acres within the Residential 7 (R7) zoning district, originally approved on September 17, 2024, as Ordinance Number S23-0001a, legally described in Exhibit "A" attached hereto and incorporated herein by reference (hereinafter, the "Property"); and

WHEREAS, Section 2.5.2C.6.b of the Denton Development Code provides for the expiration of a Specific Use Permit if the authorized use or construction is not substantially underway within 24 months after the date of approval unless an extension is granted; and

WHEREAS, Sections 2.5.2 and 2.4.8D of the Denton Development Code authorize the City Council, being the original approval body, to grant an extension of the approval period for a SUP for a period of up to one year for good cause; and

WHEREAS, on June 2, 2026, the City Council conducted a public meeting, and finds that the request meets and complies with all substantive and procedural standards set forth in the Denton Development Code, and is consistent with the Denton Plan 2040; and

WHEREAS, the City Council of the City of Denton, in considering the request for an extension of the SUP previously approved for the Property, has determined that there is good cause to authorize the extension of the approval period for one year and that the requested extension is in the best interest of the health, safety, and general welfare of the City of Denton, and accordingly, the City Council of the City of Denton is of the opinion and finds that said extension is in the public interest and should be granted as set forth herein;

NOW THEREFORE, THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained in the preamble of this ordinance are incorporated herein by reference and found to be true.

SECTION 2. The approval period for the SUP originally approved as Ordinance S23-0001a is hereby extended until September 17, 2027, which is a period of one year from the date of original expiration, September 17, 2026.

SECTION 3. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid by any court, such invalidity shall not affect the validity of the provisions or applications, and to this end the provisions of this ordinance are severable.

SECTION 4. Any person, firm, partnership or corporation violating any provision of this ordinance shall, upon conviction, be deemed guilty of a misdemeanor and shall be punished by fine in a sum not exceeding $2,000.00 for each offense. Each day that a provision of this ordinance is violated shall constitute a separate and distinct offense.

SECTION 5. In compliance with Section 2.09(c) of the Denton Charter, this ordinance shall become effective fourteen (14) days from the date of its passage, and the City Secretary is hereby directed to cause the caption of this ordinance to be published twice in the Denton Record-Chronicle, a daily newspaper published in the City of Denton, Texas, within ten (10) days of the date of its passage.

The motion to approve this ordinance was made by _____ and seconded by _____, the ordinance was passed and approved by the following vote [___ - ___]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Hilary McMahon _____

Exhibit A

Lot 1, Block 1, Denton Living Addition No. 2

S26-0002 3301 N Elm Multifamily– Extension Request

Ashley Ekstedt, AICP

Associate Planner

June 2, 2026

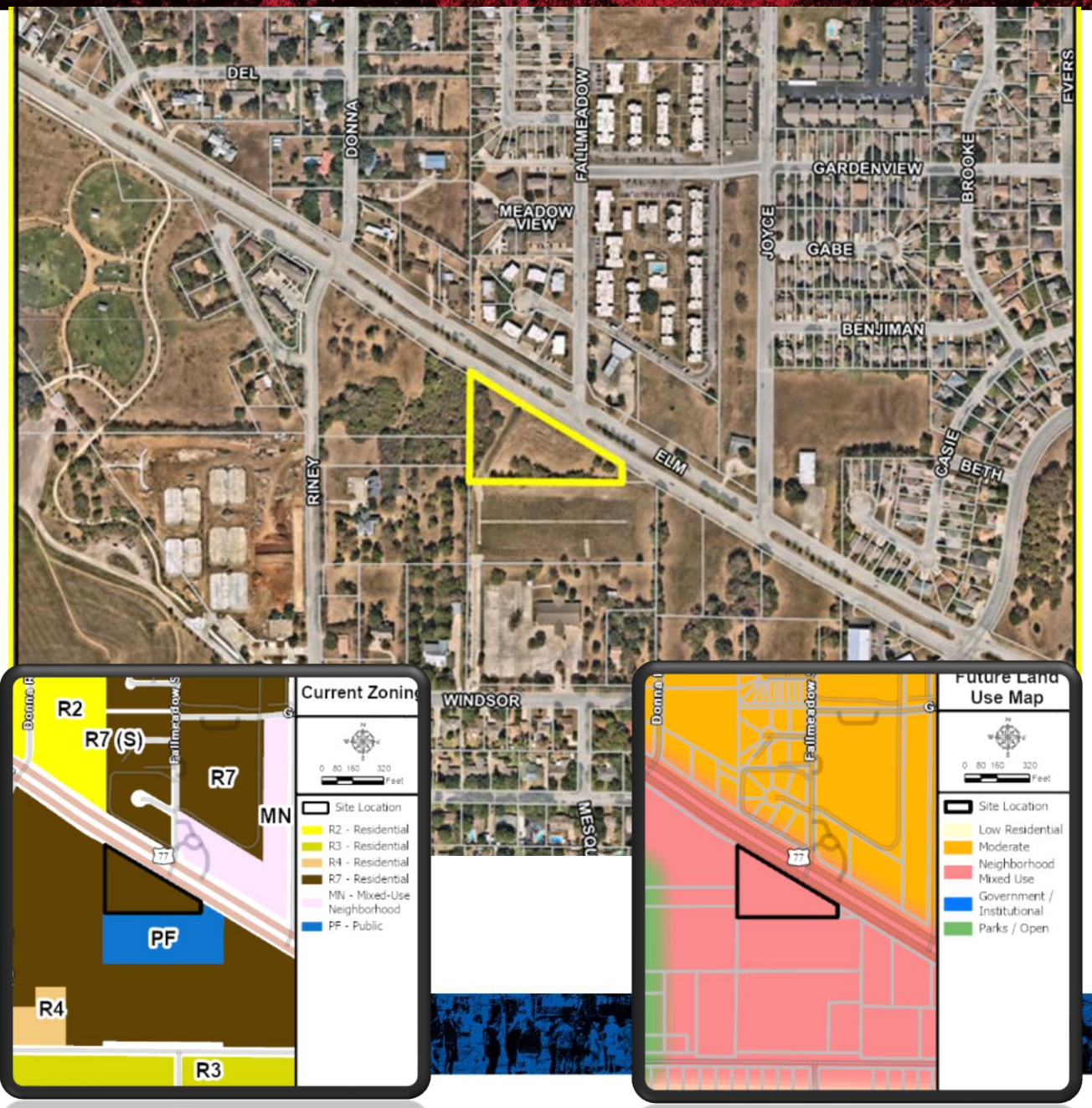
Request & Site Data

Request to extend approval period for one year for a Specific Use Permit (SUP) for a multifamily use on 2.4 acres of land.

- Zoning: Residential 7 (R7)
- Currently undeveloped.
- Ordinance S23-0001a approved September 17, 2024

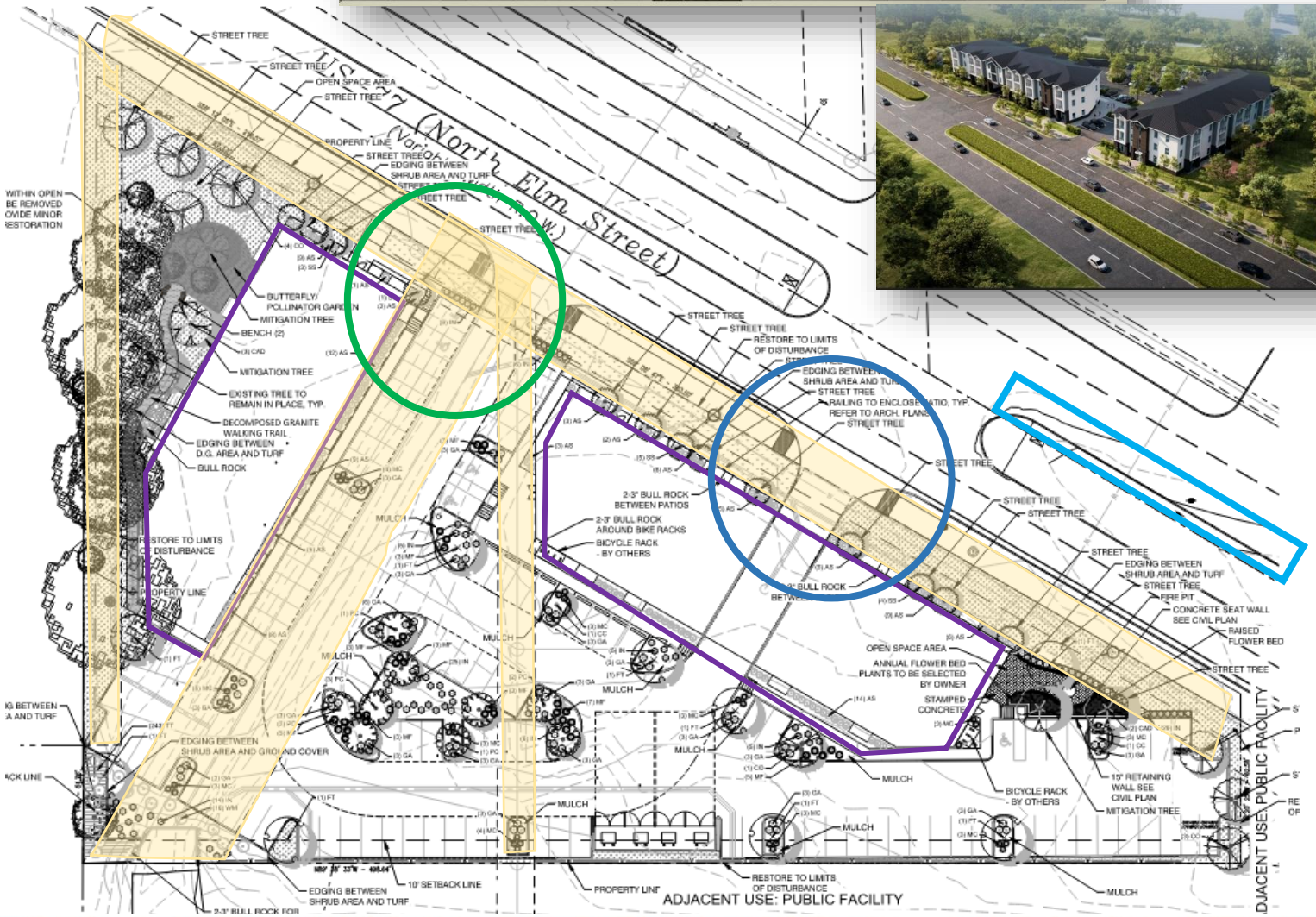
Site located near:

- **North Elm Street**– Primary arterial with four travel lanes (divided)
- **Surrounding Uses:** Undeveloped, residential (fourplexes), automotive fuel sales, church, single-family dwelling



Proposed Site/Landscape Plan

- 2 multifamily buildings containing 67 residences
  - 3 stories (approximately 40 feet)
- 108 vehicle parking spaces, 18 bicycle spaces
- Left turn lane will be constructed
- One full access drive, one emergency only access drive
- Landscape area: approximately 28%
- Tree Canopy Cover: approximately 41%
- Street trees placed along North Elm Street
- Parking lot landscaping includes endcaps and landscape islands
- Screening fence on southern property line



S23-0001a Expiration

- **DDC 2.5.2C.6.b**: SUPs expire **24 months after approval** (September 17, 2026) unless the use or construction is substantially underway by that time.
  - Applicant has submitted Civil Engineering Plans, Final Plat, and Building Permit and is requesting additional time due to the current cost environment.

- The original approving body may grant an extension of the approval period for **up to 1 year** for good cause.

Recommendation

Staff recommends approval of this request. If approved, the requested extension would be valid through **September 17, 2027**.

Questions?
Ashley Ekstedt, AICP
Development Services