City of Denton

Meeting Agenda

City Council

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

Tuesday, July 15, 2025 | **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, July 15, 2025 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.

A. ID 25-466 Meeting Questions, Responses & Handouts

Attachments: Exhibit 1 - Agenda Information Sheet

3. Work Session Reports

A. ID 24-2618 Receive a report, hold a discussion, and give staff direction regarding the Fiscal Year 2025-26 preliminary utility budgets and rates for Solid Waste, Water, Wastewater, Drainage, Electric and Customer Service.

[Estimated Presentation/Discussion Time: 60 minutes]

Attachments: Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Presentation.pdf

B. ID 25-421 Receive a report, hold a discussion, and give staff direction on the update regarding Denton's Climate Action Plan goals, measures and dashboard.

[Estimated Presentation/Discussion Time: 45 minutes]

Attachments: Exhibit 1: Agenda Information Sheet

Exhibit 2: Denton CAP Presentation

C. ID 25-1139 Receive a report, hold a discussion, and give staff direction on the proposed amendment and adoption of the Water and Wastewater Impact Fees.

[Estimated Presentation/Discussion Time: 60 minutes]

Attachments: Exhibit 1: Agenda Information Sheet

Exhibit 2: Draft Water/Wastewater Impact Fee Study

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 25-760 Deliberations regarding Economic Development - Under Texas Government Code Section 551.087.

Receive a report and hold a discussion regarding the potential offer of a financial or other incentive to a business prospect code-named Project Loom which the City seeks to have locate, stay, renovate, or expand in or near the territory of the City and with which the City is conducting economic development negotiations. This discussion shall include commercial and financial information, including an economic development incentive request the City has received from Project Loom.

B. ID 25-1225 Consultation with Attorneys - Under Texas Government Code Section 551.071.

Consult with the City's attorneys regarding potential resolution to a claim with Frontier Southwest, Inc.; where public discussion of these legal matters would conflict with the duty of the City's attorneys to the City of Denton under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas, or otherwise compromise the City's legal position. This agenda item is related to Consent Agenda item ID 25-1226 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. PROCLAMATIONS/PRESENTATIONS

A. ID 25-680 Proclamation: Parks and Recreation Month

Attachments: July 2025 Parks and Recreation Month.pdf

3. 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 25-1181 Ms. Prudence Sanchez regarding support of the city after school program.

B. ID 25-1213 Ms. Lauren Inman regarding June 3 flooding and city responsiveness.

C. ID 25-1252 Ms. Danna Zoltner regarding a proposed gas plant.

D. ID 25-1290 Mr. Gokhan Saginci regarding electric spending.

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.

4. CONSENT AGENDA

A. ID 25-062 Consider approval of the minutes of the June 17, 2025 Regular Meeting.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - June 17, 2025 Minutes

B. ID 25-1229 Consider approval of a resolution of the City of Denton appointing three members to the Committee on the Environment

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

C. ID 25-1230 Consider approval of a resolution of the City of Denton appointing two members to the Tax Increment Reinvestment Zone Number One Board.

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

D. ID 25-1231 Consider approval of a resolution of the City of Denton appointing an alternate member to the Dallas Regional Mobility Coalition.

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

E. ID 25-1232 Consider approval of a resolution of the City of Denton appointing a member and proxy to the North Texas Commission.

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

F. ID 25-085 Consider a nomination/appointment to the City of Denton's Community Services Advisory Committee.

Attachments: Exhibit 1 - Agenda Information Sheet

G. ID 25-1250 Consider a nomination/appointment to the City's Bond Oversight Committee.

Attachments: Exhibit 1 - Agenda Information Sheet

H. ID 25-1251 Consider a nomination/appointment to the Denton Police Department Chief of

Police Advisory Board.

Attachments: Exhibit 1 - Agenda Information Sheet

I. ID 25-1239 Consider approval of a resolution of the City of Denton excusing the June 25, 2025, meeting absence of an Economic Development Partnership Board Member; and providing an effective date.

Attachments: Exhibit 1 - Agenda Info Sheet
Exhibit 2 - Resolution

J. ID 25-1241 Consider approval of a resolution of the City of Denton excusing the June 25, 2025, meeting absence of a Tax Increment Reinvestment Zone Number Two Board Member; and providing an effective date.

Attachments: Exhibit 1 - Agenda Info Sheet
Exhibit 2 - Resolution

K. ID 25-1135 Consider adoption of an ordinance of the City of Denton authorizing the City Manager to execute an Interlocal Cooperation Contract in the form of a Memorandum of Understanding with the State of Texas, Texas Department of Public Safety, authorizing the Denton Police Department to perform Uniform Commercial Vehicle Weight Inspections and Enforcement; and providing an effective date.

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

L. ID 25-1136 Consider adoption of an ordinance of the City of Denton authorizing the City Manager to execute an Interlocal Cooperation Contract in the form of a Memorandum of Understanding with the State of Texas, Texas Department of Public Safety, establishing responsibilities, policies, and guidelines for the Denton Police Department to conduct Federal Safety Regulation Inspections; and providing an effective date.

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

M. ID 25-1176 Consider adoption of an ordinance of the City of Denton granting a special permit to Sundt Construction, Inc. to allow for work hours outside those ordinarily allowed pursuant to Section 17-20 (c)(3)(f) of the City of Denton Code of Ordinances, with respect to hours of operation related to Bonnie Brae Phase 3 for the construction of Bonnie Brae Street and joining street connections, located between Airport Road/FM1515 and Roselawn Drive: providing for approval of a special permit for a variance in the hours of operation during weekdays and weekends; and providing an effective date.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance and Special Permit Documentation

N. ID 25-1030 Consider adoption of an ordinance of the City of Denton granting the North Texas State Fair Association a three-year noise exception for the North Texas Fair and Rodeo which will be held August 15-24, 2025, August 14-23, 2026, and August

13-22, 2027, at 2217 N. Carroll Boulevard; and providing an effective date.

Attachments: Exhibit 1- Agenda Information Sheet

Exhibit 2- Ordinance

O. ID 25-1182 Consider approval of a resolution of the City of Denton accepting the donation of works of art, created by The Art Room, to be installed at the American Legion Hall Senior Center; and providing an effective date. The Public Art Committee voted to recommend approval (5-0).

Attachments: Exhibit 1- Agenda Information Sheet

Exhibit 2- Resolution

Exhibit 3- Mockups from The Art Room

P. ID 25-901 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive proposals under RFP 8732 Radio Assessment and Support Services for the Technology Services Department; and providing an effective date (RFP 8732).

Attachments: Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Ordinance

Q. ID 25-1184 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 between the City of Denton and SSP Innovations, LLC, through July 26, 2027, to continue the development of system integrations for Denton Municipal Electric; and declaring an effective date (File 7210 - extending a contract with SSP Innovations, LLC, to July 26, 2027). The Public Utilities Board recommends approval (5 - 0).

Attachments: Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Original Ordinance and Contract

Exhibit 3 - Ordinance and Amendment 1

R. ID 25-1186 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 DKJ Concrete Construction, Inc., amending the contract approved by City Council on September 20, 2022, in the not-to-exceed amount of $5,250,000.00; said first amendment to continue to provide utility cut restoration services for the Water Utilities Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8046 - providing for an additional first amendment expenditure amount not-to-exceed $1,312,500.00, with the total contract amount not-to-exceed $6,562,500.00). The Public Utilities Board recommends approval (5 - 0).

Attachments: Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Original Ordinance and Contract

Exhibit 3 - Ordinance and Amendment 1

S. ID 25-1188 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 Trillium Pumps USA, Inc., for the replacement of five Wemco Recessed Impeller

Pumps for the Water Reclamation Department, which is the sole provider of these commodities, in accordance with Texas Local Government Code 252.022, which provides that procurement of commodities and services that are available from one source are exempt from competitive bidding, and if over $50,000, shall be awarded by the governing body; providing for the expenditure of funds therefor; and providing an effective date (File 8751 - awarded to Trillium Pumps USA, Inc., in the not-to-exceed amount of $175,000.00). The Public Utilities Board recommends approval (5 - 0).

Attachments: Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Ordinance and Contract

T. ID 25-1189 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive proposals under RFP 8767 for 345kV Autotransformers for Denton Municipal Electric; and providing an effective date (RFP 8767). The Public Utilities Board recommends approval (5 - 0).

Attachments: Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Ordinance

U. ID 25-1190 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, ratifying the expenditure of funds by the City Manager for the repair and replacement of cylinder heads for the Denton Energy Center; and providing an effective date (File 8860 - awarded to Wartsila North America, Inc., in the not-to-exceed amount of $188,483.04). The Public Utilities Board recommends approval (5 - 0).

Attachments: Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Quotes

Exhibit 3 - Ordinance

V. ID 25-1191 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, ratifying the expenditure of funds by the City Manager for the emergency purchase and installation of a replacement 2500kva transformer for the Lake Lewisville Water Treatment Plant; and providing an effective date (File 8861 - awarded to Shermco Industries, Inc., in the not-to-exceed amount of $147,500.00). The Public Utilities Board recommends approval (5 - 0).

Attachments: Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Quote

Exhibit 3 - Ordinance

W. ID 25-1192 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 Northstar Construction, LLC, for the construction of a neighborhood park in The Villages of Carmel for the Parks and Recreation Department; providing for the expenditure of funds therefor; and providing an effective date (CSP 7985 - awarded to Northstar Construction, LLC, in the not-to-exceed amount of $2,788,364.70).

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

X. ID 25-1193 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive statements of qualifications under RFQ 8664 for a Pre-Qualified Professional List for Events, League, and Award Shirts for the Parks and Recreation Department; and providing an effective date (RFQ 8664).

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

Y. ID 25-1194 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive proposals under RFP 8736 for Putting and Chipping Green Replacement for the Parks and Recreation Department; and providing an effective date (RFP 8736).

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

Z. ID 25-1195 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 Freedom Commercial Services, LLC, for abatement of private property nuisances not abated by property owners for the Community Improvement Services Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8796 - awarded to Freedom Commercial Services, 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 $687,500.00).

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

AA. ID 25-1196 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 Questcare Medical Services, PLLC, for the performance of medical direction services for the Denton Fire Department; providing for the expenditure of funds therefor; and providing an effective date (File 8799 - awarded to Questcare Medical Services, PLLC, 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 $400,000.00).

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

AB. ID 25-1198 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 Johnston Technical Services, Inc., through the Department of Information Resources (DIR) Cooperative Purchasing Network Contract Nos. DIR-CPO-4792 and DIR-CPO-5385, for the purchase of Microwave Radio Network Equipment,

Accessories, and Services for the Technology Services Department; providing for the expenditure of funds therefor; and providing an effective date (File 8849 - awarded to Johnston Technical Services, Inc., in the five (5) year not-to-exceed amount of $1,625,000.00).

Attachments: Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Ordinance and Contract

AC. ID 25-1199 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 Carahsoft Technology Corporation, through the Department of Information Resources (DIR) Cooperative Contract Nos. DIR-CPO-5687 and DIR-CPO-5683, and through The Interlocal Purchasing System (TIPS) Cooperative Program Contract No. 220105, for the purchase of various application licenses, software subscriptions, and Software as a Service for the Technology Services Department; providing for the expenditure of funds therefor; and providing an effective date (File 8854 - awarded to Carahsoft Technology Corporation, in the five (5) year not-to-exceed amount of $3,266,000.00).

Attachments: Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Ordinance and Contract

AD. ID 25-1200 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 The Pioneer Manufacturing Company dba Pioneer Athletics, through the Buy Board Cooperative Purchasing Network Contract No. 766-25, for the procurement of athletic field marking paint for the Warehouse; providing for the expenditure of funds therefor; and providing an effective date (File 8874 - awarded to The Pioneer Manufacturing Company dba Pioneer Athletics, in the five (5) year not-to-exceed amount of $300,000.00).

Attachments: Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Ordinance

AE. ID 25-1205 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive proposals under RFP 8367 for Enterprise Asset Management (EAM) Solution for the Technology Services Department; and providing an effective date (RFP 8367).

Attachments: Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Ordinance

AF. ID 25-1206 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive proposals under RFP 8504 for Enterprise Land Management software for the Technology Services Department; and providing an effective date (RFP 8504).

Attachments: Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Ordinance

AG. ID 25-1207 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive proposals under RFP 8538

for CAD RMS Replacement for the Technology Services Department; and providing an effective date (RFP 8538).

Attachments: Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Ordinance

AH. ID 25-1209 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 Robertson's Outdoor Cleaning Solutions, LLC dba Power Wash Plus, for private property graffiti abatement services for the Community Improvement Department; providing for the expenditure of funds therefor; and providing an effective date (IFB 8844 - awarded to Robertson's Outdoor Cleaning Solutions, LLC dba Power Wash Plus, for four (4) years, with the option for one (1) additional one (1) year extension, in the total five (5) year not-to-exceed amount of $165,000.00).

Attachments: Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Bid Tabulation

Exhibit 3 - Ordinance and Contract

AI. ID 25-1216 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 Pepper Psychological Services, PLLC, for psychological testing services for the Police and Fire Departments; providing for the expenditure of funds therefor; and providing an effective date (File 8871 - awarded to Pepper Psychological Services, PLLC, 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 $70,000.00).

Attachments: Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Ordinance and Contract

AJ. ID 25-1226 Consider adoption of an ordinance of the City of Denton approving a Settlement Agreement and Release of Claims and Pole Attachment License Agreement between Frontier Southwest, Inc. and the City of Denton, and directing the City Manager and the City's attorneys to effectuate as necessary and appropriate the terms of a Settlement Agreement and Release to effectuate this approval; providing for the expenditure of funds; and declaring an effective date.

Attachments: Exhibit 1 - AIS

Exhibit 2 - Ordinance, Settlement Agreement and Release of Claims, and Pole A

AK. ID 25-1265 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a Fourth Amendment to an engagement between the City of Denton and King & Spalding, LLP, amending the engagement approved by the City Attorney on March 17, 2022, in the not-to-exceed amount of $49,500.00; amended by City Manager and City Council; said Fourth Amendment to provide additional legal services for the City of Denton; providing for the expenditure of funds therefor; and providing an effective date (File 7560 - providing for an additional Fourth Amendment expenditure amount not-to-exceed $200,000.00, with the total contract amount not-to-exceed $449,000.00).

Attachments: Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Ordinance

AL. ID 25-1318 Consider approval of a resolution of the City of Denton, Texas calling a public hearing of the City Council on land use assumptions, water and wastewater capital improvements plan, and a proposed amendment to impact fees related to possible adoption of amended water and wastewater impact fees in accordance with Chapter 395 of the Texas Local Government Code; acknowledging the posted notice of the public hearing and requiring additional notice of the public hearing as set forth in the body of this resolution; and providing an effective date.

Attachments: Exhibit 1: Agenda Information Sheet

Exhibit 2: Resolution

5. PUBLIC HEARINGS

A. Z25-0007a 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 2 (R-2) District to a Mixed-Use Neighborhood (MN) District on approximately 1.09 acres of land generally located on the north side of West University Drive between Willow Lane and Cottonwood Lane 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 6-0 to recommend approval of the request. Motion for approval by Commissioner Pruett and second by Commissioner McDuff. (Z25-0007a, Kalyans, Julie Wyatt) THIS ITEM HAS BEEN POSTPONED UNTIL THE AUGUST 19, 2025, CITY COUNCIL MEETING

Attachments: Exhibit 1 - Agenda Information Sheet

B. S25-0002a Hold a public hearing and consider adoption of an ordinance of the City of Denton, Texas regarding a request for a Specific Use Permit to allow for a Multi-family Residential Use on approximately 4.115 acres of land, generally located on the east side of Fallmeadow Street, fifteen feet east of the northern intersection of Gardenview Circle and Fallmeadow 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 severability; and establishing an effective date. The Planning and Zoning Commission voted [6-0] to recommend approval of the request. Motion for approval by Commissioner Riggs and second by Commissioner McDuff. (S25-0002a, Palladium Denton West, Sean Jacobson)

Attachments:
Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Staff Analysis
Exhibit 3 - Site Location Map
Exhibit 4 - Future Land Use Map
Exhibit 5 - Current Zoning Map
Exhibit 6 - Applicant Project Narrative
Exhibit 7 - Proposed Site Plan
Exhibit 8 - Proposed Landscape Plan
Exhibit 9 - Proposed Building Elevations
Exhibit 10 - Fiscal Impact Summary
Exhibit 11 - Notification Packet
Exhibit 12 - Draft Ordinance
Exhibit 13 - LLC Members List
Exhibit 14 - Letters to Adjacent Property Owner
Exhibit 15 - Staff Presentation

C. PDA25-0003b Hold a public hearing and consider adoption of an ordinance of the City of Denton, Texas regarding a Planned Development Amendment to establish special sign standards for approximately 4.291 acres out of Planned Development 139, generally located on the southeast corner of Vintage Boulevard and I-35W, 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 savings and severability clauses and an effective date. The Planning and Zoning Commission voted (5-0-1) to recommend approval of the request. Motion for approval by Commissioner Riggs and second by Commissioner Padron. (PDA25-0003b, Gateway of Denton Signs, Mia Hines)

Attachments:
Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Staff Analysis
Exhibit 3 - Site Location Map
Exhibit 4 - Zoning Map
Exhibit 5 - Future Land Use Map
Exhibit 6 - Ordinance PDA23-0005a
Exhibit 7 - Vintage Travel Plaza Special Sign Standards (VTPSSS)
Exhibit 8 - Vintage Trazel Plaza Comprehensive Sign Plan
Exhibit 9 - Notification Map & Sign Posting Affidavit
Exhibit 10 - Draft Ordinance
Exhibit 11 - Presentation

6. ITEMS FOR INDIVIDUAL CONSIDERATION

A. ID 25-1037 Consider adoption of an ordinance of the City of Denton considering all matters incident and related to the issuance, sale and delivery of up to $142,565,000 in principal amount of "City of Denton General Obligation refunding and

improvement bonds, Series 2025"; authorizing the issuance of the bonds; delegating the authority to certain city officials to execute certain documents relating to the sale of the bonds; approving and authorizing instruments and procedures relating to said bonds; enacting other provisions relating to the subject; and providing an effective date. The Public Utilities Board recommends approval (5-0).

Attachments: Exhibit 1. Agenda Information Sheet
Exhibit 2. Preliminary Official Statement
Exhibit 3. GO Ordinance
Exhibit 4. Presentation

B. ID 25-1038 Consider adoption of an ordinance of the City of Denton considering all matters incident and related to the issuance, sale and delivery of up to $254,050,000 in principal amount of "City of Denton Certificates of Obligation, Series 2025"; authorizing the issuance of the certificates; delegating the authority to certain city officials to execute certain documents relating to the sale of the certificates; approving and authorizing instruments and procedures relating to said certificates; enacting other provisions relating to the subject; and providing an effective date. The Public Utilities Board recommends approval (5-0).

Attachments: Exhibit 1. Agenda Information Sheet
Exhibit 2. Preliminary Official Statement
Exhibit 3. CO Ordinance
Exhibit 4. Presentation

C. ID 25-1117 Consider approval of a resolution to appoint a member to the Board of Directors of the Texas Municipal Power Agency, a Texas Joint Powers Agency, to represent the City of Denton, a Texas Home-Rule Municipal Corporation; and declaring an effective date.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Nominee Application Jesse Davis
Exhibit 3 - Resolution
Exhibit 4 - Presentation

D. ID 25-914 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 United States Cold Storage, LP, 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 $1,067,871; and providing an effective date. The Economic Development Partnership Board recommends approval (11-0-1).

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Incentive Evaluation Matrix
Exhibit 3 - Economic Impact Summary
Exhibit 4 - Ordinance and Agreement
Exhibit 5 - Presentation

E. ID 25-1125 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 PR Gypsum, LLC, regarding the expansion of operations and increase in the number of jobs in the City of Denton; authorizing the expenditure of funds therefore in an amount not-to-exceed $236,857; and providing an effective date. The Economic Development Partnership Board recommends approval (9-0).

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance and Agreement
Exhibit 3 - Incentive Evaluation Matrix
Exhibit 4 - Economic Impact Summary
Exhibit 5 - Presentation

F. ID 25-1233 Consider approval of a resolution of the City of Denton appointing three members to the Community Partnership Committee.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Resolution
Exhibit 3 - Presentation

G. ID 25-1234 Consider approval of a resolution of the City of Denton appointing three members to the Development Code Review Committee.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Resolution
Exhibit 3 - Presentation

H. ID 25-1235 Consider approval of a resolution of the City of Denton appointing two members to the Economic Development Partnership Board and the Tax Increment Reinvestment Zone Number Two Board.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Resolution
Exhibit 3 - Presentation

7. 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 July 11, 2025, in advance of the 72-hour 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 48 HOURS 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.

File #: ID 25-466, **Version:** 1

AGENDA CAPTION

Meeting Questions, Responses & Handouts

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: City Secretary's Office

CM: Sara Hensley

DATE: July 15, 2025

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:

Lauren Thoden
City Secretary

File #: ID 24-2618, **Version:** 1

AGENDA CAPTION

Receive a report, hold a discussion, and give staff direction regarding the Fiscal Year 2025-26 preliminary utility budgets and rates for Solid Waste, Water, Wastewater, Drainage, Electric and Customer Service.

[Estimated Presentation/Discussion Time: 60 minutes]

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: **Finance**

ACM: **Christine Taylor**

DATE: **July 15, 2025**

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding the Fiscal Year 2025-26 preliminary utility budgets and rates for Solid Waste, Water, Wastewater, Drainage, Electric and Customer Service.

BACKGROUND

The purpose of this work session is to provide the City Council with details regarding the utility funds operating budgets. This work session will include a review of prior fiscal year financial performance for each utility, current year-end forecasts, and an overview of the preliminary FY 2025-26 budgets and rates. The City's budget emphasis continues to be focused on cost containment, financial transparency, long-term maintenance of utility assets, and system reliability.

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Presentation

Respectfully submitted:
Jessica Williams
Chief Financial Officer
(940) 349-8244

Prepared By:
Matt Hamilton
Assistant Director of Finance
(940) 349-8127



City of Denton Utility Department Budget Updates FY 2025-26

Jessica Williams, MPA, CPFO
Chief Financial Officer

July 15, 2025



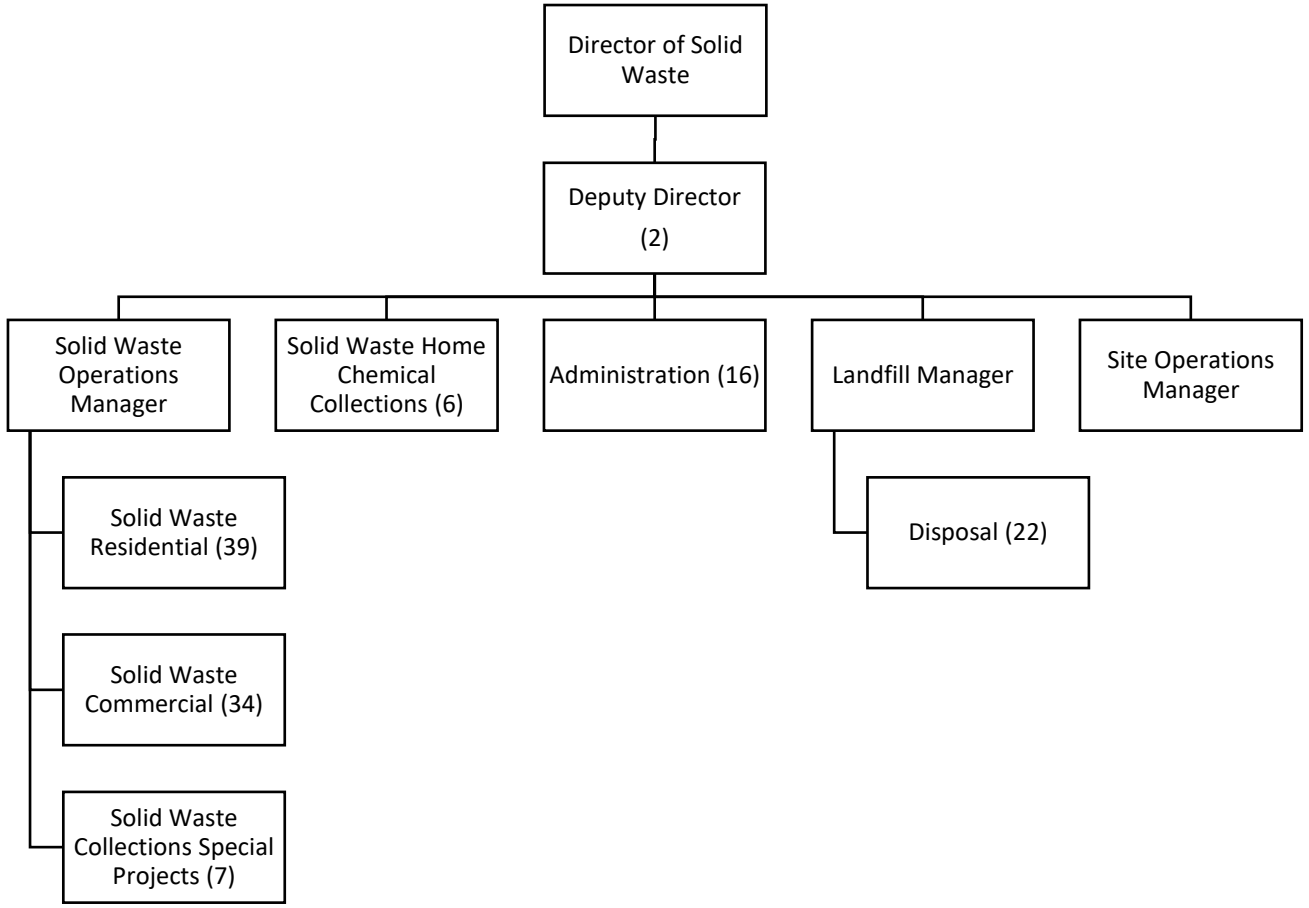
Agenda

- 2025-26 Preliminary Utility Rates & Budgets
  - Solid Waste
  - Electric
  - Customer Service
  - Water
  - Wastewater
  - Drainage
- Next Steps

Solid Waste and Recycling



Solid Waste and Recycling



Total FTE Count: 130



Solid Waste Budget (Current Year)

Revenues	FY 2024 Budget	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimate
Base Rate Revenues	$ 33,984,882	$ 34,815,307	$ 35,754,289	$ 35,170,571
Wholesale Agreements	4,033,433	4,005,845	5,296,940	5,296,940
Non-Rate Revenues	1,277,588	2,106,304	2,468,058	2,780,884
Use of Reserves	2,074,931	112,178	-	-
Total Resources	**$ 41,370,834**	**$ 41,039,634**	**$ 43,519,287**	**$ 43,248,395**

Expenses	FY 2024 Budget	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimate
Personnel Services	$ 13,858,641	$ 13,869,421	$ 14,468,792	$ 13,837,394
Materials & Supplies	769,267	511,714	748,667	510,243
Maintenance and Repair	238,516	223,662	260,266	288,278
Insurance	754,473	717,541	696,804	696,804
Miscellaneous Expense	39,820	33,061	43,320	40,419
Operations	7,252,341	8,048,133	7,810,415	8,422,905
Cost of Service Transfers	6,531,546	6,272,473	8,442,354	8,442,354
Fixed Assets	904,007	779,707	1,015,337	770,706
Vehicle Replacement	2,575,000	1,425,000	1,870,000	1,870,000
Revenue Funded Capital	1,000,000	1,627,707	-	-
Closure/Post Closure	752,631	752,628	752,631	752,631
Debt Service	4,817,837	4,775,075	5,269,872	5,269,872
Franchise Fees	1,876,755	2,003,512	2,140,829	2,162,468
Total Expenditures	**$ 41,370,834**	**$ 41,039,634**	**$ 43,519,287**	**$ 43,064,074**
Net Change	$ (2,074,931)	$ (112,178)	$ -	$ 184,321

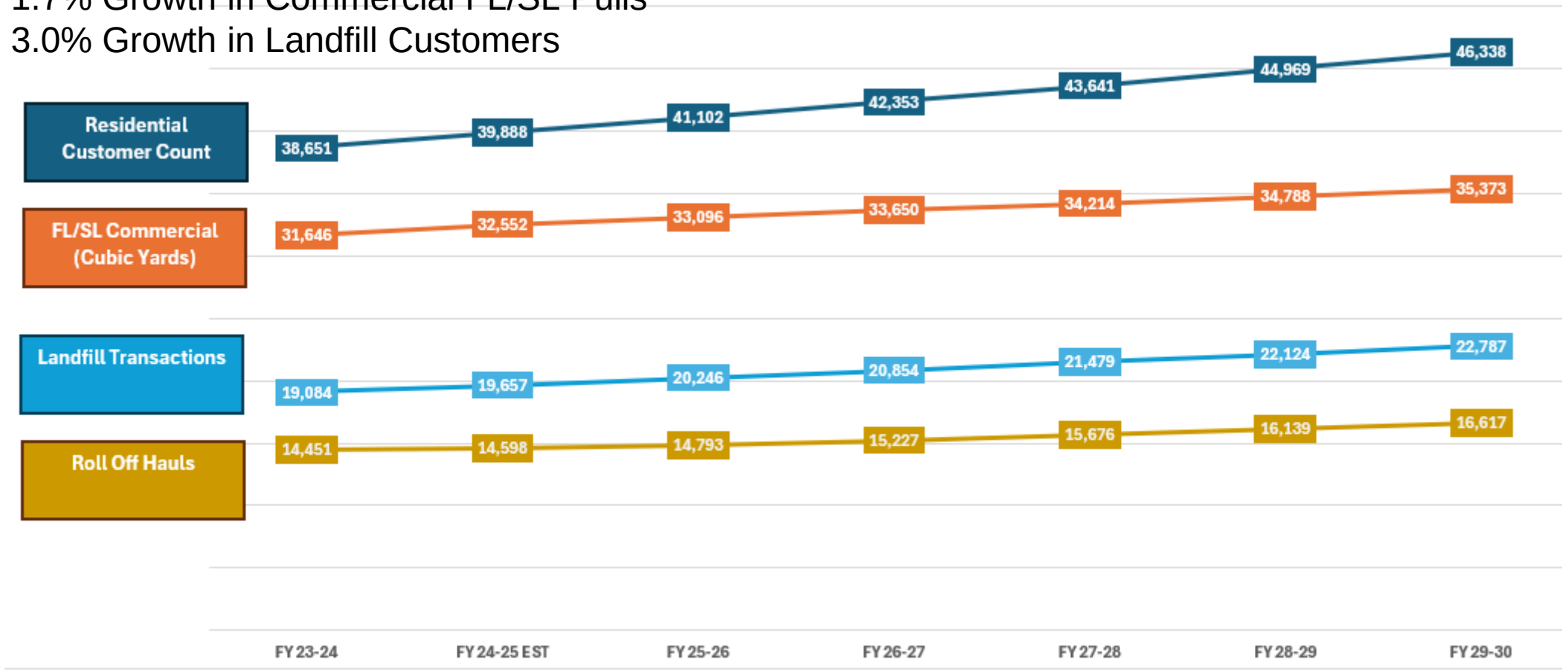
Solid Waste – FY 2025-26 Overview

- Budget Change
  - +4.2% vs FY25 Budget
- No base rate increase for FY 2026

- Preliminary Budget Reductions - **$980,814 Total**
  - Personnel - $212,126
    - Reducing two vacant Deputy Director positions to one
  - Materials and Supplies - $209,313
    - Reduced Alternative Daily Cover (ADC) and Odor Control Agents as well as furniture expenses
  - Maintenance and Repair - $17,500
    - Reduced Compressed Natural Gas (CNG) Site Maintenance
  - Operations - $397,499
    - Reduced Travel, Training, Outside Contract Services, Hire of Equipment, and Luminant CNG Purchase
  - Fixed Assets - $144,376
    - Reduced 3 yard dumpsters, 4 yard dumpsters, and 30 yard open tops.

Solid Waste - Growth Projections

- 3.0% Growth in Residential Customers
- 1.7% Growth in Commercial FL/SL Pulls
- 3.0% Growth in Landfill Customers



Solid Waste – 5 Year Preliminary Forecast

	FY 2023-24 Actual	FY 2024-25 Budget	FY 2024-25 EOY Estimate	FY 2025-26 Preliminary	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected
Beginning Fund Balance	**$ 12,360,314**	**$ 10,806,539**	**$ 12,248,136**	**$ 12,432,456**	**$ 12,432,456**	**$ 9,297,844**	**$ 7,911,665**	**$ 7,344,288**
Resources								
Rate Revenues	$ 34,815,307	$ 35,754,289	35,170,571	37,972,656	40,089,632	42,324,629	43,594,367	44,902,198
Wholesale Agreements	4,005,845	5,296,940	5,296,940	5,521,140	5,521,140	5,521,140	5,521,140	5,521,140
Non-Rate Revenues	2,106,304	2,468,058	2,780,884	1,859,877	1,889,464	1,916,927	1,946,068	1,977,006
Total Revenues	40,927,456	43,519,287	43,248,395	45,353,673	47,500,235	49,762,696	51,061,576	52,400,345
Use of Reserves	-	-	-	-	3,134,612	1,386,179	567,377	-
Total Resources	**$ 40,927,456**	**$ 43,519,287**	**$ 43,248,395**	**$ 45,353,673**	**$ 50,634,848**	**$ 51,148,875**	**$ 51,628,953**	**$ 52,400,345**
Expenditures								
Personnel Services	$ 13,869,421	$ 14,468,792	$ 13,837,394	$ 14,363,796	$ 14,794,710	$ 15,238,551	$ 15,695,708	$ 16,166,579
Materials & Supplies	511,714	748,667	510,243	509,831	525,126	540,880	557,106	573,819
Maintenance and Repair	223,662	260,266	288,278	247,035	254,446	262,079	269,942	278,040
Insurance	717,541	696,804	696,804	655,318	674,978	695,227	716,084	737,566
Miscellaneous Expense	33,061	43,320	40,419	33,085	34,078	35,100	36,153	37,237
Operations	8,048,133	7,810,415	8,422,905	7,960,315	8,199,124	8,445,098	8,698,451	8,959,405
Cost of Service Transfers	6,272,473	8,442,354	8,442,354	7,471,760	7,695,913	7,926,790	8,164,594	8,409,532
Fixed Assets	779,707	1,015,337	770,706	966,576	995,573	1,025,440	1,056,204	1,087,890
Vehicle Replacement	1,425,000	1,870,000	1,870,000	3,463,000	5,995,000	5,870,850	5,400,000	3,481,000
Revenue Funded Capital	1,627,707	-	-	-	-	-	-	-
Closure/Post Closure	752,628	752,631	752,631	946,819	1,256,748	1,334,760	1,417,174	1,504,220
Debt Service	4,775,075	5,269,872	5,269,872	6,550,163	7,957,598	7,454,998	7,228,864	7,146,077
Franchise Fees	2,003,512	2,140,829	2,162,468	2,185,975	2,251,554	2,319,101	2,388,674	2,460,334
Total Expenditures	**41,039,634**	**43,519,287**	**43,064,075**	**45,353,673**	**50,634,848**	**51,148,875**	**51,628,953**	**50,841,699**
Ending Fund Balance	**$ 12,248,136**	**$ 10,806,539**	**$ 12,432,456**	**$ 12,432,456**	**$ 9,297,844**	**$ 7,911,665**	**$ 7,344,288**	**$ 8,902,933**
Net Change	$ (112,178)	$ -	$ 184,320	$ 0	$ (3,134,612)	$ (1,386,179)	$ (567,377)	$ 1,558,646
Revenue Sufficiency Requirement	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**2.5%**	**2.5%**	**0.0%**	**0.0%**
Target Reserves								
Wrking Cptl - 8% / Op Reserve Target - 6%	5,745,549	6,092,700	6,028,970	6,349,514	7,088,879	7,160,842	7,228,053	7,117,838
Wrking Cptl - 8% / Op Reserve Target - 10%	7,387,134	7,833,472	7,751,533	8,163,661	9,114,273	9,206,797	9,293,212	9,151,506
Ending Fund Balance Target Met	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**
Debt Service Coverage Ratio (DSCR)	2.36	2.10	2.09	2.15	1.93	2.23	2.34	2.41

Solid Waste and Recycling - 5 YR Capital Plan

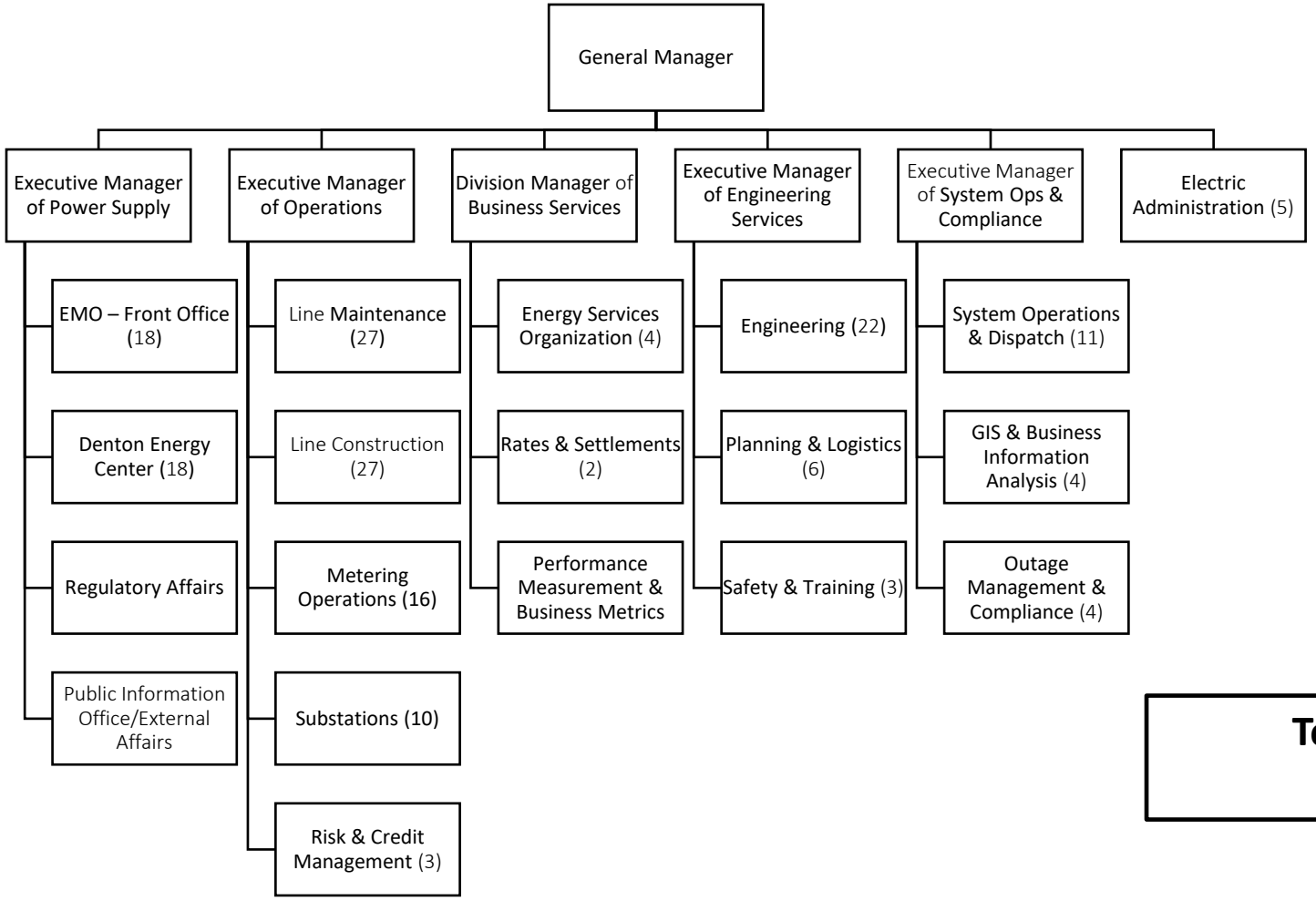
Project	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Organics Program Infrastructure	$14,000,000	$ -	$ -	$ -	$ -	$14,000,000
Vehicle Replacement	7,264,000	5,095,000	5,220,850	5,400,000	-	22,979,850
Vehicle Additions	448,000	900,000	650,000	-	3,481,000	5,479,000
Concrete Replacement	-	-	350,000	-	-	350,000
Transfer Station Construction	-	-	-	5,000,000	-	5,000,000
Wastewater Infrastructure	-	-	-	-	500,000	500,000
Total	**$21,712,000**	**$5,995,000**	**$6,220,850**	**$10,400,000**	**$3,981,000**	**$48,308,850**

Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Debt Funding	$18,249,000	$ -	$350,000	$5,000,000	$500,000	$24,099,000
Revenue Funding	3,463,000	5,995,000	5,870,850	5,400,000	3,481,000	24,209,850
Total	**$21,712,000**	**$5,995,000**	**$6,220,850**	**$10,400,000**	**$3,981,000**	**$48,308,850**

Denton Municipal Electric



Denton Municipal Electric



Total FTE Count: 189



Electric Budget (Current Year)

Revenues	FY 2024 Budget	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimate
Operating Revenue	$ 286,755,663	$ 261,854,523	$ 389,232,276	$ 311,248,580
Miscellaneous	-	100,072	-	672,771
Investments	650,000	5,373,381	1,200,000	2,370,041
Rev.-Other	1,381,793	2,574,239	370,629	1,656,727
Transfers	1,609,740	1,609,740	1,680,870	1,845,909
Use of Reserves	17,756,400	18,892,198	1,493,915	1,760,699
Total Resources	**$ 308,153,596**	**$ 290,404,153**	**$ 393,977,690**	**$ 319,554,727**

Expenses	FY 2024 Budget	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimate
Purchase Power	$ 116,110,082	$ 109,891,615	$ 181,498,874	$ 130,072,315
Transmission Power	24,737,092	26,013,621	27,284,774	29,064,216
Personnel Services	26,090,464	24,660,768	29,214,928	24,916,278
Operations & Maintenance	24,007,808	17,977,066	25,464,106	15,555,492
Admin. Costs	25,141,239	22,845,793	33,120,822	21,897,726
Debt Service Transfers	65,262,217	69,300,914	76,159,518	76,693,095
Transfers	26,787,694	19,804,376	21,234,668	21,335,605
Fixed Assets	17,000	-	-	-
Total Expenditures	**$ 308,153,596**	**$ 290,494,153**	**$ 393,977,690**	**$ 319,554,727**
Net Change	$ (17,756,400)	$ ($18,982,198)	$ ($1,493,915)	$ ($1,760,699)

FY 2025-26 DME Overview

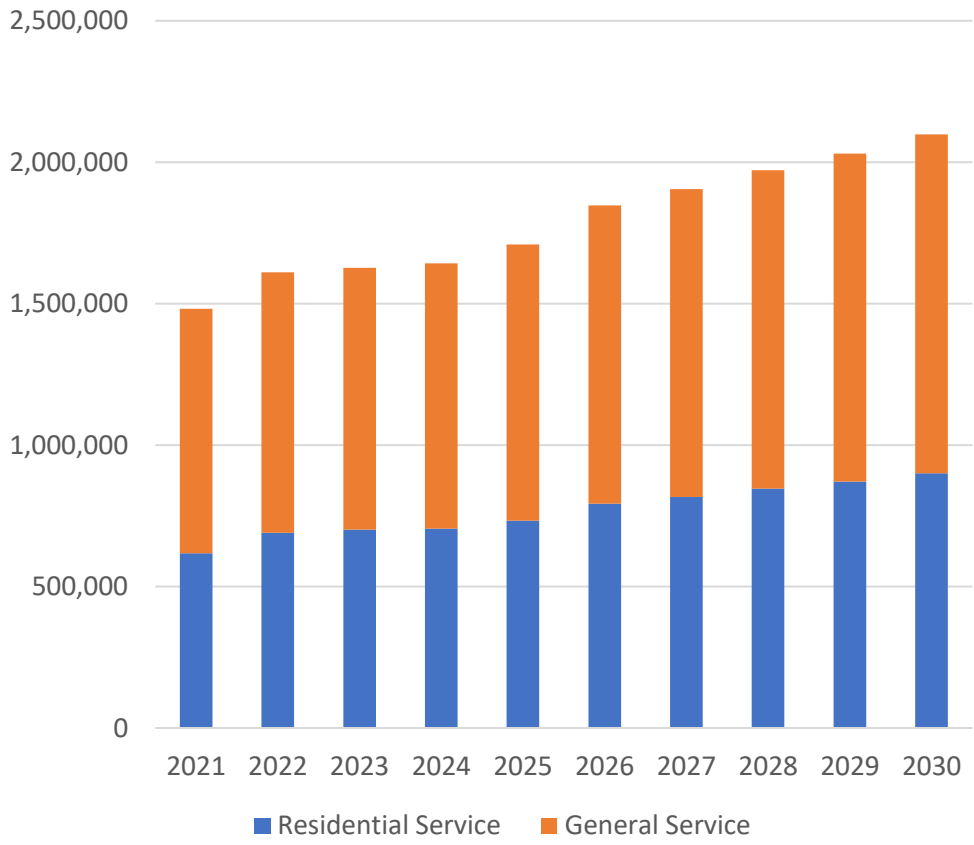
- Budget Change
  - +34.2% vs FY25 Budget
- No base rate increase for FY 2026
- ECA/TCRF will adjust as needed
  - ECA target balance helps to stabilize the ECA rate
- Implementation of ECA Large Load in FY 2025 with $20M target balance will strengthen the fund financials

- Revenue Projections
  - $526,631,018
- Expense Projections
  - $509,582,231
- Preliminary Budget Reductions - **$3,362,347 Total**
  - Winter & Summer Outage Insurance - $2,300,000 (contingency funding remains budgeted)
  - Campus Expansion - reduced debt service - $990,347
  - Focused Advocacy Contract - $72,000
- Additionally, 6 vacancies anticipated to be held vacant through FY26

DME – Growth Projections

- Forecasted Retail Sales Grown (MWh)*

Year	Residential Service	General Service	% Chg.
2021	617,855	864,993	
2022	690,423	921,237	8.69%
2023	701,789	925,072	0.94%
2024	705,197	938,095	1.01%
2025	733,687	975,994	4.04%
2026	**793,116**	**1,055,050**	**8.10%**
2027	817,702	1,087,756	3.10%
2028	846,322	1,125,828	3.50%
2029	871,711	1,159,602	3.00%
2030	900,478	1,197,869	3.30%



*excludes Data Center

DME – 5 Year Preliminary Forecast

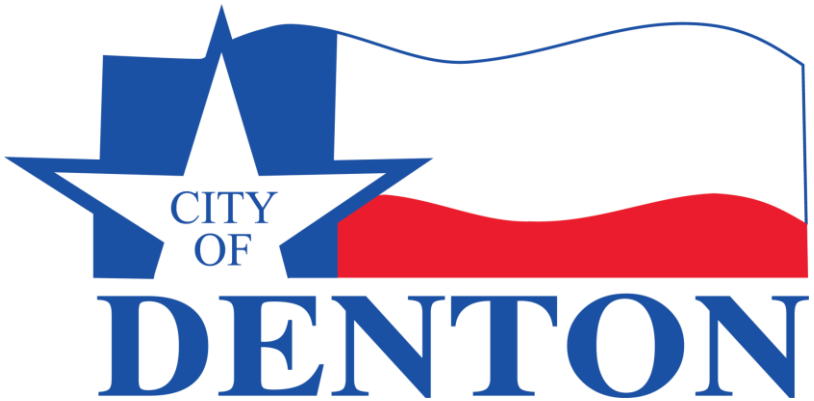
	2023-24 ACTUALS	2024-25 MOD BUDGET	2024-25 EOY ESTIMATE	2025-2026 PROPOSED	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected
Beginning Fund Balance	**$ 99,845,101**	**$ 114,148,221**	**$ 112,128,803**	**$ 110,368,104**	**$ 127,416,890**	**$ 152,997,164**	**$ 187,932,166**	**$ 236,044,849**
Rate Revenues								
Base Rate Revenue	$ 131,971,282	$ 189,839,592	$ 118,741,182	$ 139,864,726	$ 154,659,164	$ 171,731,774	$ 190,739,785	$ 211,109,607
TCRF Revenue	10,751,806	30,286,099	23,853,789	51,111,143	58,591,788	61,521,377	64,597,446	67,827,318
ECA Revenue	67,333,794	86,122,202	80,382,787	233,486,208	295,481,390	344,575,738	345,527,465	340,758,721
Non-rate Revenue	40,224,302	31,880,385	39,612,888	35,578,131	36,645,475	37,744,839	38,877,184	40,043,500
DEC Revenue	19,621,032	52,674,627	53,357,473	65,690,445	66,069,624	65,214,984	63,814,594	62,977,501
Interfund Transfers	1,609,740	1,680,870	1,845,909	900,365	927,376	955,197	983,853	1,013,369
Total Revenue	**$ 271,511,955**	**$ 392,483,775**	**$ 317,794,028**	**$ 526,631,018**	**$ 612,374,816**	**$ 681,743,909**	**$ 704,540,327**	**$ 723,730,015**
Purchased Power	$ 109,891,615	$ 181,498,874	$ 130,072,315	$ 288,316,607	$ 346,553,720	$ 394,529,822	$ 393,975,620	$ 388,318,484
Transmission of Power	26,013,621	27,284,774	29,064,216	45,695,176	52,416,950	55,037,798	57,789,688	60,679,172
Personnel Services	24,660,768	29,214,928	24,916,278	29,473,911	30,358,129	31,268,872	32,206,939	33,173,147
Materials & Supplies	2,462,230	4,086,780	2,651,568	2,442,104	2,515,367	2,590,828	2,668,553	2,748,610
Maintenance & Repair	2,300,968	2,267,010	1,696,005	1,680,332	1,730,742	1,782,664	1,836,144	1,891,228
Insurance	1,947,434	4,475,159	1,524,402	1,453,738	1,497,350	1,542,271	1,588,539	1,636,195
Administrative Cost	22,845,793	33,120,822	21,897,726	34,480,288	39,673,263	43,688,998	45,268,492	46,648,496
Miscellaneous	1,434,746	1,049,100	1,023,590	1,031,615	1,062,563	1,094,440	1,127,274	1,161,092
Operations	9,831,688	13,465,119	8,659,927	12,279,294	12,647,673	13,027,103	13,417,916	13,820,454
Debt Service Transfers	69,300,914	76,159,518	76,693,095	71,913,276	75,357,668	78,667,360	82,354,168	79,951,386
Interfund Transfers	18,950,955	19,170,589	19,170,588	19,340,890	19,921,117	20,518,750	21,134,313	21,768,342
Transfers to Capital Projects	853,420	2,185,017	2,185,017	1,475,000	3,060,000	3,060,000	3,060,000	3,060,000
Total Expenditures	**$ 290,494,152**	**$ 393,977,690**	**$ 319,554,727**	**$ 509,582,231**	**$ 586,794,542**	**$ 646,808,907**	**$ 656,427,645**	**$ 654,856,605**
Ending Fund Balance	**$ 112,128,803**	**$ 112,654,306**	**$ 110,368,104**	**$ 127,416,890**	**$ 152,997,164**	**$ 187,932,166**	**$ 236,044,849**	**$ 304,918,258**
Change in Fund Balance (Use of Reserves)	**$ (18,982,196)**	**$ (1,493,915)**	**$ (1,760,699)**	**$ 17,048,786**	**$ 25,580,274**	**$ 34,935,002**	**$ 48,112,682**	**$ 68,873,410**
Rate Increases								
Base Rate				0.0%	6.5%	7.0%	7.0%	6.5%
Working Capital (8%) & Op Reserves (>38%)	**$ 133,627,310**	**$ 181,229,737**	**$ 146,995,174**	**$ 234,407,826**	**$ 269,925,489**	**$ 297,532,097**	**$ 301,956,717**	**$ 301,234,038**
Working Capital (8%) & Op Reserves (>61%)	**$ 200,440,965**	**$ 271,844,606**	**$ 220,492,762**	**$ 351,611,739**	**$ 404,888,234**	**$ 446,298,146**	**$ 452,935,075**	**$ 451,851,058**
Ending Fund Balance Minimum Target Met	**NO**	**NO**	**NO**	**NO**	**NO**	**NO**	**NO**	**YES**
Debt Service Coverage Ratio (DSCR)	1.07	1.44	1.29	1.74	1.91	2.04	2.17	2.48

Electric – 5 YR Capital Plan

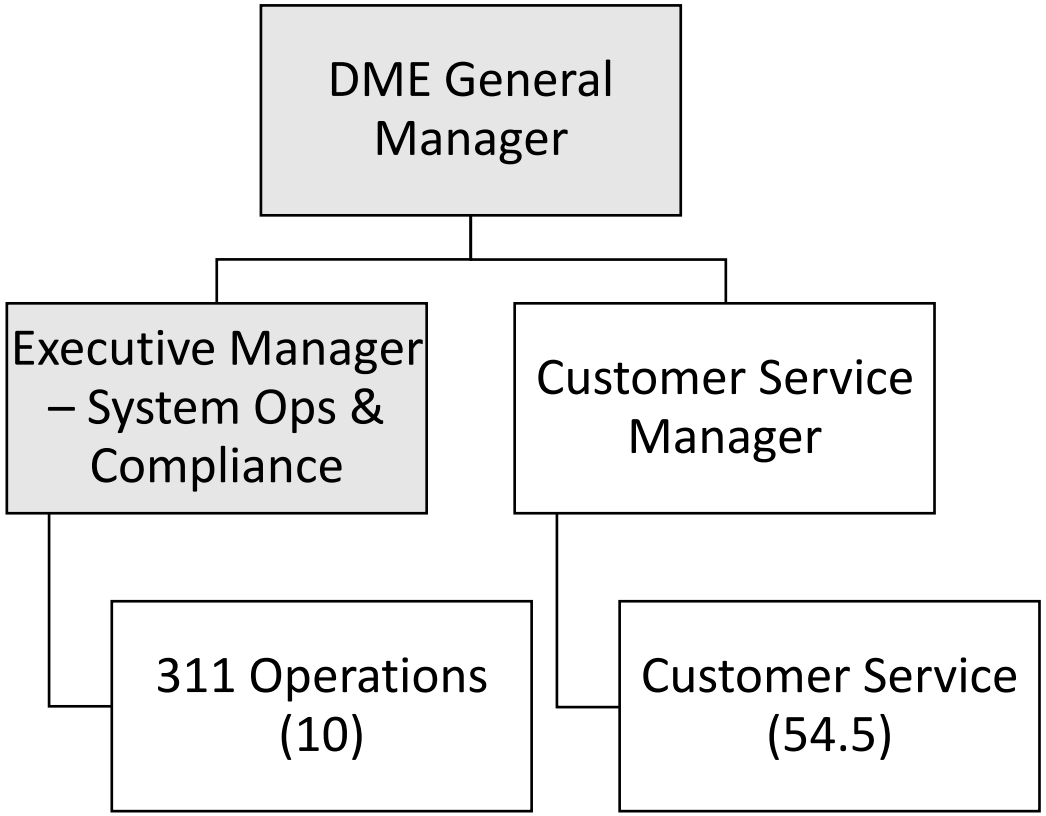
Projects	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Automated Meter Reading	$ 1,805,000	$ 1,940,2000	$ 761,127	$ 853,392	$832,539	$ 6,192,258
Distribution Substations	8,210,000	6,220,000	3,850,000	5,200,000	4,600,000	28,080,000
Distribution Transformers	10,000,000	11,000,000	12,000,000	13,000,000	14,000,000	60,000,000
Feeder Extensions & Improvements	11,075,338	12,389,159	9,603,808	6,519,336	9,785,797	49,323,437
New Residential & Commercial	8,315,250	8,431,013	8,552,563	8,670,255	9,788,912	43,757,993
Power Factor Improvement	300,000	150,000	100,000	100,000	100,000	750,000
Street Lighting	650,000	650,000	250,000	250,000	250,000	2,050,000
Plant Production	-	-	6,000,000	11,000,000	-	17,000,000
Technology – Software & Hardware	4,409,000	2,909,000	2,009,000	24,250,000	24,850,000	58,427,000
Transmission Lines	5,770,000	16,950,000	10,100,000	14,200,000	8,740,000	55,760,000
Transmission Substations	6,450,000	9,540,000	7,050,000	8,860,000	3,610,000	35,510,000
Electric Relocation	5,500,000	5,500,000	5,500,000	1,500,000	1,500,000	19,500,000
Vehicle Replacement	1,475,000	3,060,000	3,060,000	3,060,000	3,060,000	13,715,000
Total	**$ 63,959,588**	**$ 78,739,372**	**$ 68,836,498**	**$ 97,462,983**	**$ 81,117,247**	**$ 390,115,688**

Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Debt Funding	$ 58,434,588	$ 58,079,372	$ 51,476,498	$ 88,002,983	$ 77,657,247	$ 333,650,688
Revenue Funding	1,475,000	3,060,000	3,060,000	3,060,000	3,060,000	13,715,000
Cost Participation	4,050,000	17,600,000	14,300,000	6,400,000	400,000	42,750,000
Total	**$ 63,959,588**	**$ 78,739,372**	**$ 68,836,498**	**$ 97,462,983**	**$ 81,117,247**	**$ 390,115,688**

Customer Service



Customer Service Organizational Chart



Total FTE Count: 65.5



Customer Service Budget (Current Year)

Revenues	FY 2024 Budget	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimate
Other Revenue	$ 120,000	$ 517,037	$ 318,607	$ 492,036
Operating Transfers In	9,736,620	8,579,900	11,497,310	10,554,368
Use of Reserves	-	-	150,000	-
Total Resources	**$ 9,856,620**	**$ 9,096,937**	**$ 11,965,917**	**$ 11,046,422**

Expenses	FY 2024 Budget	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimate
Personnel Services	$ 5,320,012	$ 4,425,549	$ 6,565,684	$ 5,220,285
Materials and Supplies	434,130	388,864	474,130	393,418
Maintenance and Repair	1,500	140	1,500	-
Insurance	114,760	109,142	113,609	113,609
Miscellaneous Expense	2,350	1,475	2,350	1,500
Operations	2,578,570	2,763,110	2,850,074	3,356,303
Transfers	1,405,298	1,361,126	1,958,570	1,961,307
Total Expenditures	**$ 9,856,620**	**$ 9,049,407**	**$ 11,965,917**	**$ 11,046,422**
Net Change	$ -	$ 47,530	$ -	$ -

Online Payment Convenience Fee

Expenses associated with card processing has increased in recent years.

- The City currently pays $1,341,276 in Credit Card and eCheck processing fees annually related to utility bills.
- The City does not currently recover this cost through a dedicated fee.

The City previously implemented a fee to recovery costs, but removed it in 2020.

Date	Card Fee Assessed	Account Type	Payment Type	Note
December 2014	2.7% Convenience Fee	Commercial Only	Telephone & Internet	Review of increasing costs in September 2014 led to applying the fee to the most expensive card types. Percentage applied due to current rules and laws of card processing fees at the time.
November 2020	0%	All	All	June 2019 PUB & Council directed to remove fee when implementing the new merchant contract due to credit card regulation changes that required convenience fees must be a flat fee.

Online Payment Convenience Fee

Cost Recovery Option:

- Implement a flat convenience fee.
  - Applies to internet, phone, and kiosk payments.
  - Does not apply to recurring or point-of-sale transactions.
  - Fee must be disclosed as a charge for convenience with an opportunity to cancel the transaction.
- To recover the full cost to process cards and eChecks, the City is estimated to need a $2.90 convenience fee per transaction.

Customer Service Utility Bill Transaction Volume	
Internet (Includes IVR & Phone)	97.05%
Kiosks	0.20%
Point of Sale	2.75%

Estimated Fee Recovery – Based on FY 2024 Internet Actuals

	$1.00 Flat Fee	**$2.90 Flat Fee** Full Cost Recovery
CARDS		
Total Transactions	566,241	566,241
Recurring Transactions	(158,908)	(158,908)
Eligible Convenience Fee Transactions	407,333	407,333
eCHECKS		
Total Transactions	164,454	164,454
Recurring Transactions	(111,407)	(111,407)
Eligible Transactions	53,047	53,047
All Eligible Transactions	460,380	460,380
Card Processor Costs	$1,337,514	$1,337,514
eCheck Processor Costs	$3,762	$3,762
Total Processor Fees	$1,341,276	$1,341,276
Convenience Fee Assessed	($460,380)	($1,335,102)
Remaining Expense	$880,896	$6,174

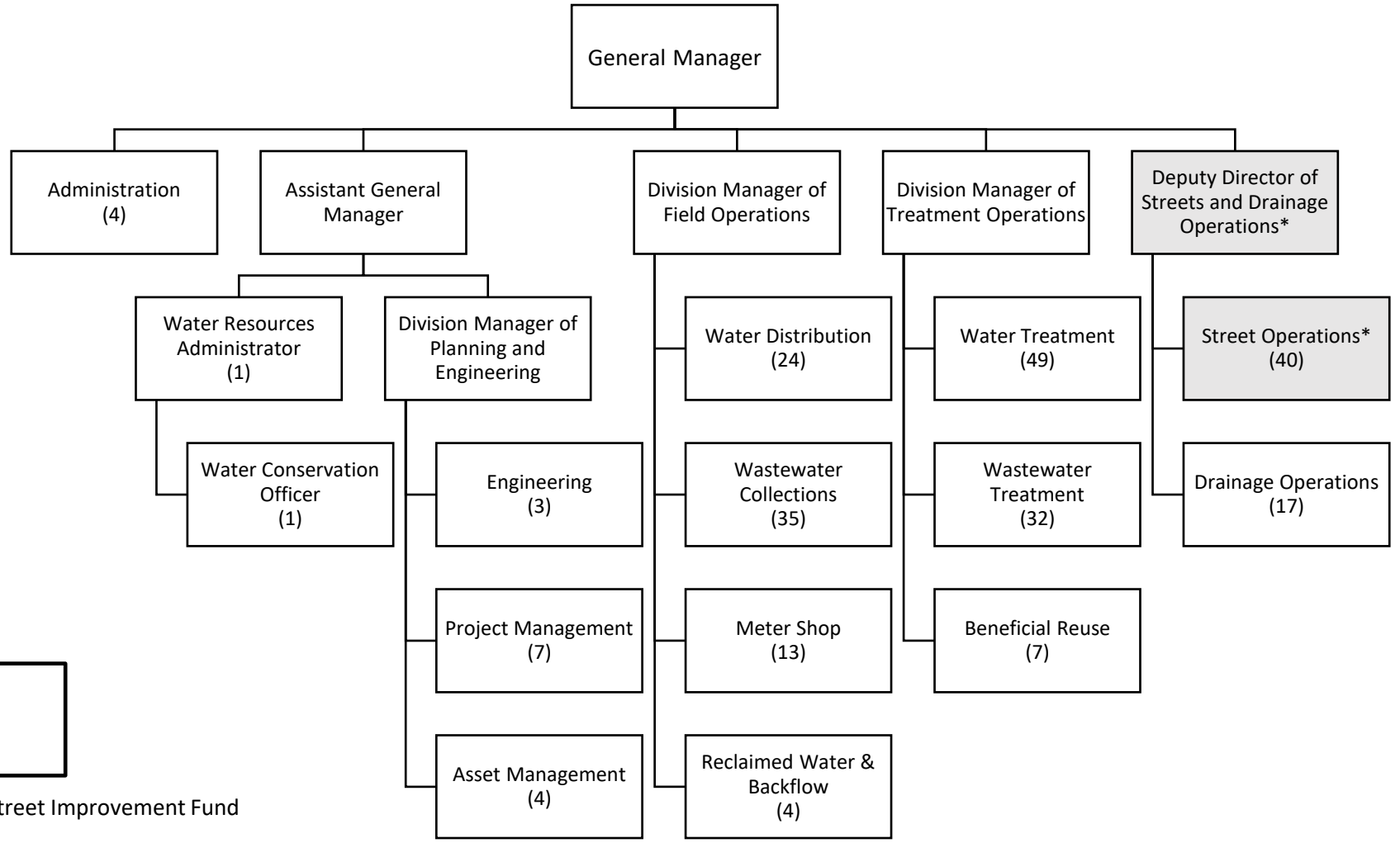
Customer Service – 5 Year Preliminary Forecast

	2023-24 ACTUALS	2024-25 MOD BUDGET	2024-25 EOY ESTIMATE	2025-2026 PROPOSED	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected
Beginning Fund Balance	**$ 391,787**	**$ 1,301,103**	**$ 439,317**	**$ 439,317**	**$ 439,317**	**$ 439,317**	**$ 439,317**	**$ 439,317**
Convenience Fees	$ -	$ -	$ -	$ 1,335,102	$ 1,375,155	$ 1,416,410	$ 1,458,902	$ 1,502,669
Other Revenue	517,037	318,607	492,036	445,425	458,788	472,551	486,727	501,329
Cost of Service - General Fund	157,319	853,328	765,710	659,087	691,210	724,582	759,981	796,808
Cost of Service - Electric	4,341,068	5,117,252	4,569,453	4,882,015	5,022,436	5,164,637	5,313,776	5,465,149
Cost of Service - Water	1,165,823	1,703,145	1,520,824	1,577,545	1,622,920	1,668,869	1,717,062	1,765,975
Cost of Service - Wastewater	1,375,609	1,660,835	1,697,468	1,527,082	1,571,005	1,615,485	1,662,136	1,709,485
Cost of Service - Solid Waste	1,516,290	2,139,418	1,910,393	1,336,321	1,374,758	1,413,681	1,454,504	1,495,938
Cost of Service - Streets	-	-	69,704	81,755	84,107	86,488	88,986	91,521
Cost of Service - Airport	8,249	10,252	9,154	11,104	11,424	11,747	12,087	12,431
Cost of Service - Fleet Svcs	8,326	6,739	6,018	7,062	7,265	7,471	7,686	7,905
Cost of Service - Tech Svcs	-	-	-	1,006	1,035	1,064	1,095	1,126
Cost of Service - Engineering	7,216	6,341	5,662	10,094	10,385	10,679	10,987	11,300
Total Revenue	**$ 9,096,937**	**$ 11,815,917**	**$ 11,046,422**	**$ 11,873,598**	**$ 12,230,486**	**$ 12,593,664**	**$ 12,973,929**	**$ 13,361,635**
Personnel Services	$ 4,425,549	$ 6,565,684	$ 5,220,285	$ 6,275,996	$ 6,464,276	$ 6,658,204	$ 6,857,950	$ 7,063,689
Materials & Supplies	388,864	474,130	393,418	408,995	421,185	433,739	446,668	459,983
Maintenance & Repair	140	1,500	-	-	-	-	-	-
Insurance	109,142	113,609	113,609	108,340	111,590	114,938	118,386	121,938
Miscellaneous	1,475	2,350	1,500	2,310	2,379	2,451	2,524	2,600
Operations	2,763,110	2,850,074	3,356,303	3,180,964	3,276,393	3,375,938	3,479,712	3,587,830
Transfers	1,361,126	1,958,570	1,961,307	1,896,993	1,954,663	2,008,395	2,068,689	2,125,596
Total Expenditures	**$ 9,049,407**	**$ 11,965,917**	**$ 11,046,422**	**$ 11,873,598**	**$ 12,230,486**	**$ 12,593,664**	**$ 12,973,929**	**$ 13,361,636**
Ending Fund Balance	**$ 439,317**	**$ 1,151,103**	**$ 439,317**	**$ 439,317**	**$ 439,317**	**$ 439,317**	**$ 439,317**	**$ 439,317**
Change in Fund Balance	$ 47,530	$ (150,000)	$ -	$ -	$ -	$ -	$ -	$ -

Water, Wastewater & Drainage



Water Utilities & Streets – Organizational Chart



Total FTE Count: 247

* Street Operations is budgeted in a separate Street Improvement Fund



Water Budget (Current Year)

Revenues	FY 2024 Budget	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimate
Base Rate Revenues	$ 46,404,583	$ 45,490,215	$ 49,511,119	$ 48,147,881
Non-Rate Revenues	1,273,178	2,958,922	2,320,784	2,492,388
Transfers	2,892,442	3,693,127	3,803,921	3,803,921
Use of Reserves	8,138,778	-	-	-
Total Resources	**$ 58,708,981**	**$ 52,142,264**	**$ 55,635,824**	**$ 54,444,190**

Expenses	FY 2024 Budget	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimate
Purchased Power	$ 1,481,328	$ 1,987,888	$ 1,481,328	$ 2,095,120
Purchased Water	3,000	1,776	3,000	2,000
Personnel Services	11,458,323	10,461,688	13,144,979	10,725,238
Materials and Supplies	2,040,004	3,202,244	4,766,574	3,580,770
Maintenance and Repair	2,066,512	2,874,264	1,883,402	2,406,271
Insurance	465,105	442,337	519,789	519,789
Franchise Fee/ ROI	3,944,389	3,842,717	4,208,445	4,153,421
Miscellaneous Expense	112,865	54,932	112,865	55,705
Operations	3,218,282	2,921,092	3,963,028	2,980,455
Transfers	33,884,173	22,110,135	25,516,364	27,268,804
Fixed Assets	35,000	-	36,050	-
Total Expenditures	**$ 58,708,981**	**$ 47,899,072**	**$ 55,635,824**	**$ 53,787,573**
Net Change	$ (8,138,778)	$ 4,243,191	$ -	$ 656,617

FY 2025-26 Water Fund Overview

- Budget Change
  - +6.3% vs FY25 Budget
- 3% Rate Increase – Residential & Commercial
- 297% Rate Increase – Wholesale Treated Water
- Revenue Projections
  - $59,167,356
- Expense Projections
  - $62,799,520
- 2 vacancies anticipated to be held vacant through FY26
- Retail Rate Study
- Wholesale Rate Study
- Other Financing Sources (WIFIA, TWDB)
- Alignment of Capital Improvement Plan Investment Portfolio
- Affordability balanced with constriction/future growth of the city

Water – 5 Year Preliminary Forecast

	2023-24 ACTUALS	2024-25 MOD BUDGET	2024-25 EOY ESTIMATE	2025-2026 PROPOSED	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected
Beginning Fund Balance	**$ 38,986,361**	**$ 43,324,871**	**$ 43,229,553**	**$ 43,886,170**	**$ 40,254,007**	**$ 39,698,817**	**$ 38,950,474**	**$ 38,066,389**
Rate Revenues								
Residential Water Sales	$ 22,970,067	$ 23,684,799	$ 24,512,591	$ 26,729,134	$ 29,188,215	$ 32,480,645	$ 36,144,462	$ 39,469,753
Commercial Water Sales	20,834,188	23,472,151	22,781,505	24,053,182	26,266,075	29,228,888	32,525,906	35,518,290
Wholesale - Raw Water	1,067,876	1,688,223	99,034	54,500	59,514	66,227	73,698	80,478
Wholesale - Treated Water	618,084	665,946	754,752	3,004,328	3,280,727	3,650,793	4,062,602	4,436,361
Non-rate Revenues	1,187,674	1,093,820	1,265,424	1,277,070	1,325,213	1,395,122	1,469,913	1,528,292
Interfund Transfers	3,693,127	3,803,921	3,803,921	2,944,874	3,033,220	3,124,217	3,217,943	3,314,482
Interest Income	1,771,248	1,226,964	1,226,964	1,104,268	1,137,396	1,171,517	1,206,663	1,242,863
Total Revenue	**$ 52,142,264**	**$ 55,635,824**	**$ 54,444,190**	**$ 59,167,356**	**$ 64,290,359**	**$ 71,117,410**	**$ 78,701,188**	**$ 85,590,518**
Purchased Power	$ 1,987,888	$ 1,481,328	$ 2,095,120	$ 2,212,016	$ 2,278,377	$ 2,346,728	$ 2,417,130	$ 2,489,644
Purchased Water	1,776	3,000	2,000	2,060	2,122	2,185	2,251	2,319
Personnel Services	10,461,688	13,144,979	10,725,238	13,616,587	14,025,085	14,445,837	14,879,212	15,325,589
Materials and Supplies	3,202,244	4,781,574	3,580,770	4,739,332	4,881,512	5,024,253	5,174,981	5,330,230
Maintenance and Repair	2,874,264	1,868,402	2,406,271	2,882,140	2,968,604	3,057,662	3,149,392	3,243,874
Insurance	442,337	519,789	519,789	495,690	510,561	525,878	541,654	557,903
Administrative Cost	3,842,717	4,208,445	4,153,421	4,761,342	4,997,535	5,561,257	6,188,567	6,757,915
Miscellaneous Expense	54,932	112,865	55,705	55,288	55,447	55,610	55,778	55,952
Operations	2,921,092	3,963,028	2,980,455	4,281,631	4,410,080	4,542,382	4,678,654	4,819,013
Debt Service Transfers	11,771,059	14,571,614	15,699,435	18,537,124	20,015,810	25,351,157	31,234,424	36,110,628
Capital Transfers	2,234,857	430,562	430,562	1,332,500	524,000	475,000	475,000	475,000
Interfund Transfers	8,104,219	10,514,188	11,138,807	9,883,809	10,176,417	10,477,803	10,788,230	11,107,970
Total Expenditures	**$ 47,899,072**	**$ 55,635,824**	**$ 53,787,573**	**$ 62,799,520**	**$ 64,845,548**	**$ 71,865,753**	**$ 79,585,273**	**$ 86,276,037**
Ending Fund Balance	**$ 43,229,553**	**$ 43,324,871**	**$ 43,886,170**	**$ 40,254,007**	**$ 39,698,817**	**$ 38,950,474**	**$ 38,066,389**	**$ 37,380,870**
Change in Fund Balance (Use of Reserves)	**$ 4,243,191**	**$ -**	**$ 656,617**	**$ (3,632,163)**	**$ (555,189)**	**$ (748,343)**	**$ (884,085)**	**$ (685,519)**
Rate Increases								
Rate Increase - Residential				3.0%	5.0%	7.0%	7.0%	5.0%
Rate Increase - Commercial				3.0%	5.0%	7.0%	7.0%	5.0%
Rate Increase - Treated Water				297.0%	5.0%	7.0%	7.0%	5.0%
Working Capital (8%) & Op Reserves (>25%)	**$ 15,806,694**	**$ 18,359,822**	**$ 17,749,899**	**$ 20,723,841**	**$ 21,399,031**	**$ 23,715,699**	**$ 26,263,140**	**$ 28,471,092**
Working Capital (8%) & Op Reserves (>42%)	**$ 23,949,536**	**$ 27,817,912**	**$ 26,893,787**	**$ 31,399,760**	**$ 32,422,774**	**$ 35,932,877**	**$ 39,792,636**	**$ 43,138,019**
Ending Fund Balance Minimum Target Met	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**
Use of Impact Fees		**$ 1,635,340**	**$ 1,635,340**	**$ 2,900,000**	**$ 4,500,000**	**$ 3,500,000**	**$ 3,650,000**	**$ 2,000,000**
Debt Service Coverage Ratio (DSCR)	1.88	1.32	1.33	1.13	1.25	1.21	1.19	1.18

Water – 5 YR Capital Plan

Projects	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Booster Stations	$ 1,200,000	-	-	-	-	$ 1,200,000
Field Service Replacement	1,103,000	1,158,000	1,216,000	1,269,000	1,269,000	6,015,000
Facility Improvements	2,000,000	-	6,000,000	-	-	8,000,000
Oversize Lines	5,075,000	1,250,000	10,720,000	5,700,000	-	22,745,000
Replace Lines	10,200,000	4,000,000	4,000,000	4,000,000	4,000,000	26,200,000
Taps, Fire Hydrants, & Meters	11,280,000	10,392,000	412,000	430,000	446,000	22,960,000
Transmission Lines	27,828,000	34,200,000	3,200,000	2,200,000	2,200,000	69,628,000
Plant Improvements	34,905,000	74,300,000	113,900,000	60,000,000	2,750,000	285,855,000
Vehicle Replacement	1,082,500	524,000	475,000	475,000	475,000	3,031,500
Water/Wastewater Modeling	250,000	-	-	-	-	250,000
Total	**$ 94,923,500**	**$ 125,824,000**	**$ 139,923,000**	**$ 74,074,000**	**$ 11,140,000**	**$ 445,884,500**

Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Debt Funding (includes TWDB)	$ 55,651,541	$ 88,701,855	$ 112,975,809	$ 58,837,881	$ 5,719,445	$ 321,886,530
WIFIA Funding	37,939,459	36,598,145	26,472,191	14,761,119	4,945,555	120,716,470
Revenue Funding	1,332,500	524,000	475,000	475,000	475,000	3,281,500
Total	**$ 94,923,500**	**$ 125,824,000**	**$ 139,923,000**	**$ 74,074,000**	**$ 11,140,000**	**$ 445,884,500**



Wastewater Budget (Current Year)

Revenues	FY 2024 Budget	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimate
Base Rate Revenues	$ 30,200,237	$ 31,170,741	$ 35,571,132	$ 34,443,289
Non-Rate Revenues	7,832,282	4,735,159	3,933,830	4,312,609
Transfers	242,050	235,000	249,311	507,000
Use of Reserves	1,642,412	633,318	250,189	-
Total Resources	**$ 39,916,981**	**$ 36,774,218**	**$ 40,004,462**	**$ 39,262,898**

Expenses	FY 2024 Budget	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimate
Purchased Power	$ 1,200,000	$ 1,129,571	$ 1,200,000	$ 1,200,000
Purchased Fuel	21,000	25,822	21,000	31,142
Personnel Services	6,551,435	6,578,816	7,522,635	6,423,800
Materials and Supplies	1,151,860	1,807,280	2,011,870	2,005,176
Maintenance and Repair	2,358,625	2,638,109	2,488,625	2,194,007
Insurance	360,056	342,431	389,088	389,088
Administrative Cost	2,619,061	2,833,659	3,023,547	3,116,225
Miscellaneous Expense	7,898	3,838	7,898	7,898
Operations	1,818,895	1,716,848	1,588,051	1,538,011
Transfers	23,828,151	19,697,844	21,751,748	22,160,049
Total Expenditures	**$ 39,916,981**	**$ 36,774,218**	**$ 40,004,462**	**$ 39,065,398**
Net Change	$ (1,642,412)	$ (633,318)	$ (250,189)	$ 197,500



FY 2025-26 Wastewater Fund Overview

- Budget Change
  - +12.0% vs FY25 Budget
- 11% Rate Increase
- Revenue Projections
  - $44,563,965
- Expense Projections
  - $44,186,354
- 1 vacancy anticipated to be held vacant through FY 2026

Wastewater – 5 Year Preliminary Forecast

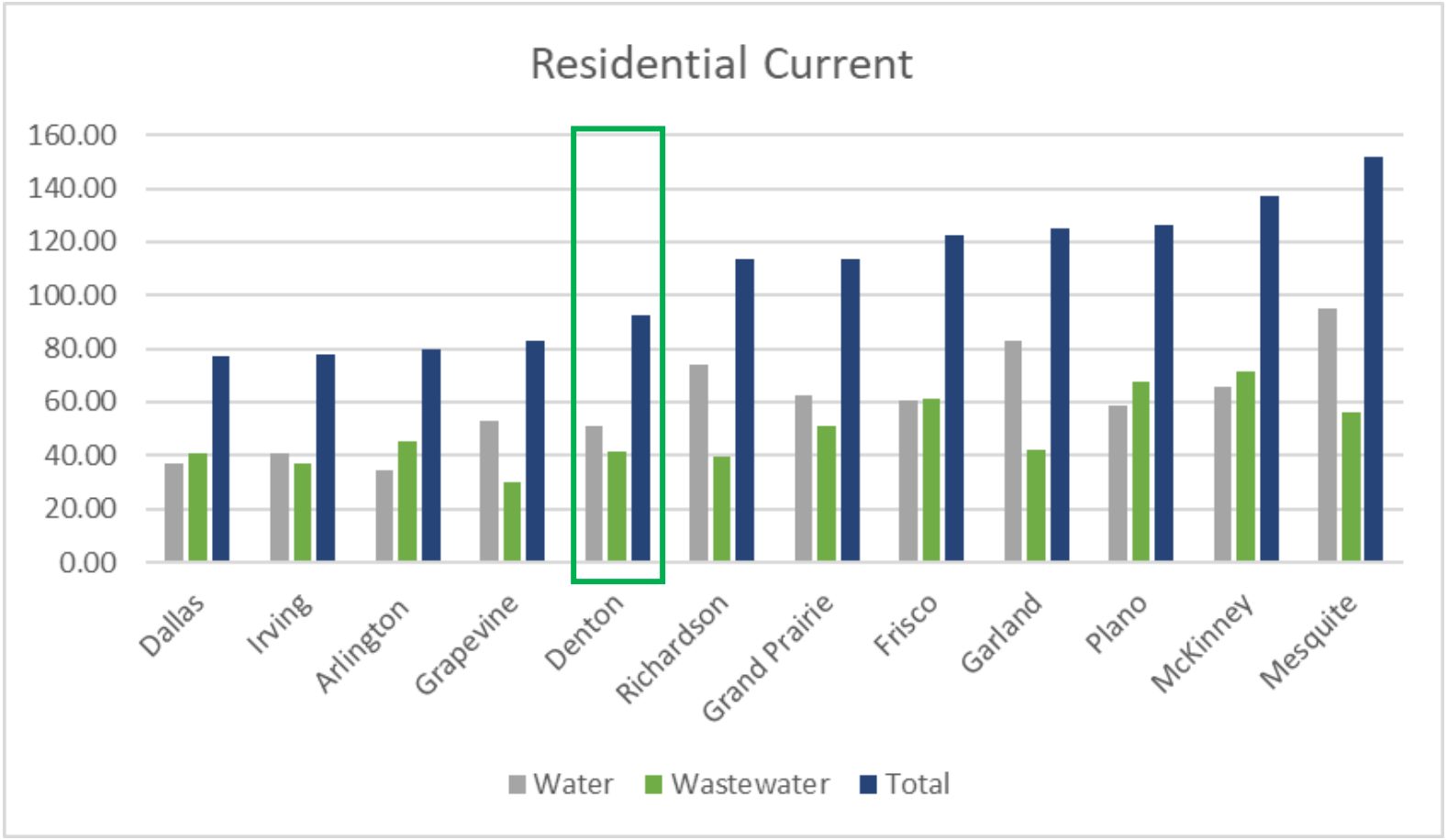
	2023-24 ACTUALS	2024-25 MOD BUDGET	2024-25 EOY ESTIMATE	2025-2026 PROPOSED	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected
Beginning Fund Balance	**$17,566,175**	**$ 16,932,848**	**$ 16,932,848**	**$ 17,130,348**	**$ 17,507,959**	**$ 18,081,629**	**$ 18,644,741**	**$ 20,218,736**
Residential Sales	$14,788,925	$ 17,083,964	$ 16,497,020	$ 19,270,543	$ 22,685,283	$ 26,460,114	$ 30,577,308	$ 34,674,667
Commercial Sales	16,381,807	18,487,168	17,946,269	20,933,470	24,642,881	28,743,456	33,215,938	37,666,873
Non-rate Revenues	4,091,650	3,428,701	3,789,339	3,889,010	4,005,680	4,121,250	4,240,287	4,362,894
Interest Income	643,509	523,269	523,269	470,942	485,070	499,622	514,611	530,049
Interfund Transfers	235,000	249,311	507,000	-	-	-	-	-
Total Revenue	**$36,140,891**	**$ 39,772,413**	**$ 39,262,897**	**$ 44,563,965**	**$ 51,818,914**	**$ 59,824,442**	**$ 68,548,143**	**$ 77,234,484**
Purchased Power	$ 1,129,571	$ 1,200,000	$ 1,200,000	$ 1,236,000	$ 1,273,080	$ 1,311,272	$ 1,350,611	$ 1,391,129
Fuel	25,822	21,000	31,142	35,000	36,050	37,132	38,245	39,393
Personnel Services	6,578,816	7,522,635	6,423,800	8,479,393	8,733,775	8,995,788	9,265,662	9,543,632
Materials and Supplies	1,807,280	2,011,870	2,005,175	2,624,461	2,703,195	2,784,291	2,867,819	2,953,854
Maintenance and Repair	2,638,109	2,488,625	2,194,007	2,293,205	2,362,001	2,432,861	2,505,847	2,581,022
Insurance	342,431	389,088	389,088	371,051	382,183	393,648	405,457	417,621
Administrative Cost	2,833,659	3,023,547	3,116,225	3,514,469	4,022,894	4,692,303	5,422,426	6,149,031
Miscellaneous Expense	3,838	7,898	7,898	4,238	4,365	4,496	4,631	4,770
Operations	1,716,848	1,588,051	1,538,011	2,237,929	2,305,067	2,374,219	2,445,446	2,518,809
Debt Service Transfers	8,656,914	9,785,287	10,193,589	9,663,657	15,322,426	21,801,605	27,890,779	33,969,143
Capital Transfers	2,100,000	888,538	888,538	2,830,000	2,830,000	2,830,000	2,830,000	2,830,000
Interfund Transfers	8,940,930	11,077,923	11,077,923	10,896,951	11,270,210	11,603,715	11,947,225	12,301,041
Total Expenditures	**$36,774,218**	**$ 40,004,462**	**$ 39,065,397**	**$ 44,186,354**	**$ 51,245,245**	**$ 59,261,330**	**$ 66,974,148**	**$ 74,699,445**
Ending Fund Balance	**$16,932,848**	**$ 16,700,799**	**$ 17,130,348**	**$ 17,507,959**	**$ 18,081,629**	**$ 18,644,741**	**$ 20,218,736**	**$ 22,753,775**
Change in Fund Balance	$ (633,327)	$ (232,049)	$ 197,500	$ 377,610	$ 573,669	$ 563,112	$ 1,573,995	$ 2,535,039
Rate Increases								
Rate Increase - Residential				11.0%	9.0%	8.0%	7.0%	5.0%
Rate Increase - Commercial				11.0%	9.0%	8.0%	7.0%	5.0%
Working Capital (8%) & Op Reserves (>20%)	**$10,296,781**	**$ 11,201,249**	**$ 10,938,311**	**$ 12,372,179**	**$ 14,348,669**	**$ 16,593,172**	**$ 18,752,762**	**$ 20,915,845**
Working Capital (8%) & Op Reserves (>31%)	**$14,341,945**	**$ 15,601,740**	**$ 15,235,505**	**$ 17,232,678**	**$ 19,985,646**	**$ 23,111,919**	**$ 26,119,918**	**$ 29,132,784**
Ending Fund Balance Minimum Target Met	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**
Use of Impact Fees		**$ 2,990,345**	**$ 2,990,345**	**$ 9,300,000**	**$ 11,300,000**	**$ 14,700,000**	**$ 15,600,000**	**$ 13,200,000**
Debt Service Coverage Ratio (DSCR)	1.50	1.38	1.41	1.70	1.48	1.37	1.35	1.34

Wastewater – 5 YR Capital Plan

Projects	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Lift Station Improvements	$ 28,350,000	$ 19,700,000	$ 8,450,000	$ 450,000	$ 500,000	$ 57,450,000
Replace Lines	74,858,000	58,593,000	25,686,000	10,479,000	3,050,000	172,666,000
Collection System Upgrade	10,413,000	9,230,000	6,667,000	2,500,000	-	28,810,000
Facility Improvements	3,025,000	25,000	25,000	25,000	25,000	3,125,000
Oversize Lines	8,520,000	2,840,000	1,690,000	30,000	-	13,080,000
Taps, Fire Hydrants, & Meters	251,000	255,000	260,000	265,000	270,000	1,301,000
Plant Improvements	114,750,000	229,000,000	202,200,000	118,500,000	70,000,000	734,450,000
Vehicle Replacements	$2,830,000	$2,830,000	$2,830,000	$2,830,000	$2,830,000	$14,150,000
Total	**$ 242,997,000**	**$ 322,473,000**	**$ 247,808,000**	**$ 135,079,000**	**$ 76,675,000**	**$ 1,025,032,000**

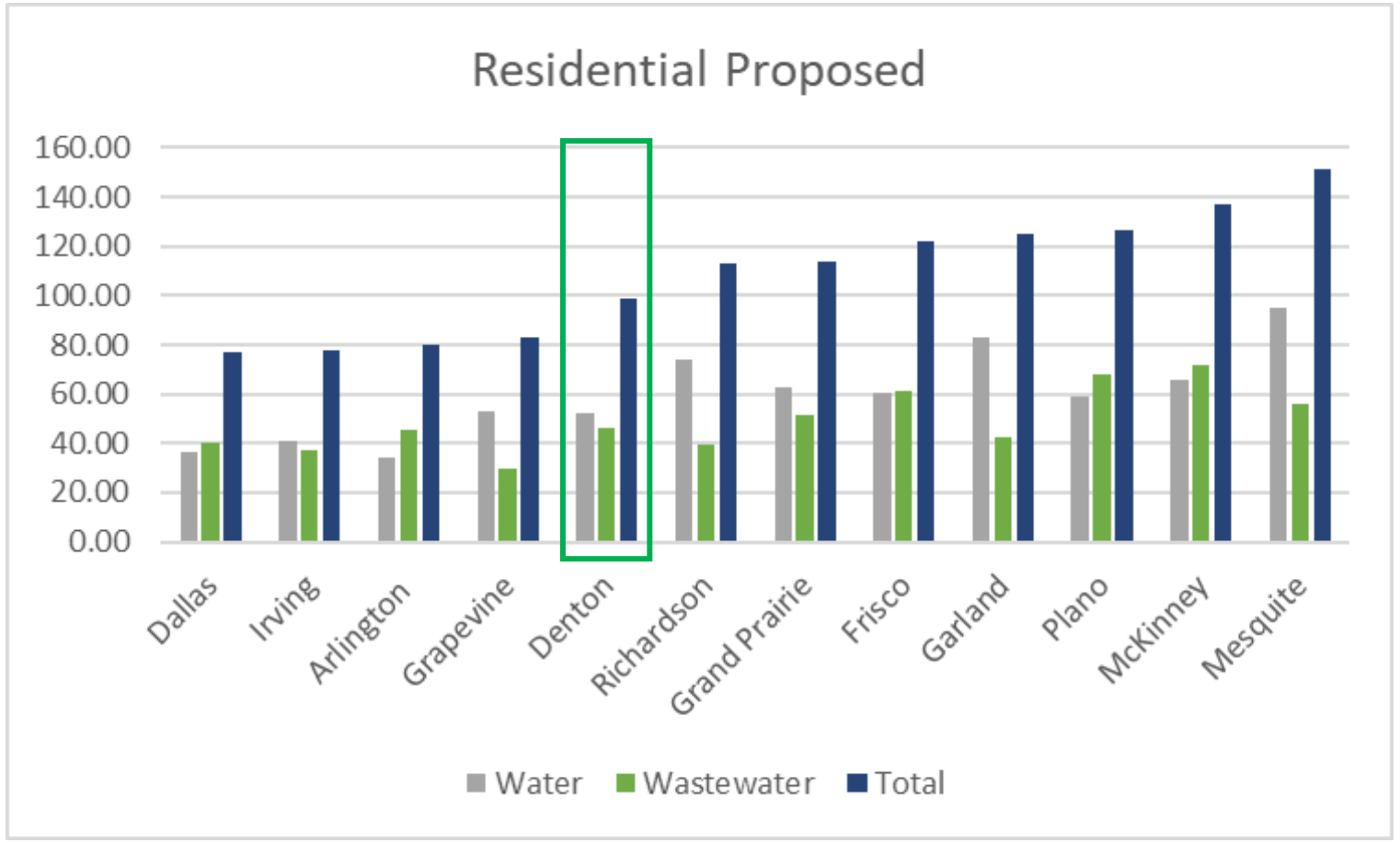
Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Debt Funding (includes TWDB)	$ 141,892,454	$ 182,425,214	$ 129,790,601	$ 67,446,990	$ 37,660,950	$ 559,216,210
WIFIA Funding	98,274,546	137,217,786	115,187,399	64,802,010	36,184,050	451,665,790
Revenue Funding	2,830,000	2,830,000	2,830,000	2,830,000	2,830,000	14,150,000
Total	**$ 242,997,000**	**$ 322,473,000**	**$ 247,808,000**	**$ 135,079,000**	**$ 76,675,000**	**$ 1,025,032,000**

Current Residential Rate Comparison

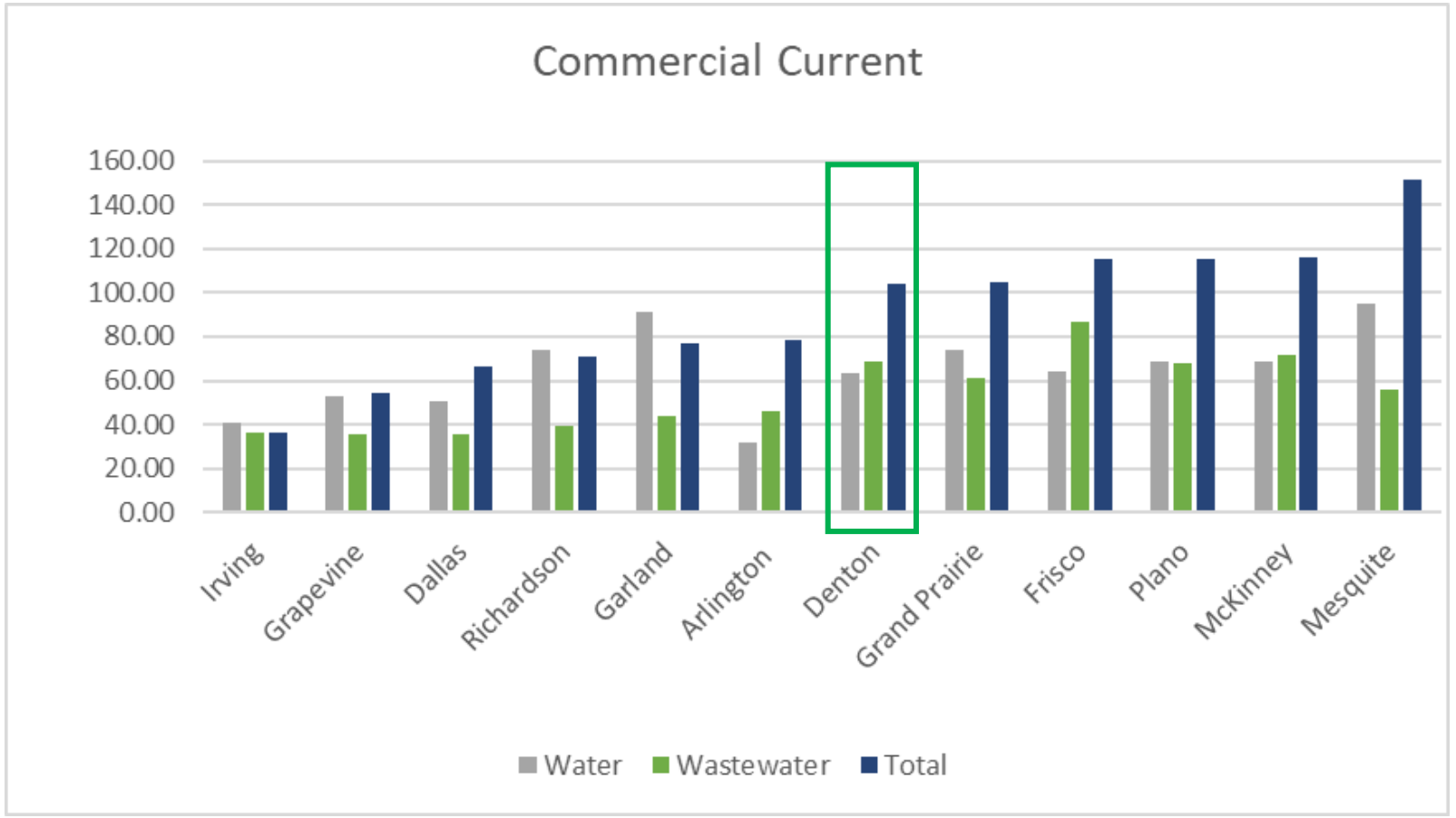


*based on 9,000 monthly gallons water / 6,000 monthly gallons wastewater

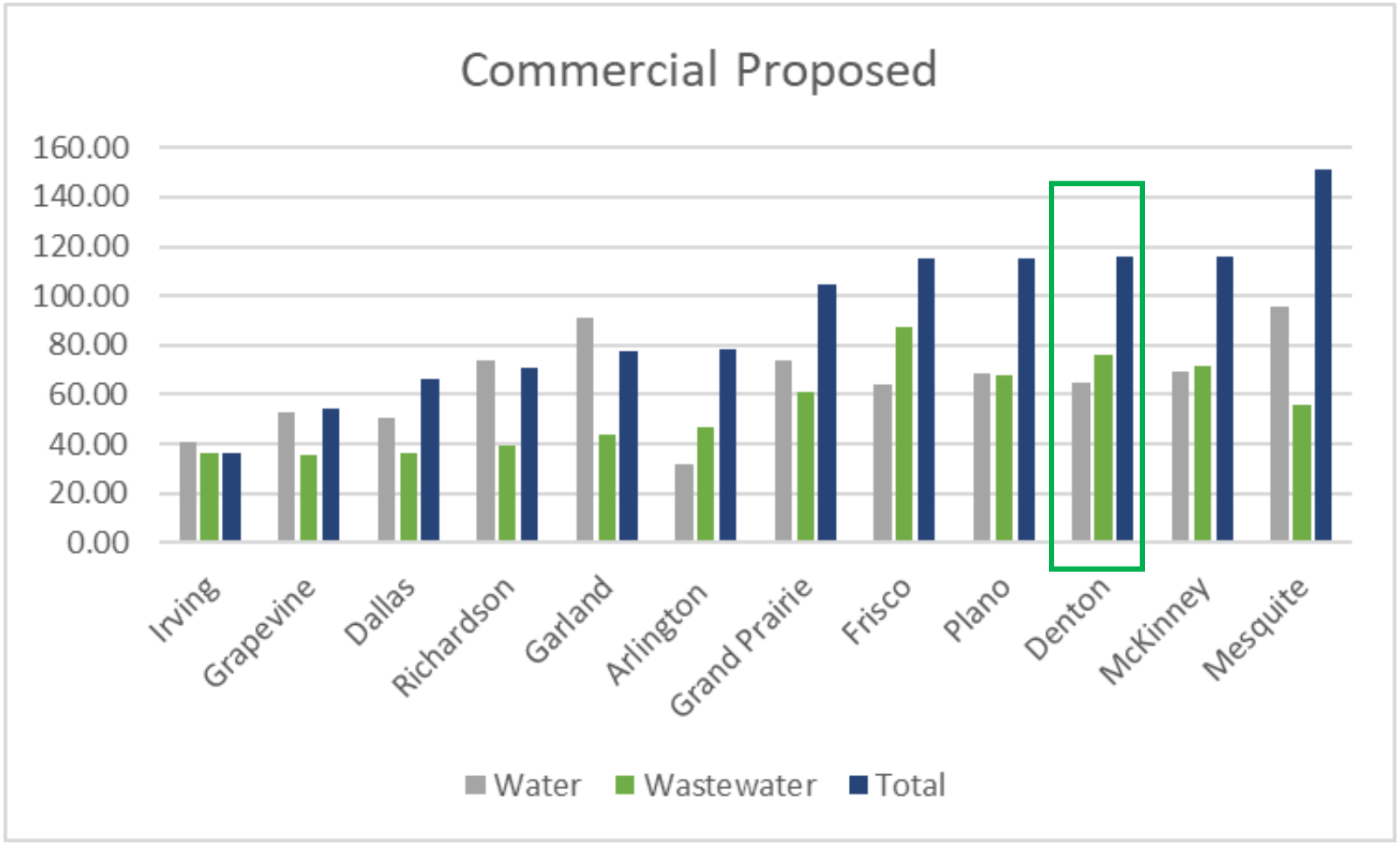
Proposed Residential Rate Comparison



Current Commercial Rate Comparison

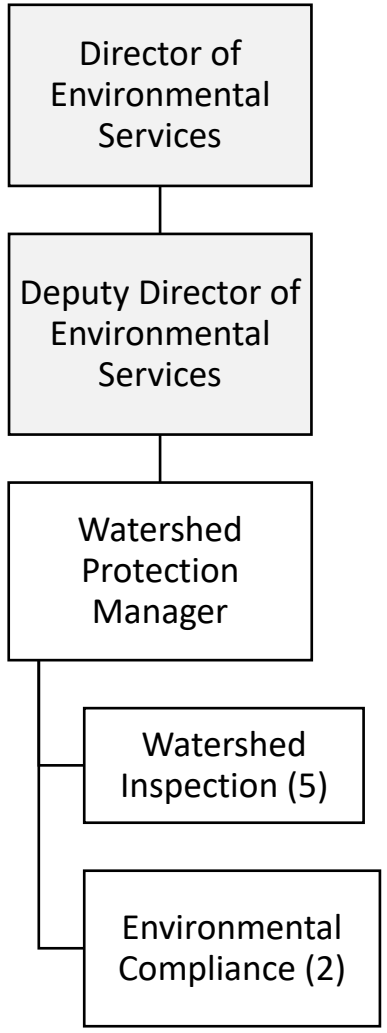


Proposed Commercial Rate Comparison

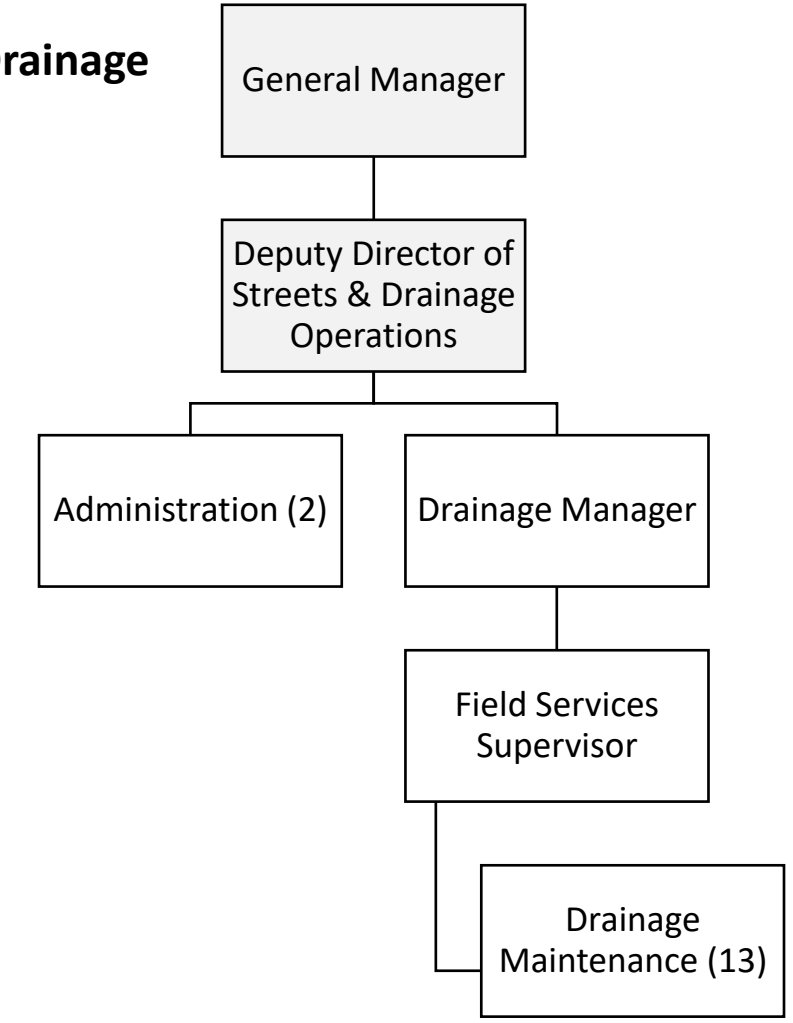


Drainage – Organizational Chart

Watershed Protection



Drainage



Total FTE Count: 25

Drainage Budget (Current Year)

Revenues	FY 2024 Budget	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimate
Residential Rate Revenues	$ 2,245,255	$ 2,291,080	$ 2,325,204	$ 2,238,873
Non-Residential Rate Revenues	2,714,746	3,169,539	2,720,632	3,160,692
Non-Rate Revenues	450,277	403,704	611,867	406,889
Use of Reserves	-	-	-	-
Total Resources	**$ 5,410,278**	**$ 5,864,322**	**$ 5,657,703**	**$ 5,806,454**

Expenses	FY 2024 Budget	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimate
Personnel Services	$ 2,590,910	$ 2,465,156	$ 2,821,257	$ 2,578,150
Materials and Supplies	197,257	100,372	122,630	61,190
Maintenance and Repair	297,047	288,358	331,247	196,455
Insurance	69,181	65,794	74,395	74,395
Miscellaneous Expense	18,350	7,132	18,200	12,664
Operations	589,287	566,687	697,213	446,424
Transfers	1,648,246	1,058,207	1,592,761	1,880,872
Total Expenditures	**$ 5,410,278**	**$ 4,551,706**	**$ 5,657,703**	**$ 5,806,454**
Net Change	$ -	$ 1,312,617	$ -	$ -

FY 2025-26 Drainage Overview

- Budget Change
  - 3.6% vs FY25 Budget
- No proposed rate increase
- Revenue Projections
  - $7,175,224
- Expense Projections
  - $7,175,224
- Cost of Service study with Raftelis kicked off 6/27

Drainage History

2002
3,300 inlets
32 miles of infrastructure

2025
9,218 inlets **179%** increase
320 miles of infrastructure **900%** increase

Square Feet	**Rate per Sq. Ft.**
0-600	$0.50
601-1000	$1.00
1001-2000	$3.35
2001-3000	$5.45
3001-4000	$7.60
4001-5000	$9.75
5001-6000	$12.00
Over 6000	$15.50

Drainage – 5 Year Preliminary Forecast

	2023-24 ACTUALS	2024-25 MOD BUDGET	2024-25 EOY ESTIMATE	2025-2026 PROPOSED	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected
Beginning Fund Balance	**$ 1,000,000**	**$ 1,000,000**	**$ 2,312,617**	**$ 2,312,617**	**$ 2,312,617**	**$ 2,312,617**	**$ 2,312,617**	**$ 2,312,617**
Residential Fees	$ 2,291,080	$ 2,325,204	$ 2,238,873	$ 2,365,364	$ 2,436,325	$ 2,509,414	$ 2,584,697	$ 2,662,238
Nonresidential Fees	3,169,539	2,720,632	3,160,692	3,169,207	3,264,284	3,362,212	3,463,079	3,566,971
Watershed Inspection Fee	25,538	26,941	17,378	18,370	18,921	19,488	20,073	20,675
Non-rate Revenues	-	195,415	-	-	-	-	-	-
Interfund Transfers	378,166	389,511	389,511	309,666	318,956	328,525	338,380	348,532
Planned Use of Reserve	-	-	-	1,312,617	-	-	-	-
Total Revenue	**$ 5,864,322**	**$ 5,657,703**	**$ 5,806,454**	**$ 7,175,224**	**$ 6,038,485**	**$ 6,219,640**	**$ 6,406,229**	**$ 6,598,416**
Personnel Services	$ 2,465,156	$ 2,821,257	$ 2,578,150	$ 2,797,128	$ 2,881,042	$ 2,967,473	$ 3,056,497	$ 3,148,192
Materials and Supplies	100,372	122,630	61,190	94,295	97,124	100,038	103,039	106,130
Maintenance and Repair	288,358	331,247	196,455	381,157	392,592	404,369	416,501	428,996
Insurance	65,794	74,395	74,395	70,940	73,068	75,260	77,518	79,844
Miscellaneous Expense	7,132	18,200	12,664	6,275	6,463	6,657	6,857	7,063
Operations	566,687	697,213	446,424	838,863	864,029	889,950	916,648	944,148
Capital Transfers	449,050	1,036,457	1,880,872	1,834,157	537,186	553,302	569,901	586,998
Interfund Transfers	609,157	556,304	556,304	1,152,409	1,186,981	1,222,591	1,259,268	1,297,046
Total Expenditures	**$ 4,551,706**	**$ 5,657,703**	**$ 5,806,454**	**$ 7,175,224**	**$ 6,038,485**	**$ 6,219,640**	**$ 6,406,229**	**$ 6,598,416**
Ending Fund Balance	**$ 2,312,617**	**$ 1,000,000**	**$ 2,312,617**	**$ 2,312,617**	**$ 2,312,617**	**$ 2,312,617**	**$ 2,312,617**	**$ 2,312,617**
Change in Fund Balance	**$ 1,312,617**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Rate Increases				0.0%	0.0%	0.0%	0.0%	0.0%

Preliminary Utility Rate Change Summary

Residential – Average Bill			
	Current	Proposed	Difference
Solid Waste	$25.42	$25.42	$ -
Electric	$132.72	$132.72	$ -
Water	$53.85	$55.47	$1.62
Wastewater	$41.63	$46.21	$4.58
Drainage	$3.35	$3.35	$ -
Total	**$256.97**	**$263.16**	**$6.19**

Commercial – Average Bill			
	Current	Proposed	Difference
Solid Waste	$33.75	$33.75	$ -
Electric	$296.90	$296.90	$ -
Water	$63.27	$65.17	$1.90
Wastewater	$68.48	$76.01	$7.53
Drainage	$2.79	$2.79	$ -
Total	**$465.19**	**$474.62**	**$9.43**

* based on 9,000 monthly gallons water / 6,000 monthly gallons wastewater

Rate Summary

History of Rate Increases / (Decreases)
Preliminary 2026 Rate Revenue Requirements

Utility	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Solid Waste	-12.00%	-12.00%	-5.00%	-	-	-	1.50%	0.00%
Electric*	-3.50%	-	-	-	-	3.00%	1.50%	0.00%
Water	-	-	-2.00%	-	-	-	3.00%	3.00%
Wastewater	-5.00%	-	-	-	-	11.00%	11.00%	11.00%
Drainage	-	-	-	-	-	-	-	0.00%

** Base Rate Only*

Recommendations/Next Steps

Feedback and Direction on the Preliminary Budgets:

- Preliminary utility rate changes for Water & Wastewater
- Cost recovery option for online credit card/eCheck utility payments

Next Steps:

- July 22, 2025: Capital Improvement Program FY 2025-26 (All Funds)
- August 9, 2025: Budget Workshop
- August 19, 2025: Budget Workshop Follow-Up
- September 16, 2025: Budget & Tax Rate Hearing & Adoption

Questions?

File #: ID 25-421, **Version:** 1

AGENDA CAPTION

Receive a report, hold a discussion, and give staff direction on the update regarding Denton's Climate Action Plan goals, measures and dashboard.

[Estimated Presentation/Discussion Time: 45 minutes]

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Environmental Services and Sustainability

ACM: Frank Dixon, Assistant City Manager

DATE: July 15, 2025

SUBJECT

Receive a report, hold a discussion, and give staff direction on the update regarding Denton's Climate Action Plan goals, measures and dashboard.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Promote Sustainability and the Environment.

INFORMATION/BACKGROUND

The City of Denton has placed Sustainability as a high priority for City Council and our Community. The Simply Sustainable Framework (SSF) and the Sustainability Framework Advisory Committee (SFAC) inform and provide guidance for making our community more sustainable. The Sustainability Framework Fund created in August 2021 provides funding to supplement actions and implementation of the SSF. On April 19, 2022, the City Council approved Ordinance 22-746 which established Science Based Targets, and the need for a formal Climate Action Plan.

The Climate Action Plan adopted by City Council Resolution No 24-1420 on August 6, 2024, includes three primary goals, 16 actions, and 60 measures. The three goals include both community and municipal actions and measure progress across both areas. The Climate Action Plan focuses on how the city can improve municipal operations and how the City can encourage and incentivize the community to adopt practices that further the City's goals.

The Climate Action Plan Dashboard and scorecard are accessible to the public and track and measure progress toward goals.

SUSTAINABILITY MEASURES

Focus Area & Goals: ALL
Air Quality and Greenhouse Gas Management and Transportation

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Denton CAP Presentation

Staff contact: Michael Gange, 940-349-7165

Climate Action Plan FY23-24 Update

Michael A. Gange

Environmental Services & Sustainability Director

July 15, 2025



Denton's Climate Action Plan

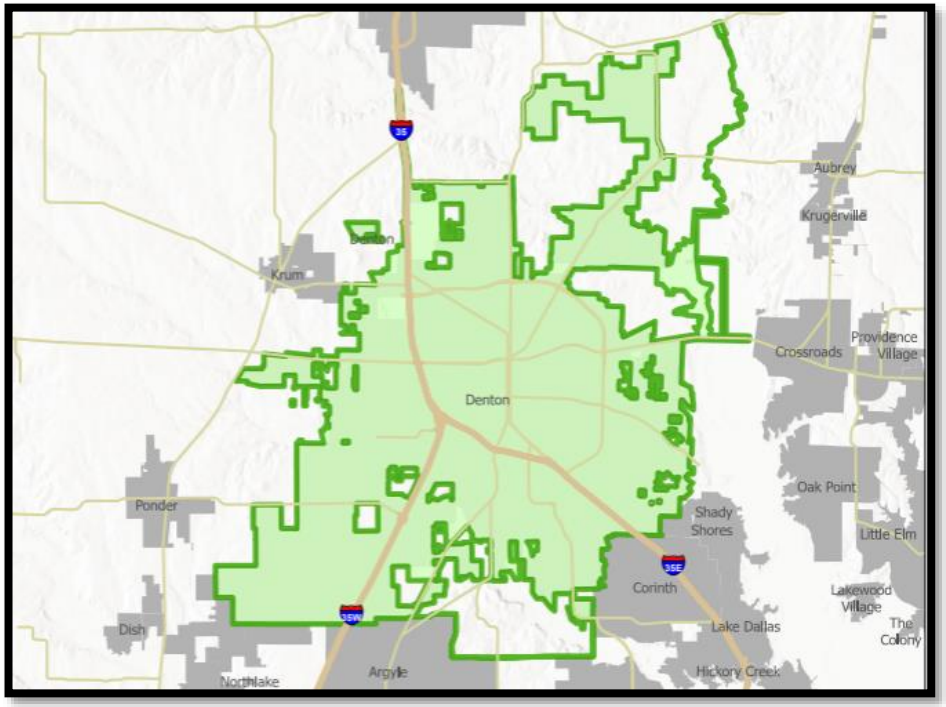
Net-Zero Emissions by 2050

3 Primary Goals with 16 Actions:

1. Transportation (5 actions / 53%)
2. Buildings (8 actions / 35%)
3. Land Use (3 actions / 12%)

Dashboard/Scorecard

- Other Master Plan alignment
- 60 measures (new & existing)



City of Denton Accomplishments (FY23-24)

- 100% Renewable Electricity to all DME customers
- $1M investment in Energy Efficiency
- Solid Waste overall diversion rate of 24%
- Social media engagement up 185%
- Rooftop Solar increased 3.2 MW from April 2023

Goal 1 – Transportation (Community)

53%

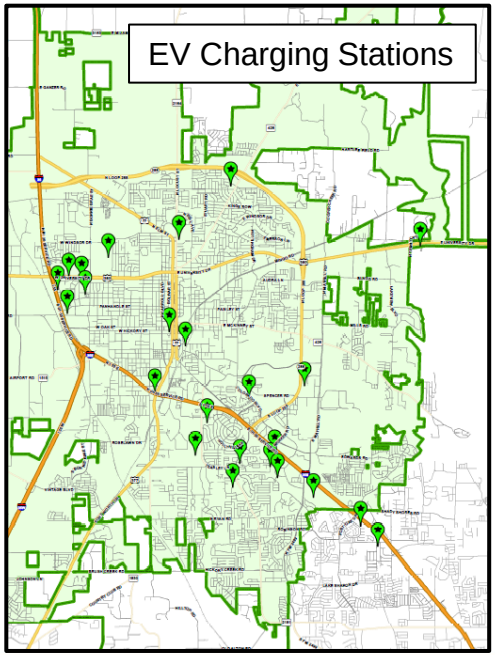
Local/State/Federal Incentives
- City of Denton EV & E-Bike Incentives
- TxVEMP All-Electric Grant Program
- Federal EV and FCEV Tax Credit (*Personal and Commercial*)

Market Assessment
March 2025, 78 EV & 37 PHEV
(March 2023, 40 EV & 33 PHEV)
Manufacturers zero emission goals
- GM light-duty vehicles by 2035
- Ford cars and vans by 2040

EV charger incentive (at home):
- Ford, GM, Honda, Acura, & others

Category	Registered Vehicles	Registered EVs	%
City of Denton	108,979	1,424	1.31%
Denton County	826,965	27,289	3.30%
Municipal LD	363	14	3.85%
Municipal*	690	15	2.17%

City / Town	# of EV	%	City / Town	# of EV	%
Frisco	11,886	6.81%	Little Elm	1,751	3.55%
Flower Mound	2,765	4.23%	The Colony	1,082	2.72%
Carrollton	2,798	2.37%	Argyle	982	4.10%
Lewisville	2,387	2.18%	Highland Village	334	2.75%



www.dfwcleancities.org/evsinnorthtexas as of 06/30/2025

Goal 1 - Transportation (Municipal)

53%

1.1 Decarbonize fleet (all sources)

- Added 11 Electric Vehicles (EV)
- Added 6 E-Bikes for Police Department
- First Electric Fire Engine (*April 2025*)
- EV Options available for light duty fleet
- Funds available to offset incremental cost









Goal 1 - Transportation (Community)

53%

1.2 Improve Active Transportation Infrastructure

- Added 4.2 miles of trails
- Repaired almost 2 miles of sidewalks

1.3 Encourage Walking and Biking (no emission modes)

- 57% of residents are within 10-minute walk from a park
- Issued 67 E-Bike rebates

1.4 Decrease total number of trips in vehicles

- DCTA ridership increased to 3,189,372 riders across all modes (up 9.37%)



Goal 2 - Building Measures (Community)

35%

- 769 GreenSense rebates FY23-24
  - HVAC - 327 (up 275%)
  - Windows - 74 (up 54%)
  - Insulation - 55 (up 243%)
  - Other – 213 (e.g., E-bikes)
- Utility Usage
  - Electric decreased 5% per customer
  - Natural Gas decreased 1% community wide
  - Water decreased 7% community wide

94% Rebates for 2009 or older homes

2021 gains approx. **40%** more efficiency compared to 2009

Label	Estimate
YEAR STRUCTURE BUILT	
2020 or later	3,991
2010 to 2019	11,734
2000 to 2009	13,003
1980 to 1999	15,243
1960 to 1979	11,378
1940 to 1959	3,142
1939 or earlier	1,220

74%

Goal 2 - Building Measures (Municipal)

35%

- Converted to LED lighting at 18 facilities (2020-2024)
- Upgraded HVAC Control System
- Municipal Electric Usage decreased 9.27%
- Municipal Water Usage decreased 34%

LED up to **80%** more efficient & convert **95%** of energy to light

City Buildings	Count
Tier 1 – Staff/Public Usage	63
Tier 2 – Partial Staff Usage	30
Tier 3 – Intermittent Staff Usage	111
Total	**204**



12%

Goal 3 – Land Use

3.1 Enhance Access to Necessities (walkable communities)

- Approx. 57% of residents are within 10-minute walk from a park
- Shared wall construction

	2016	New	2025
Single-Family Detached	221	224	445
Duplex	28	58	86
Multifamily*	-	683	683
TOTAL	**249**	**965**	**1,214**

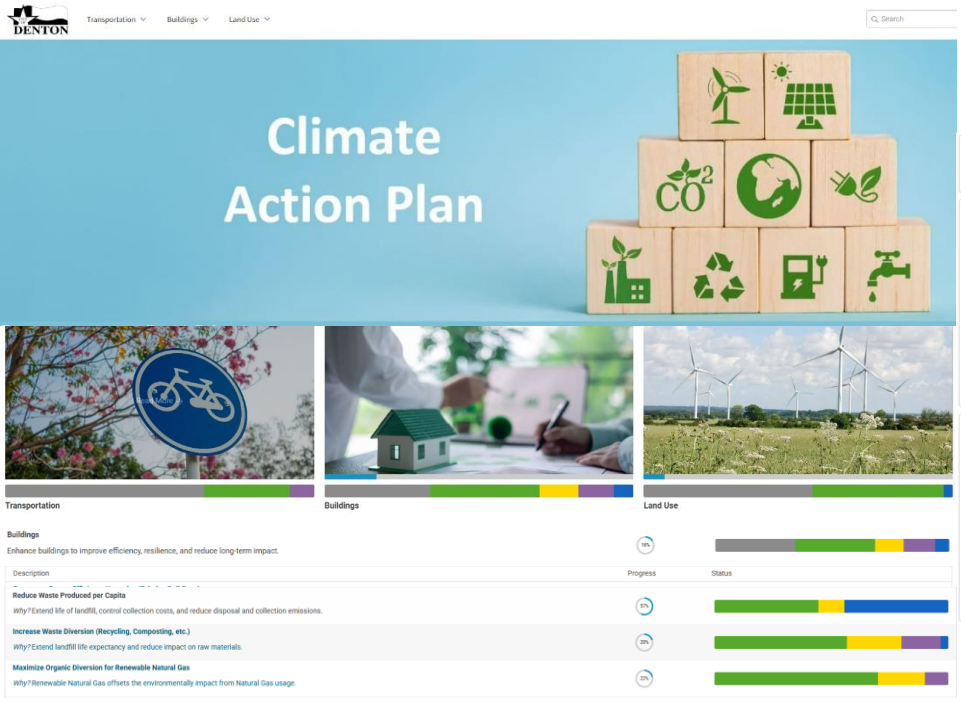
Energy cost is a significant portion of overall cost of housing. Shared Wall construction is **35% to 55% more efficient** than single family detached construction.

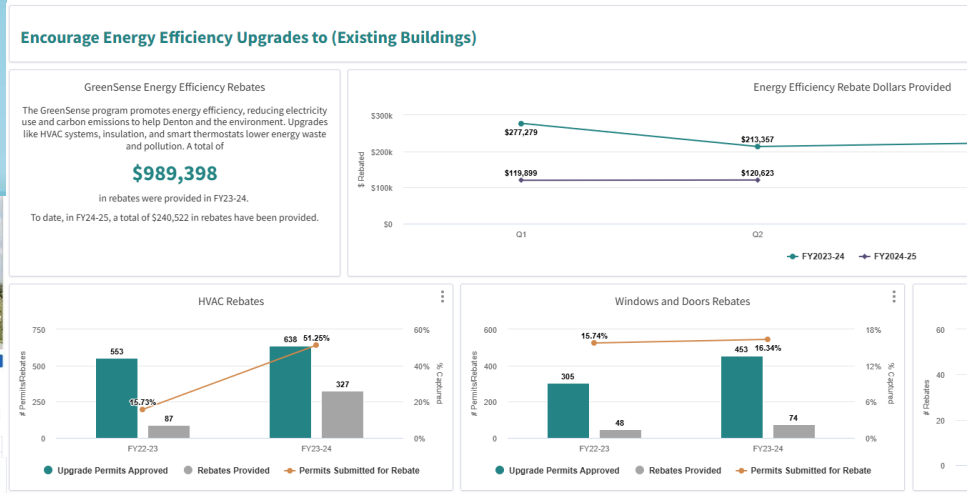
3.2 Produce Renewable Natural Gas from Landfill

- SWR in negotiation for RNG contract (Landfill and PCWRP)

* 389 units in active construction

Dashboard / Scorecard





File #: ID 25-1139, **Version:** 1

AGENDA CAPTION

Receive a report, hold a discussion, and give staff direction on the proposed amendment and adoption of the Water and Wastewater Impact Fees.

[Estimated Presentation/Discussion Time: 60 minutes]

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Water Utilities

ACM: Cassandra Ogden

DATE: July15, 2025

SUBJECT

Receive a report, hold a discussion, and give staff direction on the proposed amendment and adoption of the Water and Wastewater Impact Fees.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Support Healthy and Safe Communities.

INFORMATION/BACKGROUND

The City of Denton is updating the Water and Wastewater Impact Fees in accordance with Chapter 395 of the Texas Local Government Code. Impact fees provide a means for recovering the cost of adding capacity to the water and wastewater system to serve new growth that creates additional demand. The City first adopted impact fees for Water and Wastewater Utilities in September 1998. These fees are required by law to be updated every five years, with the most recent update completed in 2018. The current update began in August 2022.

In February and June 2025, staff presented to the Capital Improvement Advisory Committee (CIAC). On June 25, CIAC voted to recommend approval (6-0).

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Public Utilities Board – October 24, 2022 – Received Direction
Developer Meeting – July 8, 2024 – Provided Update and Received Feedback
City Council – July 16, 2024 – Received Direction
Developer Meeting – September 10, 2024 – Provided Update and Received Feedback
Developer Meeting – February 10, 2025 - Provided Update and Received Feedback
Capital Improvement Advisory Committee – February 12, 2025
Capital Improvement Advisory Committee – June 25, 2025

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Resolution

Respectfully submitted:
Stephen Gay, 940-349-8086

Director of Water Utilities

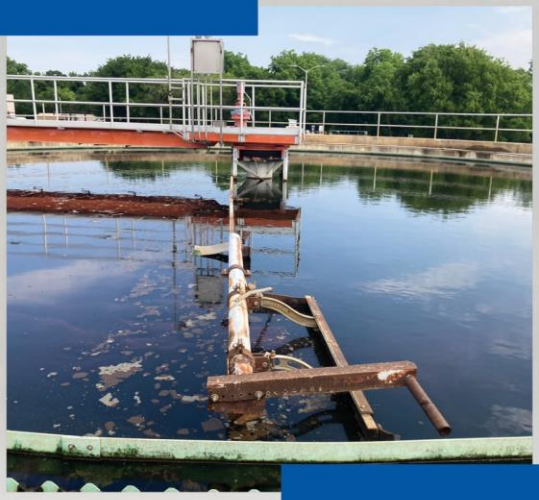
For information regarding this acquisition, please contact Kyle Pedigo at 940-349-7194.

Legal point of contact: Susan Keller at 940-349-8132

Draft Water and Wastewater Impact Fee Update

June 2025







Prepared for:

CITY OF DENTON

Prepared by:

Kimley»Horn

Kimley-Horn and Associates, Inc.
801 Cherry Street, Unit 11, Suite 1300
Fort Worth, TX 76102
817.335.6511
TBPE Firm Registration Number: F-928
Project Number: 061024066

© Kimley-Horn and Associates, Inc.

TABLE OF CONTENTS

EXECUTIVE SUMMARY i

CHAPTER 1 LAND USE ASSUMPTIONS 1

CHAPTER 2 WATER IMPACT FEE STUDY 13

CHAPTER 3 WASTEWATER IMPACT FEE STUDY 29

APPENDIX 42

WATER FINANCIAL ANALYSIS 43

WASTEWATER FINANCIAL ANALYSIS 68

CONSIDERATION FOR THE HUNTER RANCH AND COLE RANCH OPERATING AGREEMENTS 93

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

INTRODUCTION

Impact Fees are a mechanism for funding the public infrastructure necessitated by new development. Across the country, they are used to fund police and fire facilities, parks, schools, roads, and utilities. In Texas, the legislature has allowed their use for roadway, drainage, water, and wastewater facilities. In 2023, the City of Denton began an update to the Water and Wastewater Impact Fees last updated in 2019.

In the most basic terms, Impact Fees are meant to recover the incremental cost of the impact of each new unit of development towards new infrastructure needs. Impact Fees are a mathematical calculation that determine a maximum fee that would be equivalent to growth paying for growth. This study's purpose is to calculate the maximum impact fee per service unit of new growth.

The Maximum Impact Fee is considered an appropriate measure of the impacts generated by a new unit of development on a City's infrastructure system. An impact fee program is anticipated to be designed so that it is **predictable** for both the development community and City. An impact fee program is **transparent**. This report describes in detail how the fee is calculated and how the Capital Improvements Advisory Committee (CIAC) monitors the Impact Fee program. An impact fee program is **flexible** in that funds can be used on priority projects and not just on projects adjacent to a specific development. An impact fee program is both **equitable** and **proportional** in that every new development pays an equal fee that is directly related to its systemwide impact.

IMPACT FEE BASICS

Service Areas

A Service Area is a geographic area within which a unique maximum impact fee is determined. All fees collected within the Service Area must be spent on eligible improvements within the same Service Area. For Water and Wastewater Impact Fees, a Service Area can be defined for both water and wastewater facilities that consists of the City Limits and extends throughout the Extraterritorial Jurisdiction (ETJ). Denton's water Impact Fees are distributed across three (3) services areas. Denton's current wastewater Impact Fees are distributed across a single service area. Due to the need for two additional wastewater treatment plants the City will move to three (3) wastewater services areas.

Land Use Assumptions

The Impact Fee determination is required to be based on the projected growth and corresponding capacity needs in a 10-year window. This study considers the years 2024-2034 for the projected 10-year growth. Population growth during that period is projected to increase by approximately 114,000. This projection along with associated non-residential development set the basis for determining water demands and wastewater flows to serve new growth.

Service Units

The "service unit" is a measure of consumption or use of the capital facilities by new development. In other words, it is the unit of measure used to quantify the supply and demand for utilities in the City. Service units are attributable to an individual unit of development and utilized to calculate the maximum impact fee of a development.

The service unit for water and wastewater Impact Fees is based on the size of the individual water meters used to serve growth related development. The base water service unit is the water demand associated with the smallest water meter issued for a new residential unit. The base wastewater service unit is the wastewater flow associated with the smallest water meter issued for a new residential unit. The smallest water meter issued for a new residential unit in the City of Denton is a 5/8-inch x 3/4-inch meter.

Capital Improvement Plans

The City has identified the water and wastewater projects needed to accommodate the projected growth over the next ten (10) years. These projects include existing, proposed, and recently completed projects that were determined based on their current or anticipated impact on each defined service area.

Water Impact Fee Capital Improvements Plan

The Water Impact Fee Capital Improvements Plan was developed based on recommended capital improvements outlined in the 2024 Water Master Plan, input from City Staff, and the population growth projections shown in the Land Use Assumptions. The recommended improvements will provide the required capacity and reliability to meet projected water demand through 2034. Elements of the water system, including treatment facilities, storage facilities, pumping facilities, transmission and distribution network were evaluated against industry standards as outlined in the Design Criteria sections of Water Impact Fee Chapter.

A total of nineteen (19) existing projects, thirty-one (31) proposed projects, and the Water Impact Fee Study were identified to develop the Water Impact Fee Capital Improvements Plan. The total project cost (*not* impact fee eligible cost) to be evaluated is $1,003,063,455.

Wastewater Impact Fee Capital Improvements Plan

Similar to the Water Impact Fee Capital Improvements Plan, the Wastewater Impact Fee Capital Improvements Plan was developed to address system improvements driven by growth. Elements of the wastewater system, including treatment, gravity pipes, force mains, and lift stations were evaluated against industry standards as outlined in the Design Criteria section of the Wastewater Impact Fee Chapter of this Report.

Seventeen (17) existing, forty-seven (47) proposed projects, and the Wastewater Impact Fee Study were identified to develop the Wastewater Impact Fee Capital Improvements Plan. The total project cost (*not* impact fee eligible cost) to be evaluated is $1,222,435,449.

Recoverable Project Costs

Impact Fees are a one-time fee meant to recover the incremental cost of the impact of each new unit of development creating new infrastructure needs within a ten-year window. With this consideration, the maximum assessable impact fee does not specifically cover the entire cost of a water or wastewater project. The calculations that determine the percentage of a project's cost that is impact fee eligible are defined as the project's recoverable cost.

Water Recoverable Project Costs

The recoverable costs for water projects are calculated by determining the increase in water demand due to growth over the 10-year window. The City's current and future water demand were utilized to calculate the percent utilization of each identified impact fee eligible project. The change in utilization of each project is multiplied by the total project cost to determine total recoverable project cost. The total recoverable costs for the water distribution system are $535,273,791 (pre-finance).

Wastewater Recoverable Project Costs

The recoverable costs for wastewater projects are calculated by determining the increase in wastewater flows due to growth over the 10-year window. The City's current and future flow projections were utilized to calculate the percent utilization of each identified impact fee eligible project. The change in utilization of each project is multiplied by the total project cost to determine total recoverable project cost. The total recoverable costs for the wastewater collection system are $636,342,861 (pre-finance).

Maximum Assessable Impact Fee Calculation

In simplest terms, the maximum impact fee allowable by law is calculated by dividing the recoverable cost of the Capital Improvement Plans by the number of new service units of development. In accordance with state law, both the cost of the Capital Improvement Plan and the number of new service units of development

used in the equation are based on the growth and corresponding capacity needs projected to occur within a 10-year window.

In practice, there are many factors that complicate this calculation. The 2025 maximum impact fee allowable by law for each service area is shown in the following table:

Water Maximum Impact Fee by Service Areas		
Service Area 1A	Service Area 1B	Service Area 2
$1,820	$10,745	$12,139

Wastewater Maximum Impact Fee by Service Areas		
Pecan Creek Service Area	Hickory Creek Service Area	Clear Creek Service Area
$11,615	$12,791	$17,916

Adoption Process

Chapter 395 of the Texas Local Government Code stipulates a specific process for the adoption of Impact Fees. A Capital Improvements Advisory Committee (CIAC) is required to review the Land Use Assumptions and the Impact Fee Capital Improvements Plan used in calculating the maximum fee, and to provide the Committee's findings for consideration by the City Council. This CIAC also reviews the calculation and resulting maximum fees and provides its findings to the City Council. The composition of the CIAC is required to have adequate representation of the building and development communities. In Denton, the CIAC members include real estate, development, and building industry professionals including an ETJ representative. The City Council then conducts a public hearing on the Land Use Assumptions, Impact Fee Capital Improvements Plan, and Impact Fee Ordinance.

Following policy adoption, the CIAC is tasked with advising the City Council of the need to update the Land Use Assumptions or the Impact Fee Capital Improvements Plan at any time within five years of adoption. Finally, the CIAC oversees the proper administration of the Impact Fee, once in place, and advises the Council as necessary.

Chapter 395 of the Texas Local Government Code requires a minimum of one (1) public hearing before Council to amend an existing impact fee program.

CHAPTER 1

LAND USE ASSUMPTIONS

1.1 INTRODUCTION

Chapter 395 of the Texas Local Government Code describes the procedure Texas cities must follow in order to create and implement Impact Fees. Senate Bill 243 (SB 243) amended Chapter 395 to define an Impact Fee as "a charge or assessment imposed by a political subdivision against new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development."

Chapter 395 mandates that Impact Fees be reviewed and updated at least every five (5) years. The City of Denton's Water and Wastewater Impact Fee Program was last updated in 2019. The City of Denton has initiated a review of its Land Use Assumptions, Impact Fee Capital Improvements Plan, and Impact Fees. The City has retained Kimley-Horn and Associates, Inc. to provide professional services for the update to the adopted 2025 Water and Wastewater Impact Fee Study. The Land Use Assumptions, which include population and service unit projections, form the basis for the development of the Impact Fee Capital Improvements Plans for water and wastewater facilities.

In order to assess an impact fee, Land Use Assumptions must be developed to provide the basis for population and associated service unit growth projections within a political subdivision. As defined by Chapter 395 of the Texas Local Government Code, these assumptions include a description of changes in land uses, densities, and service units in the service areas. In addition, these assumptions are useful in assisting the City of Denton in determining the need and timing of capital improvements to serve future development.

In accordance with Chapter 395, information from the following sources was compiled to complete the Land Use Assumptions:

- City of Denton's 2040 Comprehensive Plan;
- 2023 Wastewater Master Plan;
- 2024 Water Master Plan;
- City of Denton Planning and Development Services.

1.2 COMPONENTS OF THE LAND USE ASSUMPTIONS CHAPTER

The Land Use Assumptions include the following components

METHODOLOGY AND 10-YEAR GROWTH ASSUMPTIONS

An overview of the general methodology used to generate the land use assumptions and walk through of the growth projections for 2024-2034.

IMPACT FEE STUDY AREAS

Explanation of the distribution of service areas within Denton for water and wastewater facilities.

LAND USE ASSUMPTIONS SUMMARY

A synopsis of the land use assumptions.

1.3 METHODOLOGY AND 10-YEAR GROWTH ASSUMPTIONS

The population growth projections formulated in this report were done using reasonable and generally accepted planning principles. The following documents and factors were considered in developing these projections:

- Character, type, density, location and quantity of existing development.
- Probable future developments.
- Availability of land for future expansion.
- The Future Land Use Plan illustrated in the 2040 Comprehensive Plan.
- Population Projections (from the 2023 Wastewater Master Plan and 2024 Water Master Plan).

The City provided land use type, density, and phasing (if available) for incoming developments, including large multi-phase developments. Developers provided land use type, density, and phasing for any incoming Municipal Utility Districts (MUDs) identified with the Extra Territorial Jurisdiction (ETJ). Known developments are shown on **Exhibit 1.1**. The phasing information of the larger multi-phase developments and MUDs is listed in **Table 1.1**.

Table 1.1 Probable Future Developments

	Development	Residential Units	
		5-Year	10-Year
Multi-Phase Development	Hunter-Cole	3,899	7,400
	Legends	1,820	1,836
	Hickory Creek	1,423	2,923
MUD	Rosebrook[1,2]	1,621	1,621
	Churchill	525	1,400
	Meadows	1,330	1,830
	Ponder Farms	525	592
	Sanctuary	1,000	2,500
	Rockwood[3]	0	0
	Stonehill	0	0
	Tabor Ranch	2,220	2,820
	Webster Meadows	405	405
	Young Tracts	0	0

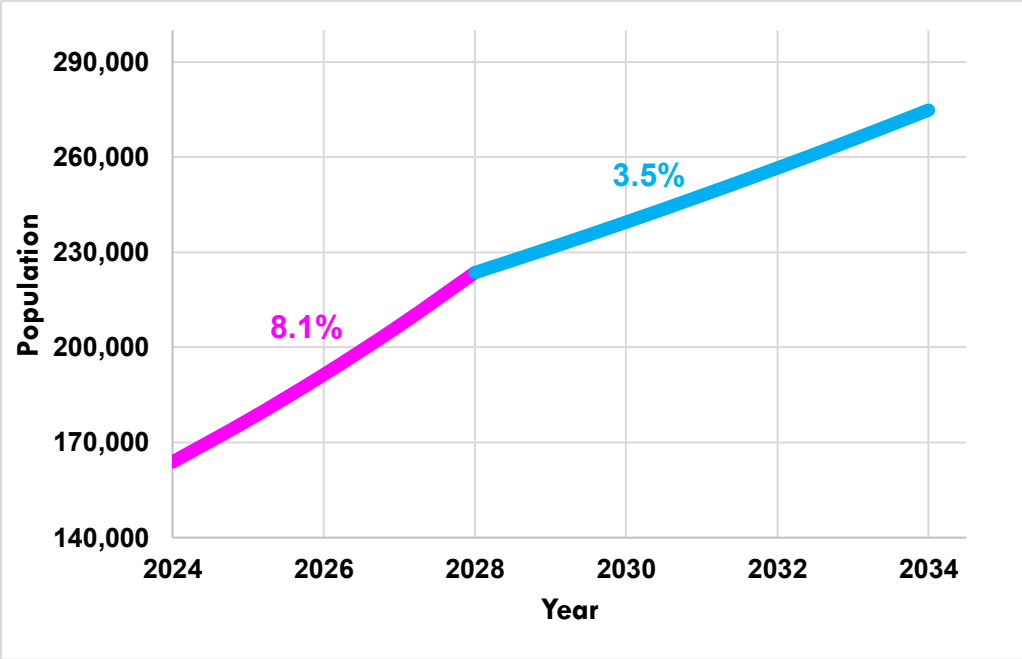
[1]Phasing updated from 2023 Wastewater Master Plan (WWMP) based on most recent data provided by developer

[2]The 2023 WWMP refers to Rosebrook as Astra

[3]The 2023 WWMP refers to Rockwood as Sherwood

Growth projections detailed in Denton's Water and Wastewater Master Plans established growth trendlines based on the information from Table 1.1 and the results are illustrated on **Figure 1.1**. Average annual growth projections of 8.1% and 3.5% are shown for the next 5 and 10-year planning periods.

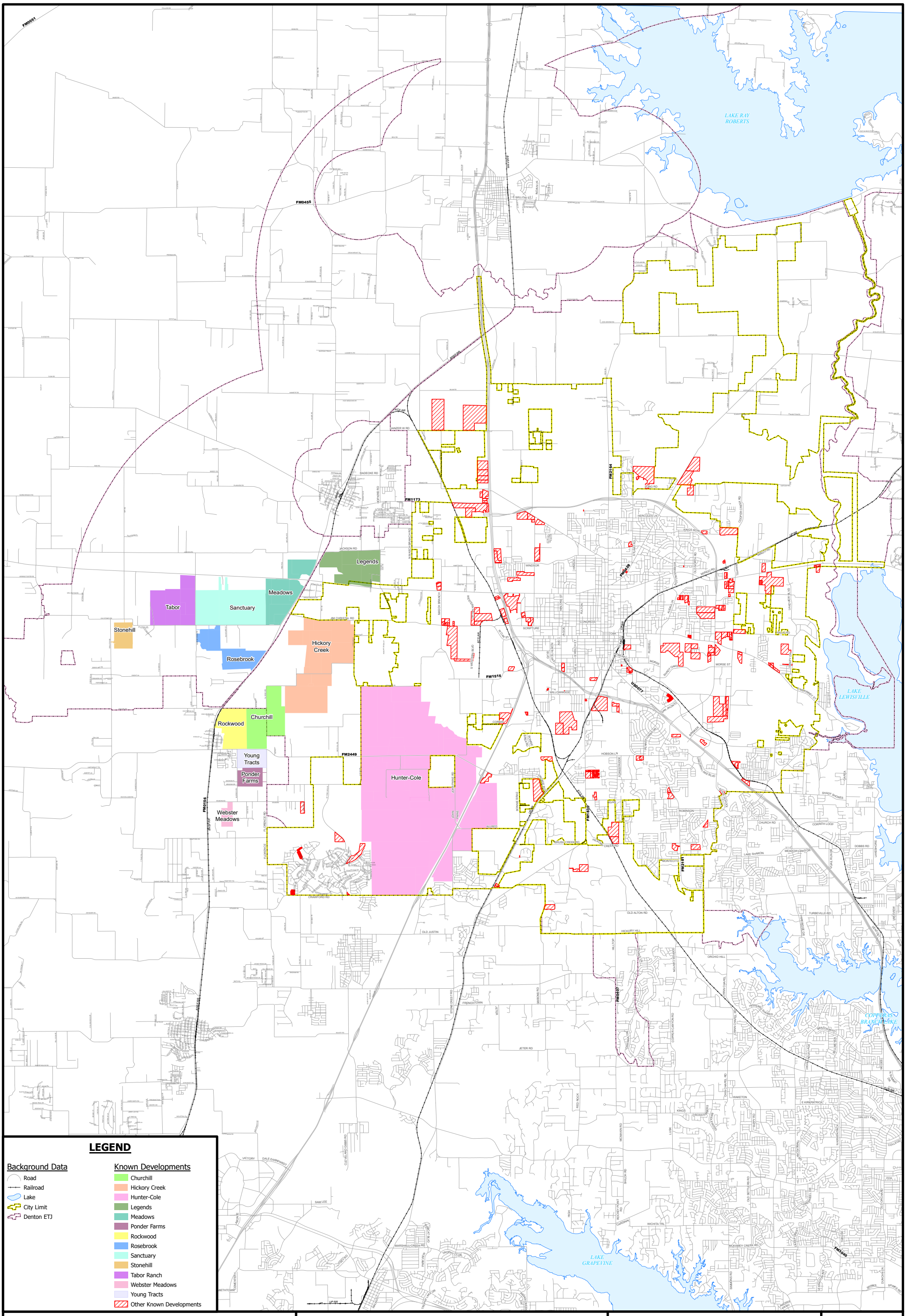
Figure 1.1 City of Denton Growth Assumptions



Based on the 10-year growth projections, summarizing population and service units from 2023 to 2033, are projected to be:

- Population Growth = 114,000
- Water Service Unit Growth = 52,774
- Wastewater Service Unit Growth = 52,276

Future growth by land use type is based on the Future Land Use Plan (**See Exhibit 1.2**) shown in the 2040 Comprehensive Plan.



CITY OF DENTON

CITY OF DENTON
KNOWN DEVELOPMENTS

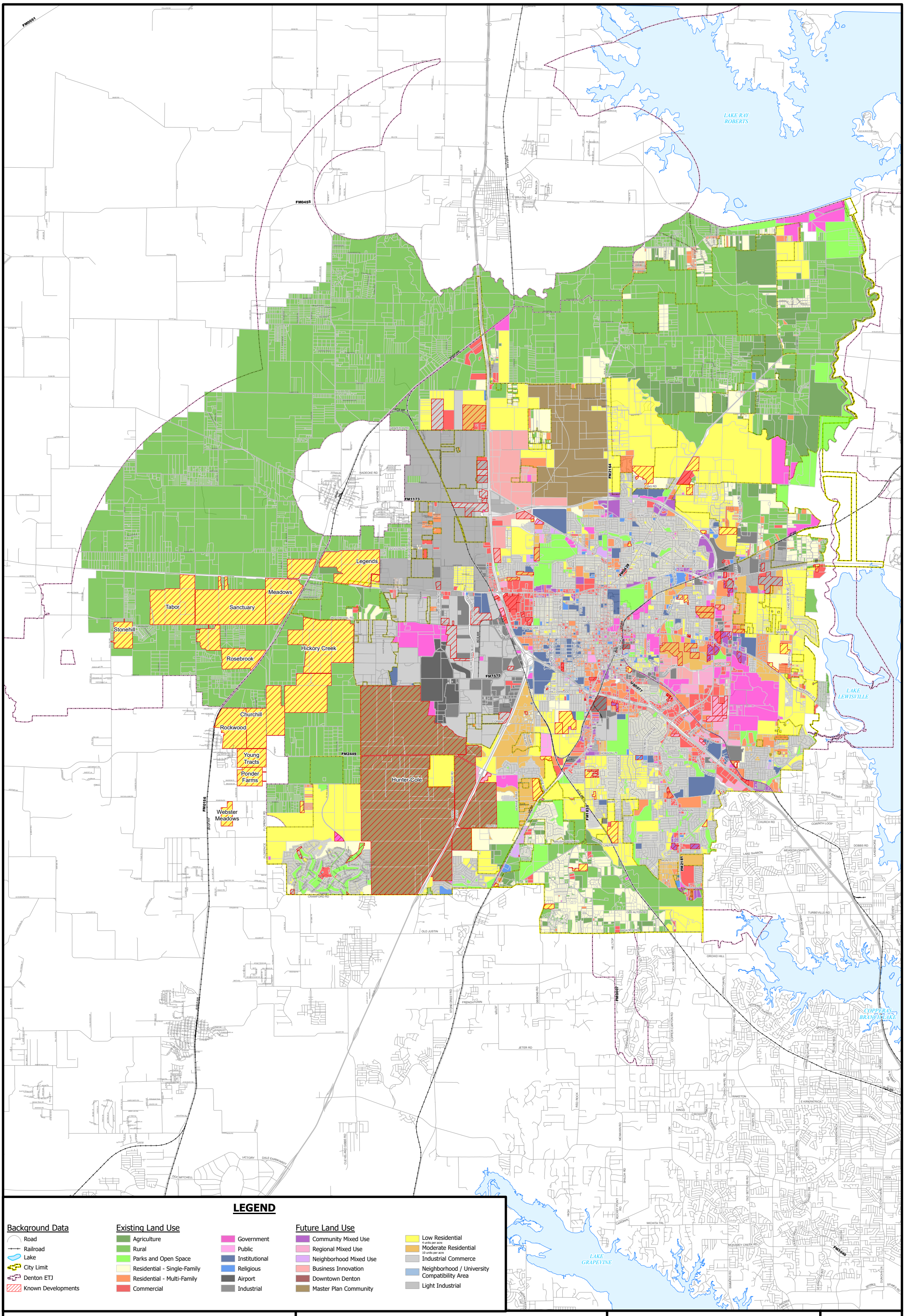
1 IN = 5,000 FT

January 2025

Kimley»Horn

This map product is for information 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.

EXHIBIT 1.1



LEGEND

Background Data
- Road
- Railroad
- Lake
- City Limit
- Denton ETJ
- Known Developments

Existing Land Use
- Agriculture
- Rural
- Parks and Open Space
- Residential - Single-Family
- Residential - Multi-Family
- Commercial
- Government
- Public
- Institutional
- Religious
- Airport
- Industrial

Future Land Use
- Community Mixed Use
- Regional Mixed Use
- Neighborhood Mixed Use
- Business Innovation
- Downtown Denton
- Master Plan Community
- Low Residential (4 units per acre)
- Moderate Residential (10 units per acre)
- Industrial Commerce
- Neighborhood / University Compatibility Area
- Light Industrial

CITY OF DENTON

CITY OF DENTON
FUTURE LAND USE

1 IN = 5,000 FT

January 2025

Kimley»Horn

This map product is for information 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.

EXHIBIT 1.2

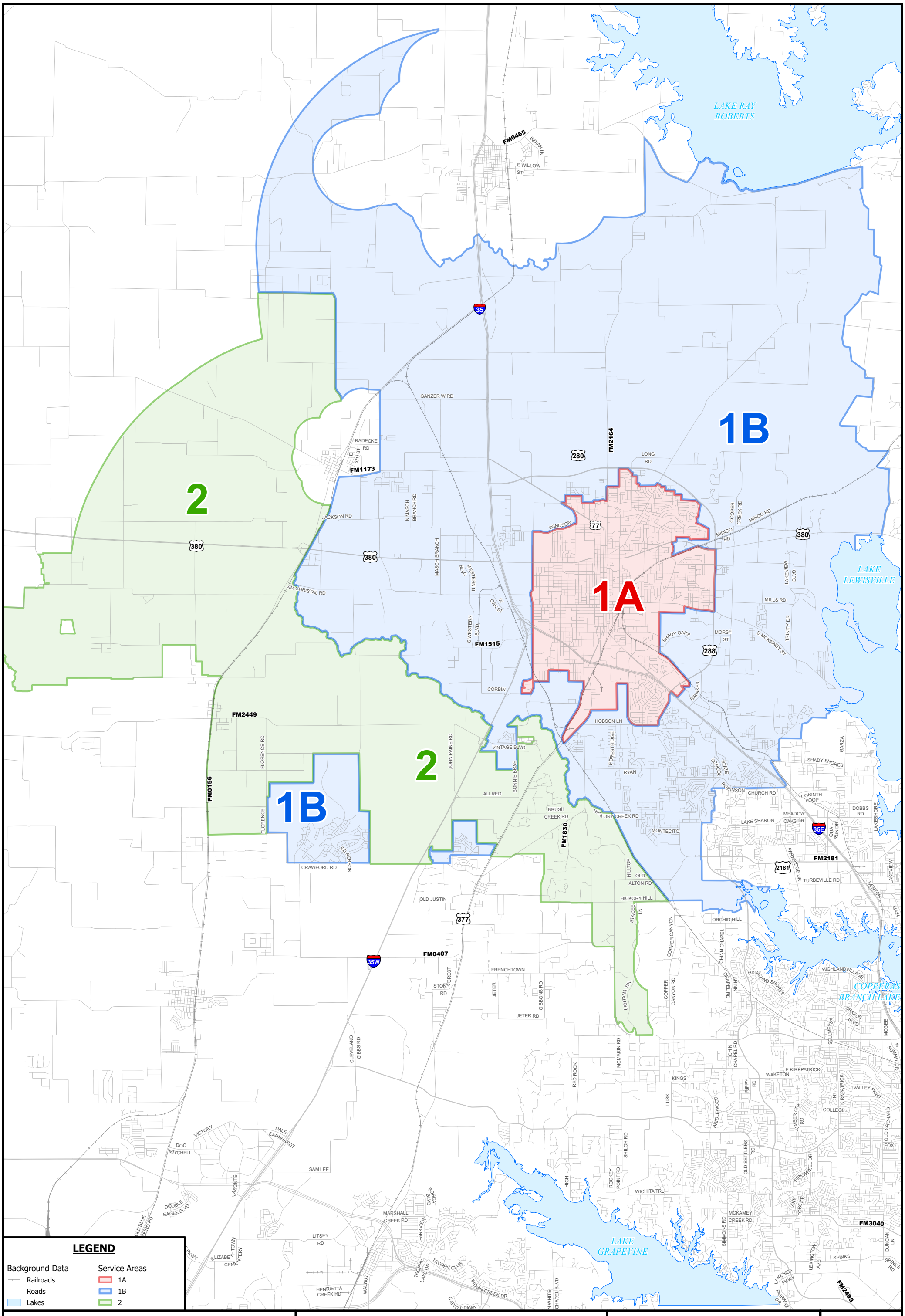
1.4 IMPACT FEE SERVICE AREAS

SERVICE AREA DEFINITION

According to Chapter 395 of the Local Government Code, a Service Area refers to the area within the corporate boundaries or extraterritorial jurisdiction of the political subdivision to be served by the capital improvement or facilities specified in the Capital Improvement Plan. Funds collected in the specific service areas must be spent in the service area collected.

WATER AND WASTEWATER IMPACT FEE SERVICE AREAS

The geographic boundary of the proposed water and wastewater impact fee service areas for water and wastewater facilities is shown in **Exhibit 1.3** and **Exhibit 1.4,** respectively. The water and wastewater impact fee service areas include the City Limits and extends throughout the ETJ.



LEGEND

Background Data	Service Areas
Railroads	1A
Roads	1B
Lakes	2

CITY OF DENTON

CITY OF DENTON WATER IMPACT FEE SERVICE AREAS

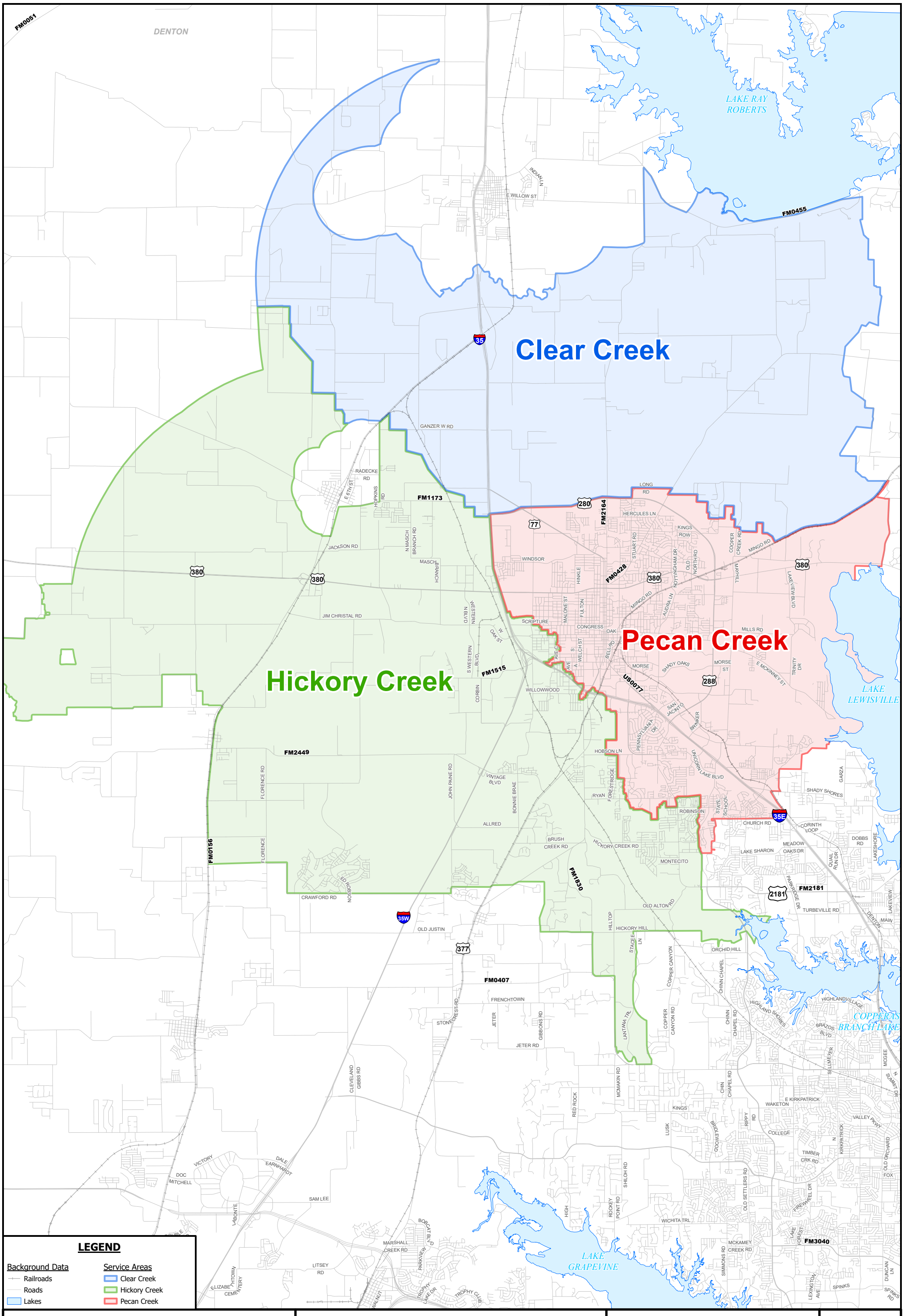
1 IN = 5,000 FT

January 2025

Kimley»Horn

This map product is for information 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.

EXHIBIT 1.3



LEGEND

Background Data	Service Areas
Railroads	Clear Creek
Roads	Hickory Creek
Lakes	Pecan Creek

CITY OF DENTON

CITY OF DENTON
WASTEWATER IMPACT FEE
SERVICE AREAS

1 IN = 5,000 FT

January 2025

Kimley»Horn

This map product is for information 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.

EXHIBIT

1.4

97

1.5 DATA FORMAT

The population and service unit estimates were all compiled in accordance with the following categories and format:

IMPACT FEE SERVICE AREAS:

Large zones, which correspond to the water and wastewater facilities service area (as described in the previous section).

SERVICE UNITS:

Number of water and wastewater connections based on existing and proposed in the next 10-years.

1.6 SUMMARY

The following is the land use assumptions summary for the City of Denton utilized in the impact fee development. Base growth projections for the City of Denton, summarizing connections from 2023 to 2033, are projected to be:

- Water Service Area 1A = 1,616 Connections
- Water Service Area 1B = 29,427 Connections
- Water Service Area 2 = 21,731 Connections
- Wastewater Service Area Pecan Creek = 7,616 Connections
- Wastewater Service Hickory Creek = 35,412 Connections
- Wastewater Service Area Clear Creek = 9,248 Connections

CHAPTER 2

WATER IMPACT FEE STUDY

2.1 INTRODUCTION

The City of Denton retained the services of Kimley-Horn and Associates, Inc., for the purpose of updating the Impact Fees for water system improvements required to serve new development.

The purpose of this report is to satisfy the requirements of the law and provide the City with an impact fee capital improvements plan and associated Impact Fees.

For convenience and reference, the following is excerpted from Chapter 395 of the code:

(a) *The political subdivision shall use qualified professionals to prepare the capital improvements plan and to calculate the impact fee. The capital improvements plan must contain specific enumeration of the following items:*

(1) *a description of the existing capital improvements within the service area and the costs to upgrade, update, improve, expand, or replace the improvements to meet existing needs and usage and stricter safety, efficiency, environmental, or regulatory standards, which shall be prepared by a qualified professional engineer licensed to perform such professional engineering services in this state;*

(2) *an analysis of the total capacity, the level of current usage, and commitments for usage of capacity of the existing capital improvements, which shall be prepared by a qualified professional engineer licensed to perform such professional engineering services in this state;*

(3) *a description of all or the parts of the capital improvements or facility expansions and their costs necessitated by and attributable to new development in the service area based on the approved land use assumptions, which shall be prepared by a qualified professional engineer licensed to perform such professional engineering services in this state;*

(4) *a definitive table establishing the specific level or quantity of use, consumption, generation, or discharge of a service unit for each category of capital improvements or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including but not limited to residential, commercial, and industrial;*

(5) *the total number of projected service units necessitated by and attributable to new development within the service area based on the approved land use assumptions and calculated in accordance with generally accepted engineering or planning criteria;*

(6) *the projected demand for capital improvements or facility expansions required by new service units projected over a reasonable period of time, not to exceed 10 years; and*

(7) *plan for awarding:*

(A) a credit for the portion of ad valorem tax and utility service revenues generated by new service units during the program period that is used for the payment of improvements, including the payment of debt, that are included in the capital improvements plan; or

(B) in the alternative, a credit equal to 50 percent of the total project cost of implementing the capital improvements plan.

The impact fee study includes information from the 2024 Water System Master Plan being completed at this time. The Impact Fees are based on recommended capital improvements outlined in the Draft Water System Master Plan, input from City Staff, and the growth projections shown in the Land Use Assumptions Chapter of this report.

The study process was comprised of four tasks:

Land Use Assumptions

The land use assumptions used for this report were created by Kimley-Horn with input provided by the City of Denton and the Denton 2040 Comprehensive Plan. The development of land use assumptions included the following:

- Establishing impact fee service areas;
- Collection/determination of service units service area; and
- Projection of the ten-year service units by service area.

A detailed discussion is outlined in the Land Use Assumptions Chapter of this report.

Evaluation of Water System Master Plan

This task involved reviewing the 2024 Water System Master Plan and its growth projection compatibility with the Land Use Assumptions. The water demand projections were then used to determine the additional service units.

Impact Fee Capital Improvements Plan

This task involved reviewing the impact fee water capital improvements plan outlined in 2019 Impact Fee Study and the 2024 Water Master Plan. Discussions were also held with City Utility staff to identify projects that will be constructed in the 10-year planning window and meet the design criteria.

Impact Fee Analysis and Report

This task included calculating the additional service units, and credit reduction. These values were then used to determine the impact fee per service unit and the maximum assessable water impact fee by meter size.

2.2 DESIGN CRITERIA

In accordance with Chapter 290 of the Texas Administrative Code (Public Drinking Water) and the design criteria in the 2024 Water Master Plan, the following design criteria is followed when planning for future water infrastructure.

WATER LINES

Water distribution and transmission lines shall be sized to maintain a minimum of 35 pounds per square inch (psi) throughout the system during peak hour demands conditions. In addition to this, the transmission lines shall be designed for a maximum 3.0 feet per second.

STORAGE TANKS

(a) Elevated Storage Tanks

Elevated storage serves three purposes:

- Functionally, elevated storage equalizes the pumping rate to compensate for daily variations in demand and to maintain a fairly constant pumping rate (usually referred to as operational storage), or a pumping rate that conforms to the requirements of the electrical rate structure.
- Provides pressure maintenance and protection against surges created by instantaneous demand, such as fire flow and main breaks, and instantaneous change in supply, such as pumps turning on and off.
- Maintains a reserve capacity for fire protection and pressure maintenance in case of power failure to one or more pump stations. Sufficient storage should be maintained to provide four hours of fire flow demand during a loss of power to the pump station.

City criterion for elevated storage is provide sufficient capacity to satisfy ISO Fire Rating plus city wide maximum day demand.

Suggested storage capacity established by the TCEQ is adequate operational storage established by determining the required volume to equalize the daily fluctuations in flow during the maximum day demand, plus the reserve volume required for fire protection.

The minimum requirements for storage, according to Chapter 290 of the Texas Administrative Code, are as follows:

- Total Storage - Equal to 200 gallons per connection.
- Elevated Storage - Equal to 100 gallons per connection; or
- Elevated Storage – Equal to 200 gallons per connection for a firm pumping capacity reduction from 2.0 gallons per connection to 0.6 gallons per connection.

(b) Ground Storage Tanks

Ground storage serves two functions:

- Equalization for differing feed rates between the water supply and pumping to the system; and
- Emergency capacity in the event of temporary loss of water supply.

Generally, ground storage facilities are located at water supply points or at each pump station within the water distribution system. The design criteria recommended to size ground storage tank capacity within each pressure plane is to provide adequate storage volume to meet 8 hours of maximum day demand. In addition to these criteria for elevated and ground storage, the City must also meet TCEQ total storage capacity requirements of 200 gallons per connection.

PUMP STATIONS

Pumping capacities must provide the maximum demand, or the peak hour demand required by the water system or the suggested capacities established by the TCEQ. Pumping capacity should supply the maximum demand with sufficient redundancy to allow for the largest pump at the pump station to be out of service. This is known as firm pumping capacity.

Each pump station or pressure plane must have two or more pumps that have a total capacity of 2.0 gallons per minute per connection, or have a total capacity of at least 1,000 gallons per minute and the ability to meet peak hour demand with the largest pump out of service, whichever is less. If the system provides elevated storage capacity of 200 gallons per connection, two service pumps with a minimum combined capacity of 0.6 gpm per connection are required.

2.3 IMPACT FEE CAPITAL IMPROVEMENTS PLAN

The purpose of the Water Master Plan is to provide the City with a logical strategy for upgrading and expanding its water distribution system to accommodate future growth and for addressing existing system deficiencies. The Water Master Plan and the recommended system improvements are developed to accommodate growth through the 25-year planning period. The Impact Fee Capital Improvements Plan is developed using projects identified during the master planning process and through discussions with utility staff. State law only allows cost recovery associated with eligible projects in a ten (10) year planning window from the time of the impact fee study. The following details the projects and the eligible recoverable cost.

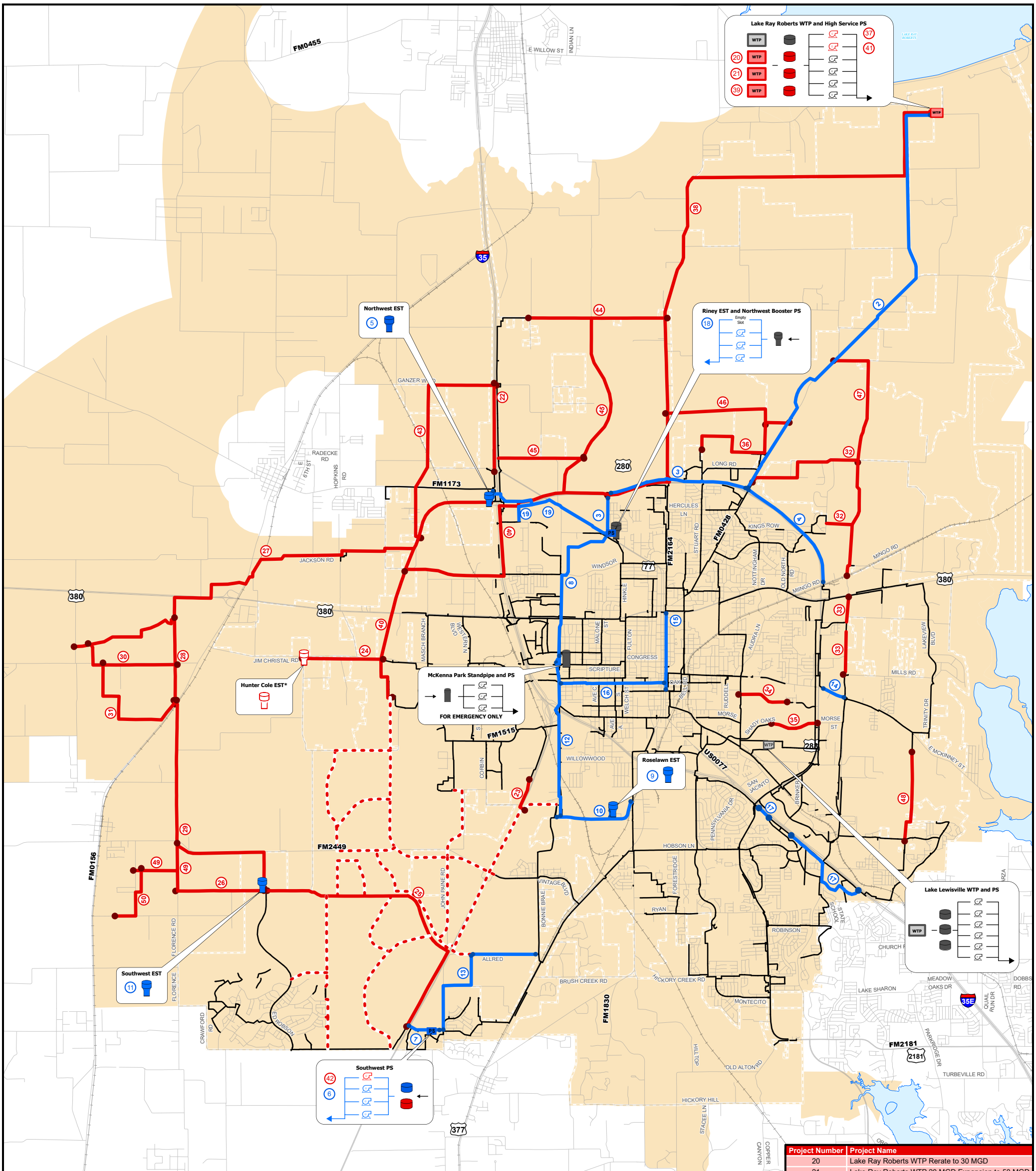
Nineteen (19) existing projects, thirty-one (31) proposed projects, and the Water Impact Fee Study are determined eligible for recoverable cost through impact fees over the next 10 years. The total cost of these projects is **$1,003,063,455**. The projected total recoverable through impact fees is **$535,273,791**. After debt service costs are added and the credit reduction calculation is complete, **$582,923,277** is

recoverable through Impact Fees serving the 10-year system needs. These impact fee capital improvements are shown in **Table 2.1** and illustrated in **Exhibit 2.1**.

Table 2.1 Water Impact Fee Capital Improvements Project Cost and 10-Year Recoverable Cost

Project #	Description	2023 Required Capacity *(Percent Utilization)*	2033 Required Capacity *(Percent Utilization)*	2023-2033 Required Capacity *(Percent Utilization)*	2033 Projected Recoverable Cost	Total Project Cost
EXISTING						
1	Lake Ray Roberts	90%	100%	10%	$15,330,616	$153,306,163
2	54" Finished Water Transmission Line	43%	100%	57%	$5,467,370	$9,590,299
3	Loop 288 Water Main - Sherman to UNT	35%	100%	65%	$2,835,202	$4,361,849
4	Loop 288 Water Main - Sherman to Hwy 380	43%	43%	0%	$0	$3,518,352
5	Northwest Elevated Storage Tank	55%	58%	2%	$58,500	$2,339,988
6	Southwest Pump Station	50%	100%	50%	$2,956,001	$5,912,002
7	Southwest PS Oversize Discharge Line (30" to 36")	32%	73%	41%	$116,426	$284,477
8	North-South Water Line Phase I	41%	51%	10%	$603,860	$6,038,601
9	Roselawn Elevated Storage Tank	73%	100%	27%	$1,679,851	$6,299,440
10	Roselawn Water Line	47%	57%	10%	$179,736	$1,797,363
11	Southwest Elevated Storage Tank	55%	58%	2%	$135,257	$5,410,280
12	North-South Water Line	26%	36%	10%	$1,087,030	$10,870,300
13	Allred Road / John Paine Road Water Lines	21%	56%	34%	$2,033,143	$5,930,000
14	McKinney Water Line	14%	21%	7%	$85,757	$1,200,600
15	Locust Water Line Upsize	9%	11%	3%	$36,622	$1,281,776
16	Hickory Water Line Upsize	19%	20%	1%	$7,121	$498,444
17	I-35E Frontage Water Line	21%	29%	7%	$72,894	$1,020,510
18	Northwest Booster Pump Station	15%	100%	85%	$12,331,809	$14,573,956
19	36" Northwest Water Line	12%	75%	63%	$9,383,078	$14,785,456
				Existing Subtotal	**$54,400,271**	**$249,019,855**
PROPOSED						
20	Lake Ray Roberts WTP Rerate to 30 MGD	0%	100%	100%	$40,000,000	$40,000,000
21	Lake Ray Roberts WTP 20 MGD Expansion to 50 MGD	0%	100%	100%	$195,845,000	$195,845,000
22	16" Northwest I-35 Frontage Rd Water Line	0%	54%	54%	$2,442,960	$4,524,000
23	16" I-35W/Corbin Water Line	0%	22%	22%	$598,862	$2,722,100
24	42" Jim Christal EST Transmission Main Oversize	0%	81%	81%	$10,030,313	$12,345,000
25	24/30" West Allred Rd Transmission Main Oversize	0%	100%	100%	$742,000	$742,000
26	16" Ponder Water Line	0%	52%	52%	$2,249,520	$4,326,000
27	24/30" Rosebrook/Sanctuary Transmission Main	0%	63%	63%	$37,811,267	$59,702,000
28	24" Rosebrook Transmission Main	0%	60%	60%	$5,658,000	$9,430,000
29	24" North/South Transmission Main	0%	87%	87%	$20,291,267	$23,413,000
30	12" Old Stoney Rd Water Line	0%	26%	26%	$994,240	$3,824,000
31	12" Rosebrook Water Line	0%	32%	32%	$1,494,080	$4,669,000
32	12" Cooper Creek Rd Water Line	0%	30%	30%	$4,464,900	$14,883,000
33	12" N Mayhill Rd Water Line	0%	22%	22%	$959,860	$4,363,000
34	12" Duchess Dr Water Line	0%	30%	30%	$655,500	$2,185,000

Project #	Description	2023 Required Capacity *(Percent Utilization)*	2033 Required Capacity *(Percent Utilization)*	2023-2033 Required Capacity *(Percent Utilization)*	2033 Projected Recoverable Cost	Total Project Cost
35	12" Shady Oaks Dr Water Line	0%	36%	36%	$1,097,280	$3,048,000
36	12" Stuart Ridge Water Line	0%	46%	46%	$2,219,960	$4,826,000
37	Lake Ray Roberts HSPS Improvements Phase 1	0%	100%	100%	$5,530,000	$5,530,000
38	Lake Ray Roberts WTP 54/60" Transmission Main	0%	58%	58%	$68,973,551	$117,964,000
39	Lake Ray Roberts WTP 10 MGD Expansion to 60 MGD	0%	10%	10%	$9,792,250	$97,922,500
40	24"/48" Loop 288 Transmission Main	0%	58%	58%	$40,406,863	$69,107,000
41	Lake Ray Roberts HSPS Improvements Phase 2	0%	35%	35%	$1,908,764	$5,530,000
42	Southwest PS Improvements	0%	25%	25%	$2,505,703	$10,087,000
43	12" Northwest Water Line	0%	30%	30%	$3,970,500	$13,235,000
44	16" Milam Rd Water Line	0%	58%	58%	$5,769,260	$9,947,000
45	16" North Central Water Line	0%	30%	30%	$3,656,400	$12,188,000
46	12" N Locust Rd to E Sherman Dr Water Line	0%	30%	30%	$1,187,700	$3,959,000
47	12" North Cooper Creek Rd Water Line	0%	36%	36%	$2,982,960	$8,286,000
48	12" Swisher Rd Water Line	0%	16%	16%	$534,560	$3,341,000
49	20" Ponder Farms Transmission Main	0%	100%	100%	$4,500,000	$4,500,000
50	12" Webster Meadows Transmission Main	0%	100%	100%	$1,500,000	$1,500,000
51	Water Impact Fees	0%	100%	100%	$100,000	$100,000
				Proposed Subtotal	**$480,873,520**	**$754,043,600**
				Total	**$535,273,791**	**$1,003,063,455**



Project Number	Project Name
1	Lake Ray Roberts
2	54" Finished Water Transmission Line
3	Loop 288 Water Main - Sherman to UNT
4	Loop 288 Water Main - Sherman to Hwy 380
5	Northwest Elevated Storage Tank
6	Southwest Pump Station
7	Southwest PS Oversize Discharge Line (30" to 36")
8	North-South Water Line Phase I
9	Roselawn Elevated Storage Tank
10	Roselawn Water Line
11	Southwest Elevated Storage Tank
12	North-South Water Line
13	Allred Road / John Paine Road Water Lines
14	McKinney Water Line
15	Locust Water Line Upsize
16	Hickory Water Line Upsize
17	I-35E Frontage Water Line
18	Northwest Booster Pump Station
19	36" Northwest Water Line

Project Number	Project Name
20	Lake Ray Roberts WTP Rerate to 30 MGD
21	Lake Ray Roberts WTP 20 MGD Expansion to 50 MGD
22	16" Northwest I-35 Frontage Rd Water Line
23	16" I-35W/Corbin Water Line
24	42" Jim Christal EST Transmission Main
25	24/30" West Allred Rd Transmission Main Oversize
26	16" Ponder Water Line
27	24/30" Rosebrook/Sanctuary Transmission Main
28	24" Rosebrook Transmission Main
29	24" North/South Transmission Main
30	12" Old Stoney Rd Water Line
31	12" Rosebrook Water Line
32	12" Cooper Creek Rd Water Line
33	12" N Mayhill Rd Water Line
34	12" Duchess Dr Water Line
35	12" Shady Oaks Dr Water Line
36	12" Stuart Ridge Water Line
37	Lake Ray Roberts HSPS Improvements Phase 1
38	Lake Ray Roberts WTP 54/60" Transmission Main
39	Lake Ray Roberts WTP 10 MGD Expansion to 60 MGD
40	24/48" Loop 288 Transmission Main
41	Lake Ray Roberts HSPS Improvements Phase 2
42	Southwest PS Improvements
43	12" Northwest Water Line
44	16" Milam Rd Water Line
45	16" North Central Water Line
46	12" N Locust Rd to E Sherman Dr Water Line
47	12" North Cooper Creek Rd Water Line
48	12" Swisher Rd Water Line
49	20" Ponder Farms Transmission Main
50	12" Webster Meadows Transmission Main
51	Water Impact Fees

LEGEND

Background Data
- Railroads
- Roads
- Lakes
- Denton City Limits
- Denton Impact Fee Service Area

Existing Infrastructure
- Water Treatment Plant (WTP)
- Existing Elevated Storage Tank (EST)
- Existing Ground Storage Tank (GST)
- Existing Standpipe
- Existing Water Line (12" or Greater)

Impact Fee CIP Projects
- Proposed Water Treatment Plant Expansion
- Existing Elevated Storage Tank
- Hunter-Cole Elevated Storage Tank
  *Future Jim Christal 3.0 MG EST
- Existing Pump Station
- Existing Water Line
- Proposed Water Line
- Hunter-Cole Water Line

CITY OF DENTON
WATER IMPACT FEE
CAPITAL IMPROVEMENTS PLAN

1 IN = 4,000 FT

January 2025

Kimley»Horn

This map product is for information 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.

EXHIBIT 2.1

2.4 WATER IMPACT FEE CALCULATION

SERVICE UNITS

Chapter 395 of the Local Government Code defines a service unit as follows, "Service Unit means a standardized measure of consumption attributable to an individual unit of development calculated in accordance with generally accepted engineering or planning standards and based on historical data and trends applicable to the political subdivision in which the individual unit of development is located during the previous 10 years."

SERVICE UNIT CALCULATION

A single service unit for Denton's water Impact Fees is the 5/8-inch x 3/4-inch meter. A service unit is the water demand of flow associated with the 5/8-inch x 3/4-inch meter, which is typically used by a single-family residence. All meters greater than 5/8-inch x 3/4-inch have a service unit multiplier determined by the ratio of each larger meter's capacity to the capacity of the 5/8-inch x 3/4-inch meter. The current service unit multipliers (service units/meter) are shown in **Table 2.2**.

Table 2.2 Meter Capacity Ratios

Meter Size	Service Units/ Meter[1]
5/8"x3/4"	1
1"	2.5
1-1/2"	5
2"	8
3"	22.5
4"	50
6"	100
8"	200
10"	325

Multiplying the number of existing connections for each meter size by the number of service units per meter yields the total service units for that meter size. Summing all meter sizes yields the total number of water service units connected to the City's water system as shown in **Table 2.3**. The current population in the water service area is divided by the total number of service units yielding a Persons per Service Unit number.

Table 2.3 Persons per Water Service Unit

Meter Size	Existing Connections[1]	Service Units/ Meter	Service Units
5/8"	40,662	1	40,662
1"	1,761	2.5	4,403
1-1/2"	922	5	4,610
2"	1,532	8	12,256
3"	99	22.5	2,228
4"	26	50	1,300
6"	11	100	1,100
8"	32	200	6,400
10"	2	325	650
Total Existing Connections:	45,047	Total Service Units:	73,609
		Total Served Population:	152,350
		Persons per Service Unit:	**2.07**

(1) Data Sources: City of Denton

In accordance with Chapter 395 of the Texas Local Government Code, the City of Denton defines a service unit based on historical and projected water demands. The service unit is the development type that predominately uses a 5/8-inch x 3/4-inch meter. The measure of consumption per service unit is based on a 5/8-inch meter x 3/4-inch meter and the data shown in **Table 2.4**.

Table 2.4 Water Service Unit Consumption Calculation

Year	Population	Service Units (2.07 person/unit)	Water Average Day Demand (MGD)[1]	Demand per Service Unit (GPD)
2014	123,200	59,517	17.28	290
2015	125,980	60,860	18.47	303
2016	128,160	61,913	17.50	283
2017	130,990	63,280	18.24	288
2018	134,460	64,957	19.63	302
2019	139,869	67,570	19.52	289
2020	141,882	68,542	20.40	298
2021	146,751	70,894	19.48	275
2022	149,509	72,227	23.20	321
2023	152,350	73,599	24.70	336
2024	164,737	79,583	24.88	313
2025	178,132	86,054	26.79	311
2026	192,615	93,051	28.70	308
2027	208,276	100,617	30.61	304
2028	225,210	108,797	32.52	299
2029	232,756	112,442	34.43	306
2030	240,554	116,210	35.72	307
2031	248,614	120,104	37.00	308
2032	256,944	124,128	38.29	308
2033	265,554	128,287	39.58	309
2034	270,865	130,852	40.87	312
			Average Flow per Service Unit	**303**

(1) Data Source: City of Denton

Based on the City's 10-year growth projections and the resulting water demand projections, water service will be required for an additional **52,774** Service Units by the year 2034 as shown in **Table 2.5**. The calculation is as follows:

- A service unit, which is a unit of development that consumes approximately **303** gallons per day (GPD), is a typical residential connection that uses a 5/8-inch x 3/4-inch meter.

Table 2.5 10-year Additional Service Unit Calculation

Year	Average Day Demand (MGD)	Service Unit Demand (GPD)	Projected Service Units
2024	24.875	303	82,096
2034	40.8657	303	134,870
10-year Additional Service Units			**52,774**

The City's existing water system is divided into three service areas (Service Area 1A, 1B and 2 as indicated in the Land Use Assumptions chapter). The calculated 10-year additional services units has been distributed across the three services areas based on projected growth and its associated water demand projections as shown in **Table 2.6**.

Table 2.6 10-year Additional Service Units by Service Area

Year		Service Area 1A	Service Area 1B	Service Area 2	Total
2024	Service Units	32,060	48,694	1,342	82,096
2034	Service Units	33,676	78,121	23,073	134,870
10-Year Service Units		**1,616**	**29,427**	**21,731**	**52,774**

2.5 PLAN FOR AWARDING IMPACT FEE CREDIT

Impact fee law allows for a credit calculation to credit back the utility revenues or ad valorem taxes that are allocated for paying a portion of future capital improvements. The intent of this credit is to prevent the City from double charging development for future capital improvements via Impact Fees and utility rates. If the City chooses not to do a financial analysis to determine the credit value, they are required by law to reduce the recoverable cost by fifty (50) percent. The City chose to perform a financial analysis.

MAXIMUM ASSESSABLE IMPACT FEE DETERMINATION

The impact fee determination method employed by NewGen Strategies and Solutions, LLC is developed through a financial based model that recognizes the requirements of Chapter 395, including the recognition of cash and/or debt financing, interest earnings, fund balances, and applicable credits associated with the use of utility revenues. In developing the components of the financial model, assumptions must be made that include the following:

- Financing
    - Method of financing (i.e. cash or debt financing)
    - The level of financing (e.g. 100% debt)
    - Cost of financing
    - Debt repayment structure
- Timing and Level of Expenditures and Revenues
- Interest Earnings
- Annual Service Unit Growth
- Portion of Utility Revenue Used to Fund Impact Fee Water Improvements

While the assumptions employed in determining the maximum assessable impact fee are a reasonable basis for forecasting, these assumptions may not reflect actual future conditions. To address this, Chapter 395 requires the monitoring of Impact Fees through the Capital Improvement Advisory Committee (CIAC) who can then update or revise Impact Fees to reflect the actual implementation of the impact fee program.

FINANCING

Once the cost of capacity added that is attributable to growth is determined, a City must decide how the cost will be financed: cash and/or debt. Actual costs of capital for any previously funded projects, whether partially or fully funded, are also included.

Based on discussions with City staff, it is assumed that the City will debt finance the future project costs. For debt financing, the cost of financing is based on the City's Financial Advisor's estimates of future debt costs for bonds issued with 30-year terms as shown in the Water Financial Analysis Appendix of this report. Debt service payments for each future debt issue are assumed to remain constant over the issue's term.

TIMING AND LEVEL OF EXPENDITURES AND REVENUES

The exact timing and annual level of cash capital expenditures over the forecast period is currently indeterminate, therefore it is assumed that capital expenditures will occur in amounts over the 10-year program period. It is also assumed that the City will expand debt proceeds over a 2-year timeframe for debt-financed capital projects. For the calculation of the maximum assessable impact fee, debt is assumed to be issued in equal amounts for each year. In order to recognize the full amount of debt to be issued for the cost of capacity added that is attributable to growth during the 10-year period, a portion of years eight, nine, and ten are assumed to be spend in the final three years.

INTEREST EARNINGS

While debt is issued over 30-year terms and Impact Fees developed are to be charged over a 10-year period, a sufficient fund balance must be generated to meet the future debt service obligations. Fund balances were identified for each service area as a potential source for the current Impact Fee CIP.

Because of the generation of the fund balance, excess monies will be available for interest earnings.

Chapter 395 states that interest earnings are funds of the impact fee account and are to be held to the same restrictions as impact fee revenues. In order to recognize that interest earnings are used to fund only impact fee eligible improvements, interest earnings are credited against the costs recoverable through Impact Fees. Chapter 395 does not require the upfront recognition of interest earnings in the impact fee determination. To acknowledge the time value of the impact fee payer's monies, interest earnings have been credited. For this analysis, interest is assumed to be earned at an annual rate of 1.89% per 10-year historical average.

Annual Service Unit Growth

The timing and annual level of service unit growth over the 10-year program period is currently indeterminate, therefore it is assumed that service unit growth will be consistent over the 10-year forecast.

Portion of Utility Revenue Used to Fund Impact Fee Water Improvements

Credit for the portion of ad valorem tax and/or utility service revenues generated by new service units during the program period are used for payment of the improvements included in the Water Impact Fee CIP. The credit is not a determination to recognize the total utility revenue generated by new service units, but is a credit for the portion of utility revenue that is used for payment of the improvements included in the Water Impact Fee CIP. Theoretically, the credit determination could be zero ($0) if the City does not utilize any of the new service unit utility revenue to fund improvements that are included in the Water Impact Fee CIP.

To be conservative and recognize potential cash flow issues that can occur with the funding of major capital improvement projects, it is assumed that the debt-funded projects (100% of the improvement costs included in the Water Impact Fee CIP but not otherwise funded) could potentially be funded by utility revenue.

When an impact fee program is in place, payments made through utility revenue will consist of revenue generated by new service units in the defined service area and existing service units throughout the City; therefore, the portion attributable to the new service units in the defined service area must be isolated. The credit calculation illustrating how the credit is isolated is shown in the Water Financial Analysis Appendix of this report.

2.6 MAXIMUM ASSESSABLE IMPACT FEE

A breakdown of the 10-year recoverable costs and the associated impact fee per service unit by service area is as follows:

Table 2.7 Service Area 1A - 10-Year Recoverable Cost Breakdown

Recoverable Impact Fee CIP Costs	$2,454,148
Financing Costs	$1,106,314
Interest Earnings	($604,035)
Pre Credit Recoverable Cost for Impact Fee	$2,956,427
Credit for Utility Revenues	($15,105)
Maximum Recoverable Cost for Impact Fee	**$2,941,322**

(1) Per NewGen Strategies and Solutions, LLC financial analysis, See Appendix A.

$$\text{Impact fee per service units} = \frac{\text{10-year recoverable costs}}{\text{10-year additional service units}}$$

$$\text{Impact fee per service units} = \frac{\$2,941,322}{1,616}$$

$$\text{Impact fee per service units} = \$1,820$$

Therefore, the maximum assessable water impact fee for Service Area 1A is **$1,820.**

Table 2.8 Service Area 1B - 10-Year Recoverable Cost Breakdown

Recoverable Impact Fee CIP Costs	$292,309,445
Financing Costs	$129,102,582
Interest Earnings	($81,750,244)
Pre Credit Recoverable Cost for Impact Fee	$339,661,783
Credit for Utility Revenues	($23,479,052)
Maximum Recoverable Cost for Impact Fee	**$316,182,731**

(1) Per NewGen Strategies and Solutions, LLC financial analysis, See Appendix A.

$$\text{Impact fee per service units} = \frac{\text{10-year recoverable costs}}{\text{10-year additional service units}}$$

$$\text{Impact fee per service units} = \frac{\$316,182,731}{29,427}$$

$$\text{Impact fee per service units} = \$10,745$$

Therefore, the maximum assessable water impact fee for Service Area 1B is **$10,745.**

Table 2.9 Service Area 2 - 10-Year Recoverable Cost Breakdown

Recoverable Impact Fee CIP Costs	$240,510,198
Financing Costs	$106,564,481
Interest Earnings	($68,197,039)
Pre Credit Recoverable Cost for Impact Fee	$278,877,640
Credit for Utility Revenues	($15,078,415)
Maximum Recoverable Cost for Impact Fee	**$263,799,224**

(1) Per Newgen Strategies and Solutions, LLC financial analysis, See Appendix A.

$$\text{Impact fee per service units} = \frac{\text{10-year recoverable costs}}{\text{10-year additional service units}}$$

$$\text{Impact fee per service units} = \frac{\$263,799,224}{21,731}$$

$$\text{Impact fee per service units} = \$12,139$$

Therefore, the maximum assessable water impact fee for Service Area 2 is **$12,139.**

For a development that requires a different size meter, a service unit equivalent is established at a multiplier based on its capacity with respect to the 5/8-inch x 3/4-inch meter. The maximum impact fee that could be assessed for other meter sizes is based on the Equivalency Table (**Table 2.10**).

Table 2.10 Maximum Assessable Water Impact Fee by Service Area and Meter Size

Meter Size	Service Unit Equivalent	Service Area 1A Maximum Assessable Water Impact Fee	Service Area 1B Maximum Assessable Water Impact Fee	Service Area 2 Maximum Assessable Water Impact Fee
5/8"x3/4"	1	$1,820	$10,745	$12,139
1"	2.5	$4,550	$26,863	$30,348
1-1/2"	5	$9,100	$53,725	$60,695
2"	8	$14,560	$85,960	$97,112
3"	22.5	$40,950	$241,763	$273,128
4"	50	$91,000	$537,250	$606,950
6"	100	$182,000	$1,074,500	$1,213,900
8"	200	$364,000	$2,149,000	$2,427,800
10"	325	$591,500	$3,492,125	$3,945,175

CHAPTER 3

WASTEWATER IMPACT FEE STUDY

3.1 INTRODUCTION

The City of Denton retained the services of Kimley-Horn and Associates, Inc., for the purpose of updating the Impact Fees for wastewater system improvements required to serve new development.

The purpose of this report is to satisfy the requirements of the law and provide the City with an impact fee capital improvements plan and associated Impact Fees.

For convenience and reference, the following is excerpted from Chapter 395 of the code:

(b) The political subdivision shall use qualified professionals to prepare the capital improvements plan and to calculate the impact fee. The capital improvements plan must contain specific enumeration of the following items:

(1) a description of the existing capital improvements within the service area and the costs to upgrade, update, improve, expand, or replace the improvements to meet existing needs and usage and stricter safety, efficiency, environmental, or regulatory standards, which shall be prepared by a qualified professional engineer licensed to perform such professional engineering services in this state;

(2) an analysis of the total capacity, the level of current usage, and commitments for usage of capacity of the existing capital improvements, which shall be prepared by a qualified professional engineer licensed to perform such professional engineering services in this state;

(3) a description of all or the parts of the capital improvements or facility expansions and their costs necessitated by and attributable to new development in the service area based on the approved land use assumptions, which shall be prepared by a qualified professional engineer licensed to perform such professional engineering services in this state;

(4) a definitive table establishing the specific level or quantity of use, consumption, generation, or discharge of a service unit for each category of capital improvements or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including but not limited to residential, commercial, and industrial;

(5) the total number of projected service units necessitated by and attributable to new development within the service area based on the approved land use assumptions and calculated in accordance with generally accepted engineering or planning criteria;

(6) the projected demand for capital improvements or facility expansions required by new service units projected over a reasonable period of time, not to exceed 10 years; and

(7) plan for awarding:

(A) a credit for the portion of ad valorem tax and utility service revenues generated by new service units during the program period that is used for the payment of improvements, including the payment of debt, that are included in the capital improvements plan; or

(B) in the alternative, a credit equal to 50 percent of the total project cost of implementing the capital improvements plan.

The impact fee study includes information from the 2023 Wastewater System Master Plan being completed at this time. The Impact Fees are based on recommended capital improvements outlined in the Wastewater Master Plan, input from City Staff, and the growth projections shown in the Land Use Assumptions Chapter of this report.

The study process was comprised of four tasks:

Land Use Assumptions

The land use assumptions used for this report were created by Kimley-Horn with input provided by the City of Denton and the Denton 2040 Comprehensive Plan. The development of land use assumptions included the following:

- Establishing impact fee service areas.
- Collection/determination of service units service area; and
- Projection of the ten-year service units by service area.

A detailed discussion is outlined in the Land Use Assumptions Chapter of this report.

Evaluation of Wastewater System Master Plan

This task involved reviewing the 2023 Wastewater Master Plan and its growth projection compatibility with the Land Use Assumptions. The wastewater flow projections were then used to determine the additional service units.

Impact Fee Capital Improvements Plan

This task involved reviewing the impact fee wastewater capital improvements plan outlined in 2019 Impact Fee Study and the 2023 Wastewater Master Plan. Discussions were also held with City Utility staff to identify projects that will be constructed in the 10-year planning window and meet the design criteria.

Impact Fee Analysis and Report

This task included calculating the additional service units, and credit reduction. These values were then used to determine the impact fee per service unit and the maximum assessable wastewater impact fee by meter size.

3.2 DESIGN CRITERIA

In accordance with the Chapter 217 of the Texas Administrative Code (Design Criteria for Domestic Wastewater Systems) and the design criteria in the *2023 Wastewater Master Plan* the following design criteria is followed when planning for future wastewater infrastructure.

COLLECTION LINES (INTERCEPTORS)

The design criteria for collection lines or interceptors is based on the TCEQ requirements that meet peak wet weather design flows and not exceed 80% of the pipe capacity.

LIFT STATIONS PUMPING CAPACITY

The design criteria for lift station pumping shall be to provide firm pumping capacity to meet the peak wet weather design flows. The firm pumping capacity is defined as the available total pumping capacity with the largest pump out of service.

LIFT STATION WET WELL CAPACITY

The design criteria for lift station wet wells are to provide adequate volumes to limit pump cycling to once every 10 minutes. Based on this criterion, the required operating volume for each pump can be calculated as

V = tQ/4 where,
t = Maximum pump cycling time = 10 minutes
Q = Lead pump discharge rate in gallons per minute (gpm)
V = Required wet well volume between pump start and stop elevation

FORCE MAINS

The design criteria recommended for force mains is to meet the required pumping capacity of the lift station at a velocity less than 7 feet per second and a maximum discharge pressure of 100 psi and to allow a minimum of 3 feet per second scouring velocity during a single pump operation.

3.3 IMPACT FEE CAPITAL IMPROVEMENTS PLAN

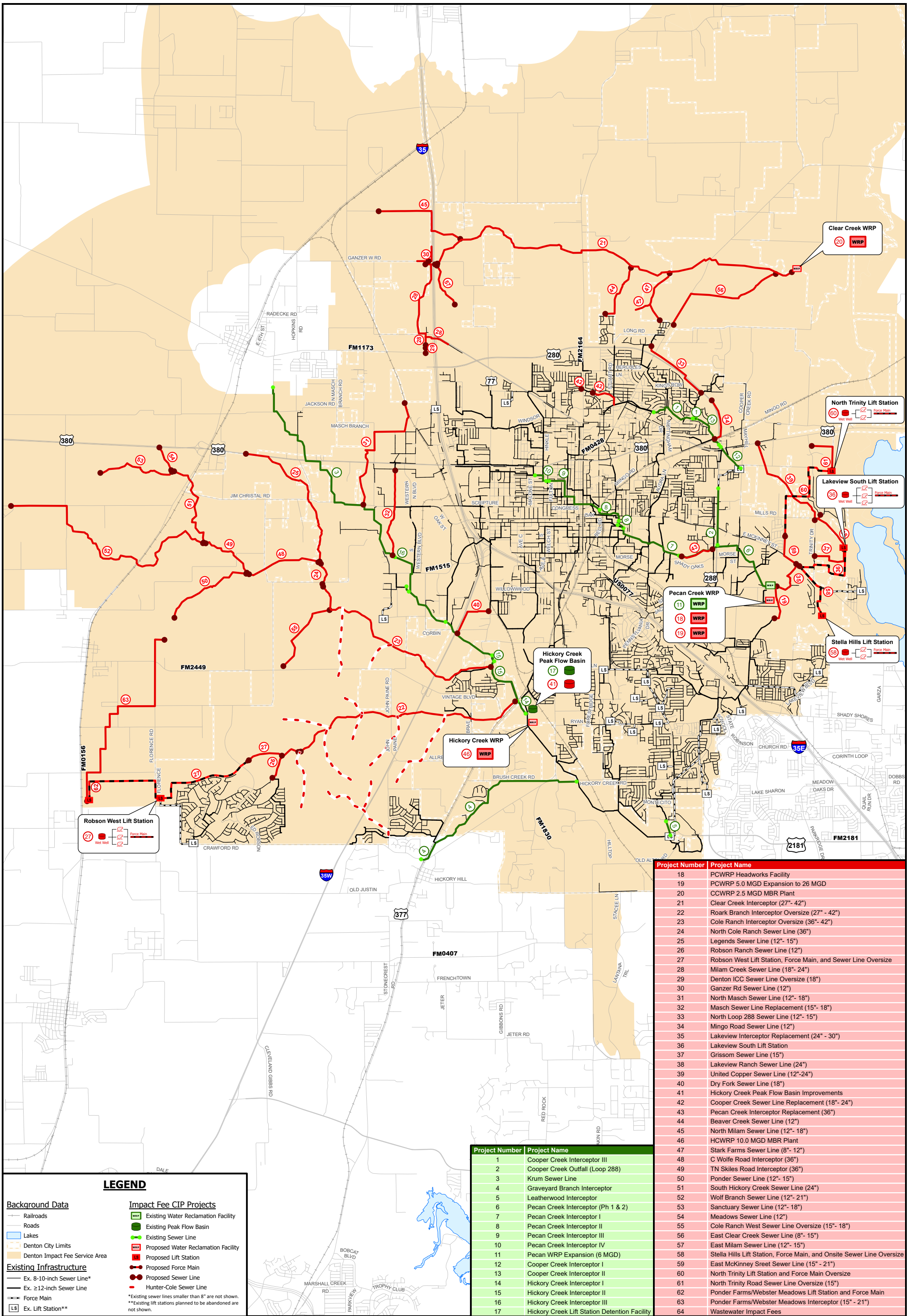
The purpose of the wastewater master plan is to provide the City with a logical strategy for upgrading and expanding its wastewater collection system to accommodate future growth and for addressing existing system deficiencies. The Wastewater Master Plan and the recommended system improvements are developed to accommodate growth through the 25-year planning period. The impact fee capital improvements plan is developed using projects identified during the master planning process and through discussions with utility staff. State law only allows cost recovery associated with eligible projects in a ten (10) year planning window from the time of the impact fee study. The following details the projects and the eligible recoverable cost.

Seventeen (17) existing projects, forty-seven (47) proposed projects, and the Wastewater Impact Fee Study are determined eligible for recoverable cost through Impact Fees over the next 10 years. The total cost of these projects is **$1,222,435,449**. The projected total recoverable through Impact Fees is **$636,342,861**. After debt service costs are added and the credit reduction calculation is complete, **$707,097,573** is recoverable through Impact Fees serving the 10-year system needs. These impact fee capital improvements are shown in **Table 3.1** and illustrated in **Exhibit 3.1**.

Table 3.1 Wastewater Impact Fee Capital Improvements Project Cost and 10-Year Recoverable Cost

Project #	Description	2023 Required Capacity *(Percent Utilization)*	2033 Required Capacity *(Percent Utilization)*	2023-2033 Required Capacity *(Percent Utilization)*	2033 Projected Recoverable Cost	Total Project Cost
EXISTING						
1	Cooper Creek Interceptor III	52%	54%	2%	$26,887	$1,277,970
2	Cooper Creek Outfall (Loop 288)	52%	62%	11%	$411,553	$3,898,807
3	Krum Sewer Line	20%	42%	22%	$87,775	$398,450
4	Graveyard Branch Interceptor	8%	18%	10%	$484,130	$5,004,952
5	Leatherwood Interceptor	22%	25%	3%	$4,616	$156,592
6	Pecan Creek Interceptor (Ph 1 & 2)	57%	65%	8%	$257,047	$3,363,189
7	Pecan Creek Interceptor I	78%	84%	6%	$123,815	$1,975,672
8	Pecan Creek Interceptor II	37%	43%	6%	$103,913	$1,862,175
9	Pecan Creek Interceptor III	32%	37%	6%	$172,497	$3,079,149
10	Pecan Creek Interceptor IV	23%	31%	8%	$77,121	$978,285
11	Pecan WRP Expansion (6 MGD)	17%	100%	83%	$25,004,271	$30,005,125
12	Cooper Creek Interceptor I	48%	60%	12%	$309,649	$2,632,000
13	Cooper Creek Interceptor II	44%	54%	10%	$113,537	$1,128,000
14	Hickory Creek Interceptor I	27%	100%	73%	$1,058,753	$1,447,500
15	Hickory Creek Interceptor II	52%	90%	39%	$3,120,135	$8,102,500
16	Hickory Creek Interceptor III	24%	49%	25%	$721,323	$2,875,433
17	Hickory Creek Lift Station Detention Facility	35%	100%	65%	$6,435,000	$9,900,000
				Existing Subtotal	**$38,512,020**	**$78,085,799**
PROPOSED						
18	PCWRP Headworks Facility	62%	83%	22%	$12,333,923	$56,260,000
19	PCWRP 5.0 MGD Expansion to 26 MGD	0%	14%	14%	$16,800,000	$120,000,000
20	CCWRP 2.5 MGD MBR Plant	4%	73%	69%	$82,034,726	$118,800,000
21	Clear Creek Interceptor (27"- 42")	0%	49%	49%	$44,055,019	$89,440,000
22	Roark Branch Interceptor Oversize (27" - 42")	5%	35%	30%	$829,989	$2,810,200
23	Cole Ranch Interceptor Oversize (36"- 42")	0%	100%	100%	$4,809,000	$4,809,000
24	North Cole Ranch Sewer Line (36")	0%	60%	60%	$4,377,794	$7,310,000
25	Legends Sewer Line (12"- 15")	0%	100%	100%	$32,080,000	$32,080,000
26	Robson Ranch Sewer Line (12")	27%	30%	4%	$112,722	$3,086,000
27	Robson West Lift Station, Force Main, and Sewer Line Oversize	15%	26%	11%	$1,438,690	$13,079,000
28	Milam Creek Sewer Line (18"- 24")	19%	46%	26%	$3,630,769	$13,750,000
29	Denton ICC Sewer Line Oversize (18")	0%	10%	10%	$33,899	$324,720
30	Ganzer Rd Sewer Line (12")	49%	95%	46%	$1,167,692	$2,530,000
31	North Masch Sewer Line (12"- 18")	11%	45%	34%	$2,965,667	$8,680,000
32	Masch Sewer Line Replacement (15"- 18")	32%	86%	54%	$3,003,678	$5,560,000
33	North Loop 288 Sewer Line (12"- 15")	0%	22%	22%	$1,750,452	$7,980,000
34	Mingo Road Sewer Line (12")	0%	59%	59%	$2,580,649	$4,380,000
35	Lakeview Interceptor Replacement (24" - 30")	7%	24%	17%	$399,875	$2,367,000
36	Lakeview South Lift Station	0%	26%	26%	$2,191,051	$8,300,000

Project #	Description	2023 Required Capacity *(Percent Utilization)*	2033 Required Capacity *(Percent Utilization)*	2023-2033 Required Capacity *(Percent Utilization)*	2033 Projected Recoverable Cost	Total Project Cost
37	Grissom Sewer Line (15")	5%	36%	31%	$927,382	$2,960,000
38	Lakeview Ranch Sewer Line (24")	6%	23%	17%	$1,009,502	$5,820,000
39	United Copper Sewer Line (12"-24")	6%	18%	13%	$1,193,632	$9,500,000
40	Dry Fork Sewer Line (18")	73%	90%	17%	$627,467	$3,620,000
41	Hickory Creek Peak Flow Basin Improvements	0%	100%	100%	$23,400,000	$23,400,000
42	Cooper Creek Sewer Line Replacement (18"- 24")	60%	64%	4%	$147,710	$3,590,000
43	Pecan Creek Interceptor Replacement (36")	42%	77%	35%	$1,349,783	$3,890,000
44	Beaver Creek Sewer Line (12")	49%	95%	46%	$1,343,077	$2,910,000
45	North Milam Sewer Line (12"- 18")	0%	53%	53%	$3,667,912	$6,890,000
46	HCWRP 10.0 MGD MBR Plant	15%	73%	58%	$260,188,000	$448,600,000
47	Stark Farms Sewer Line (8"- 12")	7%	80%	73%	$978,783	$1,340,000
48	C Wolfe Road Interceptor (36")	0%	57%	57%	$10,282,047	$18,120,000
49	TN Skiles Road Interceptor (36")	0%	61%	61%	$8,855,122	$14,420,000
50	Ponder Sewer Line (12"- 15")	0%	45%	45%	$2,331,446	$5,230,000
51	South Hickory Creek Sewer Line (24")	0%	86%	86%	$19,345,135	$22,580,000
52	Wolf Branch Sewer Line (12"- 21")	0%	52%	52%	$9,466,267	$18,040,000
53	Sanctuary Sewer Line (12"- 18")	0%	99%	99%	$4,217,059	$4,280,000
54	Meadows Sewer Line (12")	0%	100%	100%	$2,130,000	$2,130,000
55	Cole Ranch West Sewer Line Oversize (15"- 18")	0%	40%	40%	$116,714	$294,000
56	East Clear Creek Sewer Line (8"- 15")	0%	52%	52%	$1,633,769	$3,170,000
57	East Milam Sewer Line (12"- 15")	0%	47%	47%	$1,358,994	$2,920,000
58	Stella Hills Lift Station, Force Main, and Onsite Sewer Line Oversize	11%	24%	13%	$639,957	$4,934,730
59	East McKinney Street Sewer Line (15" - 21")	0%	15%	15%	$473,921	$3,180,000
60	North Trinity Lift Station and Force Main Oversize	0%	15%	15%	$873,029	$5,858,000
61	North Trinity Road Sewer Line Oversize (15")	0%	15%	15%	$78,540	$527,000
62	Ponder Farms/Webster Meadows Lift Station and Force Main	0%	100%	100%	$11,500,000	$11,500,000
63	Ponder-Farms/Webster-Meadows Interceptor (15"-21")	0%	100%	100%	$13,000,000	$13,000,000
63	Wastewater Impact Fees	0%	100%	100%	$100,000	$100,000
				Proposed Subtotal	**$597,830,840**	**$1,144,349,650**
				Total	**$636,342,861**	**$1,222,435,449**



Project Number	Project Name
18	PCWRP Headworks Facility
19	PCWRP 5.0 MGD Expansion to 26 MGD
20	CCWRP 2.5 MGD MBR Plant
21	Clear Creek Interceptor (27"- 42")
22	Roark Branch Interceptor Oversize (27" - 42")
23	Cole Ranch Interceptor Oversize (36"- 42")
24	North Cole Ranch Sewer Line (36")
25	Legends Sewer Line (12"- 15")
26	Robson Ranch Sewer Line (12")
27	Robson West Lift Station, Force Main, and Sewer Line Oversize
28	Milam Creek Sewer Line (18"- 24")
29	Denton ICC Sewer Line Oversize (18")
30	Ganzer Rd Sewer Line (12")
31	North Masch Sewer Line (12"- 18")
32	Masch Sewer Line Replacement (15"- 18")
33	North Loop 288 Sewer Line (12"- 15")
34	Mingo Road Sewer Line (12")
35	Lakeview Interceptor Replacement (24" - 30")
36	Lakeview South Lift Station
37	Grissom Sewer Line (15")
38	Lakeview Ranch Sewer Line (24")
39	United Copper Sewer Line (12"-24")
40	Dry Fork Sewer Line (18")
41	Hickory Creek Peak Flow Basin Improvements
42	Cooper Creek Sewer Line Replacement (18"- 24")
43	Pecan Creek Interceptor Replacement (36")
44	Beaver Creek Sewer Line (12")
45	North Milam Sewer Line (12"- 18")
46	HCWRP 10.0 MGD MBR Plant
47	Stark Farms Sewer Line (8"- 12")
48	C Wolfe Road Interceptor (36")
49	TN Skiles Road Interceptor (36")
50	Ponder Sewer Line (12"- 15")
51	South Hickory Creek Sewer Line (24")
52	Wolf Branch Sewer Line (12"- 21")
53	Sanctuary Sewer Line (12"- 18")
54	Meadows Sewer Line (12")
55	Cole Ranch West Sewer Line Oversize (15"- 18")
56	East Clear Creek Sewer Line (8"- 15")
57	East Milam Sewer Line (12"- 15")
58	Stella Hills Lift Station, Force Main, and Onsite Sewer Line Oversize
59	East McKinney Sreet Sewer Line (15" - 21")
60	North Trinity Lift Station and Force Main Oversize
61	North Trinity Road Sewer Line Oversize (15")
62	Ponder Farms/Webster Meadows Lift Station and Force Main
63	Ponder Farms/Webster Meadows Interceptor (15" - 21")
64	Wastewater Impact Fees

Project Number	Project Name
1	Cooper Creek Interceptor III
2	Cooper Creek Outfall (Loop 288)
3	Krum Sewer Line
4	Graveyard Branch Interceptor
5	Leatherwood Interceptor
6	Pecan Creek Interceptor (Ph 1 & 2)
7	Pecan Creek Interceptor I
8	Pecan Creek Interceptor II
9	Pecan Creek Interceptor III
10	Pecan Creek Interceptor IV
11	Pecan WRP Expansion (6 MGD)
12	Cooper Creek Interceptor I
13	Cooper Creek Interceptor II
14	Hickory Creek Interceptor I
15	Hickory Creek Interceptor II
16	Hickory Creek Interceptor III
17	Hickory Creek Lift Station Detention Facility

LEGEND

Background Data
- Railroads
- Roads
- Lakes
- Denton City Limits
- Denton Impact Fee Service Area

Existing Infrastructure
- Ex. 8-10-inch Sewer Line*
- Ex. ≥12-inch Sewer Line
- Force Main
- LS Ex. Lift Station**

Impact Fee CIP Projects
- WRP Existing Water Reclamation Facility
- Existing Peak Flow Basin
- Existing Sewer Line
- WRP Proposed Water Reclamation Facility
- LS Proposed Lift Station
- Proposed Force Main
- Proposed Sewer Line
- Hunter-Cole Sewer Line

*Existing sewer lines smaller than 8" are not shown.
**Existing lift stations planned to be abandoned are not shown.

CITY OF DENTON

CITY OF DENTON
WASTEWATER IMPACT FEE
CAPITAL IMPROVEMENTS PLAN

1 IN = 4,000 FT
January 2025

Kimley»Horn

This map product is for information 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.

EXHIBIT 3.1

3.4 WASTEWATER IMPACT FEE CALCULATION

SERVICE UNITS

Chapter 395 of the Local Government Code defines a service unit as follows, "Service Unit means a standardized measure of consumption attributable to an individual unit of development calculated in accordance with generally accepted engineering or planning standards and based on historical data and trends applicable to the political subdivision in which the individual unit of development is located during the previous 10 years."

SERVICE UNIT CALCULATION

A single service unit for Denton's water Impact Fees is the 5/8-inch x 3/4-inch meter. A service unit is the wastewater flow associated with water demand of accommodated by a 5/8-inch x 3/4-inch meter, which is typically used by a single-family residence. All meters greater than 5/8-inch x 3/4-inch have a service unit multiplier determined by the ratio of each larger meter's capacity to the capacity of the 5/8-inch x 3/4-inch meter. The current service unit multipliers (service units/meter) are shown in **Table 3.2**.

Table 3.2 Meter Capacity Ratios

Meter Size	Service Units/ Meter[1]
5/8"x3/4"	1
1"	2.5
1-1/2"	5
2"	8
3"	22.5
4"	50
6"	100
8"	200
10"	325

Based on the City's 10-year growth projections and the resulting wastewater flow in relation to water demand projections, wastewater service will be required for an additional **52,276** Service Units by the year 2034 as shown in **Table 3.3**.

The City's existing wastewater system is a single service area because it treats wastewater at a single treatment facility. Over the next 10-years the City will construct two additional treatment facilities to accommodate growth and will therefore divide into three service areas (Pecan Creek, Hickory Creek, Clear Creek as indicated in the Land Use Assumptions chapter). The calculated 10-year additional services units has been distributed across the three services areas based on projected growth and its associated wastewater flow projections as shown in **Table 3.3**.

Table 3.3 10-year Additional Service Units by Service Area

Year		Pecan Creek	Hickory Creek	Clear Creek	Total
2024	Service Units	59,597	21,283	1,216	82,096
2034	Service Units	67,213	56,695	10,464	134,372
10-Year Service Units		**7,616**	**35,412**	**9,248**	**52,276**

3.5 PLAN FOR AWARDING IMPACT FEE CREDIT

Impact fee law allows for a credit calculation to credit back the utility revenues or ad valorem taxes that are allocated for paying a portion of future capital improvements. The intent of this credit is to prevent the City from double charging development for future capital improvements via Impact Fees and utility rates. If the City chooses not to do a financial analysis to determine the credit value, they are required by law to reduce the recoverable cost by 50 percent. The City chose to perform a financial analysis.

MAXIMUM ASSESSABLE IMPACT FEE DETERMINATION

The impact fee determination method employed by NewGen Strategies and Solutions, LLC is developed through a financial based model that recognizes the requirements of Chapter 395, including the recognition of cash and/or debt financing, interest earnings, fund balances, and applicable credits associated with the use of utility revenues. In developing the components of the financial model, assumptions must be made that include the following:

- Financing
    - Method of financing (i.e. cash or debt financing)
    - The level of financing (e.g. 100% debt)
    - Cost of financing
    - Debt repayment structure

- Timing and Level of Expenditures and Revenues
- Interest Earnings
- Annual Service Unit Growth
- Portion of Utility Revenue Used to Fund Impact Fee Wastewater Improvements

While the assumptions employed in determining the maximum assessable impact fee are a reasonable basis for forecasting, these assumptions may not reflect actual future conditions. To address this, Chapter 395 requires the monitoring of Impact Fees through the Capital Improvement Advisory Committee (CIAC) who can then update or revise Impact Fees to reflect the actual implementation of the impact fee program.

FINANCING

Once the cost of capacity added that is attributable to growth is determined, a City must decide how the cost will be financed: cash and/or debt. Actual costs of capital for any previously funded projects, whether partially or fully funded, are also included.

Based on discussions with City staff, it is assumed that the City will debt finance the future project costs. For debt financing, the cost of financing is based on the City's Financial Advisor's estimates of future debt costs for bonds issued with 30-year terms as shown in the Wastewater Financial Analysis Appendix of this report. Debt service payments for each future debt issue are assumed to remain constant over the issue's term.

TIMING AND LEVEL OF EXPENDITURES AND REVENUES

The exact timing and annual level of cash capital expenditures over the forecast period is currently indeterminate, therefore it is assumed that capital expenditures will occur in amounts over the 10-year program period. It is also assumed that the City will expand debt proceeds over a 2-year timeframe for debt-financed capital projects. For the calculation of the maximum assessable impact fee, debt is assumed to be issued in equal amounts for each year. In order to recognize the full amount of debt to be issued for the cost of capacity added that is attributable to growth during the 10-year period, a portion of years eight, nine, and ten are assumed to be spend in the final three years.

INTEREST EARNINGS

While debt is issued over 30-year terms and Impact Fees developed are to be charged over a 10-year period, a sufficient fund balance must be generated to meet the future debt service obligations. Fund balances were identified for each service area as a potential source for the current Impact Fee CIP. Because of the generation of the fund balance, excess monies will be available for interest earnings.

Chapter 395 states that interest earnings are funds of the impact fee account and are to be held to the same restrictions as impact fee revenues. In order to recognize that interest earnings are used to fund only impact fee eligible improvements, interest earnings are credited against the costs recoverable through

Impact Fees. Chapter 395 does not require the upfront recognition of interest earnings in the impact fee determination. To acknowledge the time value of the impact fee payer's monies, interest earnings have been credited. For this analysis, interest is assumed to be earned at an annual rate of 1.89% per 10-year historical average.

Annual Service Unit Growth

The timing and annual level of service unit growth over the 10-year program period is currently indeterminate, therefore it is assumed that service unit growth will be consistent over the 10-year forecast.

Portion of Utility Revenue Used to Fund Impact Fee Wastewater Improvements

Credit for the portion of ad valorem tax and/or utility service revenues generated by new service units during the program period are used for payment of the improvements included in the Wastewater Impact Fee CIP. The credit is not a determination to recognize the total utility revenue generated by new service units but is a credit for the portion of utility revenue that is used for payment of the improvements included in the Wastewater Impact Fee CIP. Theoretically, the credit determination could be zero ($0) if the City does not utilize any of the new service unit utility revenue to fund improvements that are included in the Wastewater Impact Fee CIP.

To be conservative and recognize potential cash flow issues that can occur with the funding of major capital improvement projects, it is assumed that the debt-funded projects (100% of the improvement costs included in the Wastewater Impact Fee CIP but not otherwise funded) could potentially be funded by utility revenue.

When an impact fee program is in place, payments made through utility revenue will consist of revenue generated by new service units in the defined service area and existing service units throughout the City; therefore, the portion attributable to the new service units in the defined service area must be isolated. The credit calculation illustrating how the credit is isolated is shown in the Wastewater Financial Analysis Appendix of this report.

3.6 MAXIMUM ASSESSABLE IMPACT FEE

A breakdown of the 10-year recoverable costs and the associated impact fee per service unit by service area is as follows:

Table 3.4 Pecan Creek Service - 10-Year Recoverable Cost Breakdown

Recoverable Impact Fee CIP Costs	$69,883,844
Financing Costs	$34,160,000
Interest Earnings	($13,234,573)
Pre Credit Recoverable Cost for Impact Fee	$90,809,271
Credit for Utility Revenues	($2,347,057)
Maximum Recoverable Cost for Impact Fee	**$88,462,214**

(1) Per NewGen Strategies and Solutions, LLC financial analysis, See Appendix A.

$$\text{Impact fee per service units} = \frac{\text{10-year recoverable costs}}{\text{10-year additional service units}}$$

$$\text{Impact fee per service units} = \frac{\$88,462,214}{7,616}$$

$$\text{Impact fee per service units} = \$11,615$$

Therefore, the maximum assessable wastewater impact fee for Pecan Creek Service Area is **$11,615.**

Table 3.5 Hickory Creek Service Area - 10-Year Recoverable Cost Breakdown

Recoverable Impact Fee CIP Costs	$426,546,589
Financing Costs	$190,088,853
Interest Earnings	($124,870,363)
Pre Credit Recoverable Cost for Impact Fee	$491,765,079
Credit for Utility Revenues	($38,817,845)
Maximum Recoverable Cost for Impact Fee	**$452,947,234**

(1) Per NewGen Strategies and Solutions, LLC financial analysis, See Appendix A.

$$\text{Impact fee per service units} = \frac{\text{10-year recoverable costs}}{\text{10-year additional service units}}$$

$$\text{Impact fee per service units} = \frac{\$452,947,234}{35,412}$$

$$\text{Impact fee per service units} = \$12,791$$

Therefore, the maximum assessable wastewater impact fee for Hickory Creek Service Area is **$12,791.**

Table 3.6 Clear Creek Service Area - 10-Year Recoverable Cost Breakdown

Recoverable Impact Fee CIP Costs	$139,912,428
Financing Costs	$47,194,860
Interest Earnings	($17,484,683)
Pre Credit Recoverable Cost for Impact Fee	$169,622,605
Credit for Utility Revenues	($3,934,480)
Maximum Recoverable Cost for Impact Fee	**$165,688,125**

(1) Per NewGen Strategies and Solutions, LLC financial analysis, See Appendix A.

$$\text{Impact fee per service units} = \frac{\text{10-year recoverable costs}}{\text{10-year additional service units}}$$

$$\text{Impact fee per service units} = \frac{\$165,688,125}{9,248}$$

$$\text{Impact fee per service units} = \$17,916$$

Therefore, the maximum assessable wastewater impact fee for Clear Creek is **$17,916**.

For a development that requires a different size meter, a service unit equivalent is established at a multiplier based on its capacity with respect to the 5/8-inch x 3/4-inch meter. The maximum impact fee that could be assessed for other meter sizes is based on the Equivalency Table (**Table 2.10**).

Table 3.7 Maximum Assessable Wastewater Impact Fee by Service Area and Meter Size

Meter Size	Service Unit Equivalent	Pecan Creek Maximum Assessable Water Impact Fee	Hickory Creek Maximum Assessable Water Impact Fee	Clear Creek Maximum Assessable Water Impact Fee
5/8"x3/4"	1	$11,615	$12,791	$17,916
1"	2.5	$29,038	$31,977	$44,790
1-1/2"	5	$58,075	$63,954	$89,581
2"	8	$92,920	$102,326	$143,329
3"	22.5	$261,338	$287,793	$403,112
4"	50	$580,750	$639,539	$895,805
6"	100	$1,161,500	$1,279,078	$1,791,610
8"	200	$2,323,000	$2,558,157	$3,583,221
10"	325	$3,774,875	$4,157,005	$5,822,734

APPENDIX

WATER FINANCIAL ANALYSIS

City of Denton - 2024 Water Impact Fee Update
Capital Improvement Plan for Impact Fees
Impact Fee Calculation Assumptions
Water Service Area Zone 1A

0	Existing Fund Balance	$ -
1	Existing Number of Service Units Over Entire City	82,096
2	Additional Service Units Added During Planning Period In the Service Area	1,616
3	Total Cost of the Water Impact Fee CIP	$ 10,654,473
4	Recoverable Cost for Impact Fee Planning Period	$ 2,454,148
5	Percent Recoverable for Water Impact Fee Planning Period (Line 4 / Line 3)	23.03%
6	Financing Costs (From Financial Analysis)	$ 1,106,314
7	Interest Earnings (From Financial Analysis)	$ (604,035)
8	Recoverable Cost of Water Impact Fee and Financing Costs Less Balance (Line 5 + Line 7 + Line 8 - Line 0)	$ 2,956,427
9	Pre-Credit Maximum Fee (Line 8 / Line 2)	$ 1,830
10	Credit for Utility Revenues (From Financial Analysis)	$ (15,105)
11	Recoverable Cost of Water Impact Fee and Financing (Line 8 + Line 10)	$ 2,941,322
12	Maximum Assessable Fee (Line 11 / Line 2)	$ 1,820

SUMMARY OF WATER IMPACT FEE DETERMINATION

Water Service Area Zone 1A

Recoverable Impact Fee CIP Costs	$	2,454,148	Table 2.1
Financing Cost		1,106,314	See Detail Below
Existing Fund Balance		-	Water Appendices - page 1
Interest Earnings		(604,035)	Water Appendices - page 3
Pre Credit Recoverable Cost for Impact Fee	$	2,956,427	Sum of Above
Credit for Utility Revenues		(15,105)	Water Appendices - page 6
Maximum Recoverable Cost for Impact Fee	**$**	**2,941,322**	

Recoverable Impact Fee CIP Costs:

Represents the portion of capital improvement costs that are eligible for funding through impact fees.
Reference is Table 2.1 Water Impact Fee Capital Improvements Project Cost and 10-Year Recoverable Cost

Financing Costs:

Represents the interest costs associated with debt financing the new impact fee project costs. Interest costs are derived from existing debt issues and forecasted debt issues.

New Annual Debt Service	$	2,231,971	Water Appendices - page 2
Existing Annual Debt Service		1,269,285	Water Appendices - page 2
Principal Component (New and Existing Debt)		(2,394,943)	Water Appendices - page 1
Financing Costs	$	1,106,314	

Existing Fund Balance:

Represents impact fee revenue collected but not yet expended. Some projects that are included in the 2018 Impact Fee Update were also included in prior Impact Fee Updates.
To avoid charging twice for the same project, the impact fee revenues collected but yet to be expended (i.e. fund balance) are credited against the recoverable costs. Reference is page 1 of Water Appendices.

Interest Earnings

Represents the interest earned on cash flows and assumes a 1.89% annual interest rate.
The Impact Fee Statute states that interest earnings are funds of the impact fee account and are held to the same restrictions as impact fee revenues. Therefore in order to recognize that interest earnings are used to fund capital improvements, interest earnings are credited against the recoverable costs.
Reference is the sum of Accumulated Interest on page 3 of Water Appendices.

Pre Credit Recoverable Cost for Impact Fee

Represents Recoverable Impact Fee CIP Costs plus Financing Costs less Existing Fund Balance and Interest Earnings.

Credit for Utility Revenues

In 2001, the Impact Fee Statute was amended to include a credit for ad valorem and utility revenues generated by new service units during the ten-year timeframe that are used to fund impact fee eligible projects for which the new service units were charged an impact fee. The intent of this amendment is to avoid double-charging the new service units for impact fee capital improvements. The credit recognizes utility revenues used to fund the debt service of debt financed impact fee eligible projects. Reference is page 6 of Water Appendices.

Maximum Recoverable Cost for Impact Fee:

Represents Pre Credit Recoverable Cost for Impact Fee less Credit for Utility Revenues.
This is the maximum cost that can be recovered through impact fees.

City of Denton - 2024 Water Impact Fee Update

Capital Improvement Plan for Impact Fees
Impact Fee Calculation Assumptions
Water Service Area Zone 1A

I. General Assumptions

Annual Interest Rate on Deposits[1]	2.50%
Annual Service Unit Growth[2]	162
Existing Fund Balance[3]	$ -

Portion of Projects Funded by Existing Debt[4]	$ 850,650
Non-debt Funded Project Cost[5]	59,206
New Project Cost Funded Through New Debt[6]	1,544,292
Total Recoverable Project Cost[7]	$ 2,454,148

II. New Debt Issues Assumptions

Year	Principal[8]	Interest[9]	Term
1	$ 154,429	3.80%	20
2	154,429	3.80%	20
3	154,429	3.80%	20
4	154,429	3.80%	20
5	154,429	3.80%	20
6	154,429	3.80%	20
7	154,429	3.80%	20
8	154,429	3.80%	20
9	154,429	3.80%	20
10	154,429	3.80%	20
Total	$ 1,544,292		

III. Capital Expenditure Assumptions

Year	Annual Capital Expenditures[10]
1	$ 83,135
2	160,350
3	160,350
4	160,350
5	160,350
6	160,350
7	160,350
8	160,350
9	160,350
10	237,564
Total	$ 1,603,498

(1) Per discussions with City Staff
(2) Derived from Table 2.6 10-year Additional SFE Water Zone Distribution
(3) Balance from 03/30/2024 provided by City Staff
(4) Per discussions with City Staff and City files
(5) From allocation per City Staff; assumes 0% of new project costs funded through sources other than debt
(6) This assumes 100% of new project costs funded through new debt issues
(7) Table 2.1 Water Impact Fee Capital Improvements Project Cost and 10-Year Recoverable Cost
(8) Assumes new debt issued in equal annual amounts
(9) Estimated interest on future debt per discussions with City Staff
(10) Assumes new debt proceeds expended over a 2-year timeframe.
Non-debt funded capital expenditures allocated in equal annual amounts

City of Denton - 2024 Water Impact Fee Update

Capital Improvement Plan for Impact Fees
Debt Service and Expense Summary
Water Service Area Zone 1A

I. New Debt Service Detail

Year	Series 1	Series 2	Series 3	Series 4	Series 5	Series 6	Series 7	Series 8	Series 9	Series 10	Total Annual New Debt Service
1	$ 11,160	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,160
2	11,160	11,160	-	-	-	-	-	-	-	-	22,320
3	11,160	11,160	11,160	-	-	-	-	-	-	-	33,480
4	11,160	11,160	11,160	11,160	-	-	-	-	-	-	44,639
5	11,160	11,160	11,160	11,160	11,160	-	-	-	-	-	55,799
6	11,160	11,160	11,160	11,160	11,160	11,160	-	-	-	-	66,959
7	11,160	11,160	11,160	11,160	11,160	11,160	11,160	-	-	-	78,119
8	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	-	-	89,279
9	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	-	100,439
10	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	111,599
11	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	111,599
12	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	111,599
13	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	111,599
14	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	111,599
15	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	111,599
16	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	111,599
17	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	111,599
18	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	111,599
19	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	111,599
20	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	111,599
21	-	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	100,439
22	-	-	11,160	11,160	11,160	11,160	11,160	11,160	11,160	11,160	89,279
23	-	-	-	11,160	11,160	11,160	11,160	11,160	11,160	11,160	78,119
24	-	-	-	-	11,160	11,160	11,160	11,160	11,160	11,160	66,959
25	-	-	-	-	-	11,160	11,160	11,160	11,160	11,160	55,799
26	-	-	-	-	-	-	11,160	11,160	11,160	11,160	44,639
27	-	-	-	-	-	-	-	11,160	11,160	11,160	33,480
28	-	-	-	-	-	-	-	-	11,160	11,160	22,320
29	-	-	-	-	-	-	-	-	-	11,160	11,160
	$ 223,197	$ 223,197	$ 223,197	$ 223,197	$ 223,197	$ 223,197	$ 223,197	$ 223,197	$ 223,197	$ 223,197	$ 2,231,971

II. Summary of Annual Expenses

Year	New Annual Debt Service[1]	Annual Capital Expenditures[2]	Annual Bond Proceeds[2]	Existing Annual Debt Service[3]	Annual Credit[4]	Total Expense
1	$ 11,160	$ 83,135	$ (154,429)	$ 63,464	$ (147)	$ 3,183
2	22,320	160,350	(154,429)	63,464	(336)	91,368
3	33,480	160,350	(154,429)	63,464	(569)	102,295
4	44,639	160,350	(154,429)	63,464	(844)	113,180
5	55,799	160,350	(154,429)	63,464	(1,162)	124,022
6	66,959	160,350	(154,429)	63,464	(1,522)	134,822
7	78,119	160,350	(154,429)	63,464	(1,924)	145,580
8	89,279	160,350	(154,429)	63,464	(2,368)	156,296
9	100,439	160,350	(154,429)	63,464	(2,853)	166,971
10	111,599	237,564	(154,429)	63,464	(3,379)	254,819
11	111,599	-	-	63,464	-	175,063
12	111,599	-	-	63,464	-	175,063
13	111,599	-	-	63,464	-	175,063
14	111,599	-	-	63,464	-	175,063
15	111,599	-	-	63,464	-	175,063
16	111,599	-	-	63,464	-	175,063
17	111,599	-	-	63,464	-	175,063
18	111,599	-	-	63,464	-	175,063
19	111,599	-	-	63,464	-	175,063
20	111,599	-	-	63,464	-	175,063
21	100,439	-	-	-	-	100,439
22	89,279	-	-	-	-	89,279
23	78,119	-	-	-	-	78,119
24	66,959	-	-	-	-	66,959
25	55,799	-	-	-	-	55,799
26	44,639	-	-	-	-	44,639
27	33,480	-	-	-	-	33,480
28	22,320	-	-	-	-	22,320
29	11,160	-	-	-	-	11,160
	$ 2,231,971	$ 1,603,498	$ (1,544,292)	$ 1,269,285	$ (15,105)	$ 3,545,357

(1) Water Appendices - page 2 Section I
(2) Water Appendices - page 1
(3) Actual timing of payment varies. Calculated P&I above assumes City's estimated average cost of outstanding system debt and constant annual debt service payments.
(4) Water Appendices - page 6

City of Denton - 2024 Water Impact Fee Update

Capital Improvement Plan for Impact Fees

Revenue Test

Water Service Area Zone 1A

Year	Impact Fee	Service Units	Impact Fee Revenue	Annual Expenses	Sub-Total	Accumulated Interest	Estimated Fund Balance
Initial							$ -
1	$ 1,820	162	$ 294,132	$ 3,183	$ 290,949	$ 3,637	294,586
2	1,820	162	294,132	91,368	202,764	9,899	507,249
3	1,820	162	294,132	102,295	191,837	15,079	714,165
4	1,820	162	294,132	113,180	180,952	20,116	915,234
5	1,820	162	294,132	124,022	170,110	25,007	1,110,351
6	1,820	162	294,132	134,822	159,311	29,750	1,299,412
7	1,820	162	294,132	145,580	148,553	34,342	1,482,307
8	1,820	162	294,132	156,296	137,836	38,781	1,658,924
9	1,820	162	294,132	166,971	127,162	43,063	1,829,148
10	1,820	162	294,132	254,819	39,313	46,220	1,914,681
11	-	-	-	175,063	(175,063)	45,679	1,785,297
12	-	-	-	175,063	(175,063)	42,444	1,652,679
13	-	-	-	175,063	(175,063)	39,129	1,516,744
14	-	-	-	175,063	(175,063)	35,730	1,377,412
15	-	-	-	175,063	(175,063)	32,247	1,234,596
16	-	-	-	175,063	(175,063)	28,677	1,088,210
17	-	-	-	175,063	(175,063)	25,017	938,164
18	-	-	-	175,063	(175,063)	21,266	784,367
19	-	-	-	175,063	(175,063)	17,421	626,725
20	-	-	-	175,063	(175,063)	13,480	465,142
21	-	-	-	100,439	(100,439)	10,373	375,077
22	-	-	-	89,279	(89,279)	8,261	294,059
23	-	-	-	78,119	(78,119)	6,375	222,315
24	-	-	-	66,959	(66,959)	4,721	160,076
25	-	-	-	55,799	(55,799)	3,304	107,582
26	-	-	-	44,639	(44,639)	2,132	65,074
27	-	-	-	33,480	(33,480)	1,208	32,802
28	-	-	-	22,320	(22,320)	541	11,024
29	-	-	-	11,160	(11,160)	136	-
			2,941,322	3,545,357		604,035	

City of Denton - 2024 Water Impact Fee Update

Capital Improvement Plan for Impact Fees

Impact Fee Calculation

Water Service Area Zone 1A

Year	Number of Years to End of Period	Future Value Escalation: Interest Rate Factor	Future Value Escalation: Recovery Fee Factor	Annual Service Units: Actual	Annual Service Units: Escalated	Annual Expense: Actual	Annual Expense: Escalated
1	29	2.0215	1.0000	162	327	$ 3,183	$ 6,435
2	28	1.9721	1.0000	162	319	91,368	180,192
3	27	1.9240	1.0000	162	311	102,295	196,821
4	26	1.8771	1.0000	162	303	113,180	212,452
5	25	1.8313	1.0000	162	296	124,022	227,126
6	24	1.7867	1.0000	162	289	134,822	240,882
7	23	1.7431	1.0000	162	282	145,580	253,759
8	22	1.7006	1.0000	162	275	156,296	265,793
9	21	1.6591	1.0000	162	268	166,971	277,021
10	20	1.6186	1.0000	162	262	254,819	412,458
11	19	1.5792	1.0000	-	-	175,063	276,451
12	18	1.5406	1.0000	-	-	175,063	269,709
13	17	1.5031	1.0000	-	-	175,063	263,130
14	16	1.4664	1.0000	-	-	175,063	256,712
15	15	1.4306	1.0000	-	-	175,063	250,451
16	14	1.3957	1.0000	-	-	175,063	244,343
17	13	1.3617	1.0000	-	-	175,063	238,383
18	12	1.3285	1.0000	-	-	175,063	232,569
19	11	1.2961	1.0000	-	-	175,063	226,896
20	10	1.2645	1.0000	-	-	175,063	221,362
21	9	1.2336	1.0000	-	-	100,439	123,904
22	8	1.2035	1.0000	-	-	89,279	107,451
23	7	1.1742	1.0000	-	-	78,119	91,727
24	6	1.1456	1.0000	-	-	66,959	76,705
25	5	1.1176	1.0000	-	-	55,799	62,362
26	4	1.0904	1.0000	-	-	44,639	48,673
27	3	1.0638	1.0000	-	-	33,480	35,614
28	2	1.0378	1.0000	-	-	22,320	23,164
29	1	1.0125	1.0000	-	-	11,160	11,299
					2,930		$ 5,333,843

Annual Interest Rate:		2.50%
Present Value of Initial Impact Fee Fund Balance	$	-
Total Escalated Expense for Entire Period	$	5,333,843
Less Future Value of Initial Impact Fee Fund Balance		-
Sub-Total	$	5,333,843
Total Escalated Service Units		2,930
Impact Fee for Water Service Area	**$**	**1,820**

City of Denton - 2024 Water Impact Fee Update

Capital Improvement Plan for Impact Fees

Impact Fee Project Funding

Water Service Area Zone 1A

Impact Fee Project Name[1]	Cost In Service Area [1]	Percent in Demand	Impact Fee Recoverable Cost[1]	Debt Funded[2] Existing	Debt Funded[2] Proposed	Non-Debt Funded[2]	Impact Fee Recoverable Cost
Lake Ray Roberts	$ 4,693,949	10%	$ 469,395	$ 469,395	$ -	$ -	$ 469,395
54" Finished Water Transmission Line	293,637	57%	167,401	140,694	-	26,706	167,401
Loop 288 Water Main - Sherman to UNT	133,552	65%	86,809	86,809	-	-	86,809
Loop 288 Water Main - Sherman to Hwy 380	183,135	0%	-	-	-	-	-
North-South Water Line Phase I	314,318	10%	31,432	31,432	-	-	31,432
Roselawn Elevated Storage Tank	192,877	27%	51,434	51,434	-	-	51,434
North-South Water Line	565,815	10%	56,581	37,230	-	19,352	56,581
Locust Water Line Upsize	1,281,776	3%	36,622	31,251	-	5,371	36,622
Hickory Water Line Upsize	498,444	1%	7,121	2,406	-	4,714	7,121
42" Jim Christal EST Transmission Main	377,981	81%	307,109	-	307,109	-	307,109
24/48" Loop 288 Transmission Main	2,115,928	58%	1,237,183	-	1,237,183	-	1,237,183
Water Impact Fee Report Preparation	3,062	100%	3,062	-	-	3,062	3,062
Total	$ 10,654,473		$ 2,454,148	$ 850,650	$ 1,544,292	$ 59,206	$ 2,454,148

(1) Derived from Table 2.1 Water Impact Fee Capital Improvements Project Cost and 10-Year Recoverable Cost for Zone 1A

(2) Per discussions with City staff and City files

City of Denton - 2024 Water Impact Fee Update

Capital Improvement Plan for Impact Fees
Credit Determination
Water Service Area Zone 1A

2024 Service Units[1]	82,096	
Ten Year Growth in Service Units[2]	1,616	
	10	years
Annual Growth in Service Units	162	

	1	2	3	4	5	6	7	8	9	10	Total
Debt Service for Debt Funded Projects Eligible for Impact Fees[3]	$ 74,624	$ 85,784	$ 96,944	$ 108,104	$ 119,264	$ 130,423	$ 141,583	$ 152,743	$ 163,903	$ 175,063	$ 1,248,435
Net Impact Fee Eligible Debt Service Funded by Other Sources	$ 74,624	$ 85,784	$ 96,944	$ 108,104	$ 119,264	$ 130,423	$ 141,583	$ 152,743	$ 163,903	$ 175,063	$ 1,248,435
Current Service Units	82,258	82,419	82,581	82,742	82,904	83,066	83,227	83,389	83,550	83,712	
Total Net Impact Fee Eligible Debt Service Funded by Other Sources per Service Unit	$ 0.91	$ 1.04	$ 1.17	$ 1.31	$ 1.44	$ 1.57	$ 1.70	$ 1.83	$ 1.96	$ 2.09	
Annual Growth in Service Units (Cumulative)	162	323	485	646	808	970	1,131	1,293	1,454	1,616	
Net Impact Fee Eligible Debt Service Funded by Other Sources	$ 147	$ 336	$ 569	$ 844	$ 1,162	$ 1,522	$ 1,924	$ 2,368	$ 2,853	$ 3,379	$ 15,105

Credit Amount	**$**	**15,105**

(1) Derived from Table 2.5 10-year Additional Single-Family Equivalent Calculation
(2) Derived from Table 2.6 10-year Additional SFE Water Zone Distribution
(3) Water Appendices - page 2 Section II

City of Denton - 2024 Water Impact Fee Update
Capital Improvement Plan for Impact Fees
Impact Fee Calculation Assumptions
Water Service Area Zone 1B

0	Existing Fund Balance	$ -
1	Existing Number of Service Units Over Entire City	82,096
2	Additional Service Units Added During Planning Period In the Service Area	29,427
3	Total Cost of the Water Impact Fee CIP	$ 573,022,860
4	Recoverable Cost for Impact Fee Planning Period	$ 292,309,445
5	Percent Recoverable for Water Impact Fee Planning Period (Line 4 / Line 3)	51.01%
6	Financing Costs (From Financial Analysis)	$ 129,102,582
7	Interest Earnings (From Financial Analysis)	$ (81,750,244)
8	Recoverable Cost of Water Impact Fee and Financing Costs Less Balance (Line 5 + Line 7 + Line 8 - Line 0)	$ 339,661,784
9	Pre-Credit Maximum Fee (Line 8 / Line 2)	$ 11,542
10	Credit for Utility Revenues (From Financial Analysis)	$ (23,479,052)
11	Recoverable Cost of Water Impact Fee and Financing (Line 8 + Line 10)	$ 316,182,731
12	Maximum Assessable Fee (Line 11 / Line 2)	$ 10,745

SUMMARY OF WATER IMPACT FEE DETERMINATION

Water Service Area Zone 1B

Recoverable Impact Fee CIP Costs	$	292,309,445	Table 2.1
Financing Cost		129,102,582	See Detail Below
Existing Fund Balance		-	Water Appendices - page 1
Interest Earnings		(81,750,244)	Water Appendices - page 3
Pre Credit Recoverable Cost for Impact Fee	$	339,661,784	Sum of Above
Credit for Utility Revenues		(23,479,052)	Water Appendices - page 6
Maximum Recoverable Cost for Impact Fee	**$**	**316,182,731**	Total Cost of the Water Impact Fee CIP

Recoverable Impact Fee CIP Costs:

Represents the portion of capital improvement costs that are eligible for funding through impact fees.
Reference is Table 2.1 Water Impact Fee Capital Improvements Project Cost and 10-Year Recoverable Cost

Financing Costs:

Represents the interest costs associated with debt financing the new impact fee project costs. Interest costs are derived
one-half of the new impact fee project costs will be funded through new debt issues (Page 7 of
Appendix E -). Interest costs are derived from forecasted debt issues.
from existing debt issues and forecasted debt issues.

New Annual Debt Service	$	376,804,966	Water Appendices - page 2
Existing Annual Debt Service		39,438,370	Water Appendices - page 2
Principal Component (New and Existing Debt)		(287,140,753)	Water Appendices - page 1
Financing Costs	$	129,102,582	

Existing Fund Balance:

Represents impact fee revenue collected but not yet expended. Some projects that are included in the 2018
Impact Fee Update were also included in prior Impact Fee Updates.
To avoid charging twice for the same project, the impact fee revenues collected but yet to be expended
(i.e. fund balance) are credited against the recoverable costs. Reference is page 1 of Water Appendices.

Interest Earnings

Represents the interest earned on cash flows and assumes a 1.89% annual interest rate.
The Impact Fee Statute states that interest earnings are funds of the impact fee account and are held
to the same restrictions as impact fee revenues. Therefore in order to recognize that interest earnings
are used to fund capital improvements, interest earnings are credited against the recoverable costs.
Reference is the sum of Accumulated Interest on page 3 of Water Appendices.

Pre Credit Recoverable Cost for Impact Fee

Represents Recoverable Impact Fee CIP Costs plus Financing Costs less Existing Fund Balance and Interest Earnings.

Credit for Utility Revenues

In 2001, the Impact Fee Statute was amended to include a credit for ad valorem and utility revenues generated
by new service units during the ten-year timeframe that are used to fund impact fee eligible projects
for which the new service units were charged an impact fee. The intent of this amendment is to avoid
double-charging the new service units for impact fee capital improvements. The credit recognizes utility
revenues used to fund the debt service of debt financed impact fee eligible projects. Reference is page 6 of
Water Appendices.

Maximum Recoverable Cost for Impact Fee:

Represents Pre Credit Recoverable Cost for Impact Fee less Credit for Utility Revenues.
This is the maximum cost that can be recovered through impact fees.

City of Denton - 2024 Water Impact Fee Update

Capital Improvement Plan for Impact Fees
Impact Fee Calculation Assumptions
Water Service Area Zone 1B

I. General Assumptions

Annual Interest Rate on Deposits[1]	2.50%
Annual Service Unit Growth[2]	2,943
Existing Fund Balance[3]	$ -
Total Cost of the Water Impact Fee CIP	
Portion of Projects Funded by Existing Debt[4]	$ 26,430,833
Recoverable	5,168,692
New Project Cost Funded Through New Debt[6]	260,709,921
Total Recoverable Project Cost[7]	$ 292,309,445

II. New Debt Issues Assumptions

	Principal[8]	Interest[9]	Term
1	$ 26,070,992	3.80%	20
2	26,070,992	3.80%	20
3	26,070,992	3.80%	20
4	26,070,992	3.80%	20
5	26,070,992	3.80%	20
6	26,070,992	3.80%	20
7	26,070,992	3.80%	20
8	26,070,992	3.80%	20
9	26,070,992	3.80%	20
10	26,070,992	3.80%	20
Total	$ 260,709,921		

III. Capital Expenditure Assumptions

Year	Annual Capital Expenditures[10]
1	$ 13,552,365
2	26,587,861
3	26,587,861
4	26,587,861
5	26,587,861
6	26,587,861
7	26,587,861
8	26,587,861
9	26,587,861
10	39,623,357
Total	$ 265,878,613

(1) Per discussions with City Staff
(2) Derived from Table 2.6 10-year Additional SFE Water Zone Distribution
(3) Balance from 03/30/2024 provided by City Staff
(4) Per discussions with City Staff and City files
(5) From allocation per City Staff; assumes 0% of new project costs funded through sources other than debt
(6) This assumes 100% of new project costs funded through new debt issues
(7) Table 2.1 Water Impact Fee Capital Improvements Project Cost and 10-Year Recoverable Cost
(8) Assumes new debt issued in equal annual amounts
(9) Estimated interest on future debt per discussions with City Staff
(10) Assumes new debt proceeds expended over a 2-year timeframe.
Non-debt funded capital expenditures allocated in equal annual amounts

City of Denton - 2024 Water Impact Fee Update

Capital Improvement Plan for Impact Fees
Debt Service and Expense Summary
Water Service Area Zone 1B

I. New Debt Service Detail

Year	Series of the Water Imp	Series 2	Series 3	Series 4	Series 5	Series 6	Series 7	Series 8	Series 9	Series 10	Total Annual New Debt Service
1		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,884,025
2	1,884,025	1,884,025	-	-	-	-	-	-	-	-	3,768,050
3	1,884,025	1,884,025	1,884,025	-	-	-	-	-	-	-	5,652,074
4	1,884,025	1,884,025	1,884,025	1,884,025	-	-	-	-	-	-	7,536,099
5	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	-	-	-	-	-	9,420,124
6	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	-	-	-	-	11,304,149
7	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	-	-	-	13,188,174
8	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	-	-	15,072,199
9	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	-	16,956,223
10	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	18,840,248
11	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	18,840,248
12	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	18,840,248
13	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	18,840,248
14	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	18,840,248
15	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	18,840,248
16	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	18,840,248
17	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	18,840,248
18	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	18,840,248
19	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	18,840,248
20	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	18,840,248
21	-	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	16,956,223
22	-	-	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	15,072,199
23	-	-	-	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	13,188,174
24	-	-	-	-	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	11,304,149
25	-	-	-	-	-	1,884,025	1,884,025	1,884,025	1,884,025	1,884,025	9,420,124
26	-	-	-	-	-	-	1,884,025	1,884,025	1,884,025	1,884,025	7,536,099
27	-	-	-	-	-	-	-	1,884,025	1,884,025	1,884,025	5,652,074
28	-	-	-	-	-	-	-	-	1,884,025	1,884,025	3,768,050
29	-	-	-	-	-	-	-	-	-	1,884,025	1,884,025
	$ 37,680,497	$ 37,680,497	$ 37,680,497	$ 37,680,497	$ 37,680,497	$ 37,680,497	$ 37,680,497	$ 37,680,497	$ 37,680,497	$ 37,680,497	$ 376,804,966

II. Summary of Annual Expenses

Year	New Annual Debt Service[1]	Annual Capital Expenditures[2]	Annual Bond Proceeds[2]	Existing Annual Debt Service[3]	Annual Credit[4]	Total Expense
1	$ 1,884,025	$ 13,552,365	$ (26,070,992)	$ 1,971,918	$ (133,433)	$ (8,796,117)
2	3,768,050	26,587,861	(26,070,992)	1,971,918	(383,972)	5,872,866
3	5,652,074	26,587,861	(26,070,992)	1,971,918	(740,244)	7,400,618
4	7,536,099	26,587,861	(26,070,992)	1,971,918	(1,192,307)	8,832,580
5	9,420,124	26,587,861	(26,070,992)	1,971,918	(1,731,425)	10,177,487
6	11,304,149	26,587,861	(26,070,992)	1,971,918	(2,349,893)	11,443,043
7	13,188,174	26,587,861	(26,070,992)	1,971,918	(3,040,891)	12,636,071
8	15,072,199	26,587,861	(26,070,992)	1,971,918	(3,798,356)	13,762,630
9	16,956,223	26,587,861	(26,070,992)	1,971,918	(4,616,885)	14,828,126
10	18,840,248	39,623,357	(26,070,992)	1,971,918	(5,491,644)	28,872,888
11	18,840,248	-	-	1,971,918	-	20,812,167
12	18,840,248	-	-	1,971,918	-	20,812,167
13	18,840,248	-	-	1,971,918	-	20,812,167
14	18,840,248	-	-	1,971,918	-	20,812,167
15	18,840,248	-	-	1,971,918	-	20,812,167
16	18,840,248	-	-	1,971,918	-	20,812,167
17	18,840,248	-	-	1,971,918	-	20,812,167
18	18,840,248	-	-	1,971,918	-	20,812,167
19	18,840,248	-	-	1,971,918	-	20,812,167
20	18,840,248	-	-	1,971,918	-	20,812,167
21	16,956,223	-	-	-	-	16,956,223
22	15,072,199	-	-	-	-	15,072,199
23	13,188,174	-	-	-	-	13,188,174
24	11,304,149	-	-	-	-	11,304,149
25	9,420,124	-	-	-	-	9,420,124
26	7,536,099	-	-	-	-	7,536,099
27	5,652,074	-	-	-	-	5,652,074
28	3,768,050	-	-	-	-	3,768,050
29	1,884,025	-	-	-	-	1,884,025
	$376,804,966	$265,878,613	$ (260,709,921)	$ 39,438,370	$ (23,479,052)	$397,932,976

(1) Water Appendices - page 2 Section I
(2) Water Appendices - page 1
(3) Actual timing of payment varies. Calculated P&I above assumes City's estimated average cost of outstanding system debt and constant annual debt service payments.
(4) Water Appendices - page 6

City of Denton - 2024 Water Impact Fee Update

Capital Improvement Plan for Impact Fees

Revenue Test

Water Service Area Zone 1B

Year	Impact Fee	Service Units	Impact Fee Revenue	Annual Expenses	Sub-Total	Accumulated Interest	Estimated Fund Balance
Initial	Total Cost of the Water Impact Fee CIP						$ -
1	$ 10,745	2,943	$ 31,618,273	$ (8,796,117)	$ 40,414,390	$ 505,180	40,919,570
2	10,745	2,943	31,618,273	5,872,866	25,745,407	1,344,807	68,009,784
3	10,745	2,943	31,618,273	7,400,618	24,217,655	2,002,965	94,230,405
4	10,745	2,943	31,618,273	8,832,580	22,785,693	2,640,581	119,656,679
5	10,745	2,943	31,618,273	10,177,487	21,440,786	3,259,427	144,356,893
6	10,745	2,943	31,618,273	11,443,043	20,175,230	3,861,113	168,393,235
7	10,745	2,943	31,618,273	12,636,071	18,982,203	4,447,108	191,822,546
8	10,745	2,943	31,618,273	13,762,630	17,855,643	5,018,759	214,696,949
9	10,745	2,943	31,618,273	14,828,126	16,790,147	5,577,301	237,064,397
10	10,745	2,943	31,618,273	28,872,888	2,745,385	5,960,927	245,770,709
11	-	-	-	20,812,167	(20,812,167)	5,884,116	230,842,658
12	-	-	-	20,812,167	(20,812,167)	5,510,914	215,541,406
13	-	-	-	20,812,167	(20,812,167)	5,128,383	199,857,622
14	-	-	-	20,812,167	(20,812,167)	4,736,288	183,781,744
15	-	-	-	20,812,167	(20,812,167)	4,334,392	167,303,968
16	-	-	-	20,812,167	(20,812,167)	3,922,447	150,414,249
17	-	-	-	20,812,167	(20,812,167)	3,500,204	133,102,286
18	-	-	-	20,812,167	(20,812,167)	3,067,405	115,357,524
19	-	-	-	20,812,167	(20,812,167)	2,623,786	97,169,144
20	-	-	-	20,812,167	(20,812,167)	2,169,077	78,526,053
21	-	-	-	16,956,223	(16,956,223)	1,751,199	63,321,028
22	-	-	-	15,072,199	(15,072,199)	1,394,623	49,643,453
23	-	-	-	13,188,174	(13,188,174)	1,076,234	37,531,513
24	-	-	-	11,304,149	(11,304,149)	796,986	27,024,350
25	-	-	-	9,420,124	(9,420,124)	557,857	18,162,083
26	-	-	-	7,536,099	(7,536,099)	359,851	10,985,835
27	-	-	-	5,652,074	(5,652,074)	203,995	5,537,755
28	-	-	-	3,768,050	(3,768,050)	91,343	1,861,049
29	-	-	-	1,884,025	(1,884,025)	22,976	-
			316,182,731	397,932,976		81,750,244	

City of Denton - 2024 Water Impact Fee Update

Capital Improvement Plan for Impact Fees

Impact Fee Calculation

Water Service Area Zone 1B

Year	Number of Years to of the Water Impact	Future Value Escalation: Interest Rate Factor	Future Value Escalation: Recovery Fee Factor	Annual Service Units: Actual	Annual Service Units: Escalated	Annual Expense: Actual	Annual Expense: Escalated
1	29	2.0215	1.0000	2,943	5,949	$ (8,796,117)	$ (17,780,921)
2	28	1.9721	1.0000	2,943	5,804	5,872,866	11,582,158
3	27	1.9240	1.0000	2,943	5,662	7,400,618	14,239,132
4	26	1.8771	1.0000	2,943	5,524	8,832,580	16,579,798
5	25	1.8313	1.0000	2,943	5,389	10,177,487	18,638,388
6	24	1.7867	1.0000	2,943	5,258	11,443,043	20,444,923
7	23	1.7431	1.0000	2,943	5,129	12,636,071	22,025,821
8	22	1.7006	1.0000	2,943	5,004	13,762,630	23,404,407
9	21	1.6591	1.0000	2,943	4,882	14,828,126	24,601,331
10	20	1.6186	1.0000	2,943	4,763	28,872,888	46,734,618
11	19	1.5792	1.0000	-	-	20,812,167	32,865,626
12	18	1.5406	1.0000	-	-	20,812,167	32,064,025
13	17	1.5031	1.0000	-	-	20,812,167	31,281,976
14	16	1.4664	1.0000	-	-	20,812,167	30,519,001
15	15	1.4306	1.0000	-	-	20,812,167	29,774,635
16	14	1.3957	1.0000	-	-	20,812,167	29,048,424
17	13	1.3617	1.0000	-	-	20,812,167	28,339,926
18	12	1.3285	1.0000	-	-	20,812,167	27,648,708
19	11	1.2961	1.0000	-	-	20,812,167	26,974,350
20	10	1.2645	1.0000	-	-	20,812,167	26,316,439
21	9	1.2336	1.0000	-	-	16,956,223	20,917,756
22	8	1.2035	1.0000	-	-	15,072,199	18,140,059
23	7	1.1742	1.0000	-	-	13,188,174	15,485,416
24	6	1.1456	1.0000	-	-	11,304,149	12,949,477
25	5	1.1176	1.0000	-	-	9,420,124	10,528,030
26	4	1.0904	1.0000	-	-	7,536,099	8,216,999
27	3	1.0638	1.0000	-	-	5,652,074	6,012,438
28	2	1.0378	1.0000	-	-	3,768,050	3,910,529
29	1	1.0125	1.0000	-	-	1,884,025	1,907,575
					53,364		$ 573,371,044

Annual Interest Rate:		2.50%
Present Value of Initial Impact Fee Fund Balance	$	-
Total Escalated Expense for Entire Period	$	573,371,044
Less Future Value of Initial Impact Fee Fund Balance		-
Sub-Total	$	573,371,044
Total Escalated Service Units		53,364
Impact Fee for Water Service Area	**$**	**10,745**

City of Denton - 2024 Water Impact Fee Update

Capital Improvement Plan for Impact Fees

Impact Fee Project Funding

Water Service Area Zone 1B

Impact Fee Project Name[1]	Cost In Service Area [1]	Impact Fee Recoverable Cost[1]	Debt Funded[2] Existing	Debt Funded[2] Proposed	Non-Debt Funded[2]	Impact Fee Recoverable Cost
Lake Ray Roberts	$ 85,485,098	$ 8,548,510	$ 8,548,510	$ -	$ -	$ 8,548,510
54" Finished Water Transmission Line	5,347,650	3,048,662	2,562,290	-	486,372	3,048,662
Loop 288 Water Main - Sherman to UNT	2,432,212	1,580,938	1,580,938	-	-	1,580,938
Loop 288 Water Main - Sherman to Hwy 380	3,335,217	-	-	-	-	-
Northwest Elevated Storage Tank	2,339,988	58,500	58,500	-	-	58,500
Southwest Pump Station	3,400,717	1,700,358	1,700,358	-	-	1,700,358
Southwest PS Oversize Discharge Line (30" to 36")	163,638	66,971	66,971	-	-	66,971
North-South Water Line Phase I	5,724,283	572,429	572,429	-	-	572,429
Roselawn Elevated Storage Tank	3,512,633	936,702	936,702	-	-	936,702
Roselawn Water Line	1,033,884	103,388	103,388	-	-	103,388
Southwest Elevated Storage Tank	3,112,115	77,803	77,803	-	-	77,803
North-South Water Line	10,304,485	1,030,449	678,022	-	352,426	1,030,449
Allred Road / John Paine Road Water Lines	3,411,070	1,169,510	301,745	-	867,765	1,169,510
McKinney Water Line	1,200,600	85,758	63,329	-	22,429	85,758
I-35E Frontage Water Line	1,020,510	72,894	72,894	-	-	72,894
Northwest Booster Pump Station	8,383,268	7,093,535	4,417,073	-	2,676,462	7,093,535
36" Northwest Water Line	8,504,928	5,397,358	4,689,881	-	707,477	5,397,358
Lake Ray Roberts WTP Rerate to 30 MGD	23,008,902	23,008,902	-	23,008,902	-	23,008,902
Lake Ray Roberts WTP 20 MGD Expansion to 50 MGD	112,654,462	112,654,462	-	112,654,462	-	112,654,462
16" Northwest I-35 Frontage Rd Water Line	4,524,000	2,442,960	-	2,442,960	-	2,442,960
16" I-35W/Corbin Water Line	2,722,100	598,862	-	598,862	-	598,862
42" Jim Christal EST Transmission Main	6,883,699	5,593,006	-	5,593,006	-	5,593,006
24/30" West Allred Rd Transmission Main Oversize	426,815	426,815	-	426,815	-	426,815
24" Rosebrook Transmission Main	5,424,349	3,254,609	-	3,254,609	-	3,254,609
24" North/South Transmission Main	13,467,686	11,671,994	-	11,671,994	-	11,671,994
12" Cooper Creek Rd Water Line	14,883,000	4,464,900	-	4,464,900	-	4,464,900
12" N Mayhill Rd Water Line	4,363,000	959,860	-	959,860	-	959,860
12" Duchess Dr Water Line	2,185,000	655,500	-	655,500	-	655,500
12" Shady Oaks Dr Water Line	3,048,000	1,097,280	-	1,097,280	-	1,097,280
12" Stuart Ridge Water Line	4,826,000	2,219,960	-	2,219,960	-	2,219,960
Lake Ray Roberts HSPS Improvements Phase 1	3,180,981	3,180,981	-	3,180,981	-	3,180,981
Lake Ray Roberts WTP 54/60" Transmission Main	67,855,554	39,675,142	-	39,675,142	-	39,675,142
Lake Ray Roberts WTP 10 MGD Expansion to 60 MGD	56,327,231	5,632,723	-	5,632,723	-	5,632,723
24/48" Loop 288 Transmission Main	38,534,776	22,531,284	-	22,531,284	-	22,531,284
Lake Ray Roberts HSPS Improvements Phase 2	3,180,981	1,097,964	-	1,097,964	-	1,097,964
Southwest PS Improvements	5,802,270	1,441,337	-	1,441,337	-	1,441,337
12" Northwest Water Line	13,235,000	3,970,500	-	3,970,500	-	3,970,500
16" Milam Rd Water Line	9,947,000	5,769,260	-	5,769,260	-	5,769,260
16" North Central Water Line	12,188,000	3,656,400	-	3,656,400	-	3,656,400
12" N Locust Rd to E Sherman Dr Water Line	3,959,000	1,187,700	-	1,187,700	-	1,187,700
12" North Cooper Creek Rd Water Line	8,286,000	2,982,960	-	2,982,960	-	2,982,960
12" Swisher Rd Water Line	3,341,000	534,560	-	534,560	-	534,560
Water Impact Fee Report Preparation	55,761	55,761	-	-	55,761	55,761
Total	$ 573,022,860	$ 292,309,445	$ 26,430,833	$ 260,709,921	$ 5,168,692	$ 292,309,445

(1) Derived from Table 2.1 Water Impact Fee Capital Improvements Project Cost and 10-Year Recoverable Cost for Zone 1B

(2) Per discussions with City staff and City files

City of Denton - 2024 Water Impact Fee Update

Capital Improvement Plan for Impact Fees
Credit Determination
Water Service Area Zone 1B

2024 Service Units[1]	82,096	
Ten Year Growth in Ser Total Cost of the Water Impact Fee CIP	29,427	
	10	years
Annual Growth in Service Units	2,943	

	1	2	3	4	5	6	7	8	9	10	Total
Debt Service for Debt Funded Projects Eligible for Impact Fees[3]	$ 3,855,943	$ 5,739,968	$ 7,623,993	$ 9,508,018	$11,392,043	$13,276,067	$15,160,092	$17,044,117	$18,928,142	$20,812,167	$ 123,340,551
Net Impact Fee Eligible Debt Service Funded by Other Sources	$ 3,855,943	$ 5,739,968	$ 7,623,993	$ 9,508,018	$11,392,043	$13,276,067	$15,160,092	$17,044,117	$18,928,142	$20,812,167	$ 123,340,551
Current Service Units	85,039	87,981	90,924	93,867	96,810	99,752	102,695	105,638	108,581	111,523	
Total Net Impact Fee Eligible Debt Service Funded by Other Sources per Service Unit	$ 45.34	$ 65.24	$ 83.85	$ 101.29	$ 117.67	$ 133.09	$ 147.62	$ 161.34	$ 174.32	$ 186.62	
Annual Growth in Service Units (Cumulative)	2,943	5,885	8,828	11,771	14,714	17,656	20,599	23,542	26,485	29,427	
Annual Water Rate Revenue Generated by Service Unit for Net Impact Fee Eligible Debt Service Funded by Other Sources	$ 133,433	$ 383,972	$ 740,244	$ 1,192,307	$ 1,731,425	$ 2,349,893	$ 3,040,891	$ 3,798,356	$ 4,616,885	$ 5,491,644	$ 23,479,052

Credit Amount	**$**	**23,479,052**

(1) Derived from Table 2.5 10-year Additional Single-Family Equivalent Calculation
(2) Derived from Table 2.6 10-year Additional SFE Water Zone Distribution
(3) Water Appendices - page 2 Section II

City of Denton - 2024 Water Impact Fee Update
Capital Improvement Plan for Impact Fees
Impact Fee Calculation Assumptions
Water Service Area Zone 2

0	Existing Fund Balance	$ -
1	Existing Number of Service Units Over Entire City	82,096
2	Additional Service Units Added During Planning Period In the Service Area	21,731
3	Total Cost of the Water Impact Fee CIP	$ 419,386,122
4	Recoverable Cost for Impact Fee Planning Period	$ 240,510,198
5	Percent Recoverable for Water Impact Fee Planning Period (Line 4 / Line 3)	57.35%
6	Financing Costs (From Financial Analysis)	$ 106,564,481
7	Interest Earnings (From Financial Analysis)	$ (68,197,039)
8	Recoverable Cost of Water Impact Fee and Financing Costs Less Balance (Line 5 + Line 7 + Line 8 - Line 0)	$ 278,877,639
9	Pre-Credit Maximum Fee (Line 8 / Line 2)	$ 12,833
10	Credit for Utility Revenues (From Financial Analysis)	$ (15,078,415)
11	Recoverable Cost of Water Impact Fee and Financing (Line 8 + Line 10)	$ 263,799,224
12	Maximum Assessable Fee (Line 11 / Line 2)	$ 12,139

SUMMARY OF WATER IMPACT FEE DETERMINATION

Water Service Area Zone 2

Recoverable Impact Fee CIP Costs	$	240,510,198	Table 2.1
Financing Cost		106,564,481	See Detail Below
Existing Fund Balance		-	Water Appendices - page 1
Interest Earnings		(68,197,039)	Water Appendices - page 3
Pre Credit Recoverable Cost for Impact Fee	$	278,877,639	Sum of Above
Credit for Utility Revenues		(15,078,415)	Water Appendices - page 6
Maximum Recoverable Cost for Impact Fee	**$**	**263,799,224**	

Recoverable Impact Fee CIP Costs:

Represents the portion of capital improvement costs that are eligible for funding through impact fees.
Reference is Table 2.1 Water Impact Fee Capital Improvements Project Cost and 10-Year Recoverable Cost

Financing Costs:

Represents the interest costs associated with debt financing the new impact fee project costs. Interest costs are derived from existing debt issues and forecasted debt issues.

New Annual Debt Service	$	315,826,720	Water Appendices - page 2
Existing Annual Debt Service		28,067,078	Water Appendices - page 2
Principal Component (New and Existing Debt)		(237,329,318)	Water Appendices - page 1
Financing Costs	$	106,564,481	

Existing Fund Balance:

Represents impact fee revenue collected but not yet expended. Some projects that are included in the 2018 Impact Fee Update were also included in prior Impact Fee Updates.
To avoid charging twice for the same project, the impact fee revenues collected but yet to be expended (i.e. fund balance) are credited against the recoverable costs. Reference is page 1 of Water Appendices.

Interest Earnings

Represents the interest earned on cash flows and assumes a 1.89% annual interest rate.
The Impact Fee Statute states that interest earnings are funds of the impact fee account and are held to the same restrictions as impact fee revenues. Therefore in order to recognize that interest earnings are used to fund capital improvements, interest earnings are credited against the recoverable costs.
Reference is the sum of Accumulated Interest on page 3 of Water Appendices.

Pre Credit Recoverable Cost for Impact Fee

Represents Recoverable Impact Fee CIP Costs plus Financing Costs less Existing Fund Balance and Interest Earnings.

Credit for Utility Revenues

In 2001, the Impact Fee Statute was amended to include a credit for ad valorem and utility revenues generated by new service units during the ten-year timeframe that are used to fund impact fee eligible projects for which the new service units were charged an impact fee. The intent of this amendment is to avoid double-charging the new service units for impact fee capital improvements. The credit recognizes utility revenues used to fund the debt service of debt financed impact fee eligible projects. Reference is page 6 of Water Appendices.

Maximum Recoverable Cost for Impact Fee:

Represents Pre Credit Recoverable Cost for Impact Fee less Credit for Utility Revenues.
This is the maximum cost that can be recovered through impact fees.

City of Denton - 2024 Water Impact Fee Update

Capital Improvement Plan for Impact Fees

Impact Fee Calculation Assumptions

Water Service Area Zone 2

I. General Assumptions

Annual Interest Rate on Deposits[1]	2.50%
Annual Service Unit Growth[2]	2,173
Existing Fund Balance[3]	$ -

Portion of Projects Funded by Existing Debt[4]	$ 18,810,013
Non-debt Funded Project Cost[5]	3,180,880
New Project Cost Funded Through New Debt[6]	218,519,305
Total Recoverable Project Cost[7]	$ 240,510,198

II. New Debt Issues Assumptions

Year	Principal[8]	Interest[9]	Term
1	$ 21,851,930	3.80%	20
2	21,851,930	3.80%	20
3	21,851,930	3.80%	20
4	21,851,930	3.80%	20
5	21,851,930	3.80%	20
6	21,851,930	3.80%	20
7	21,851,930	3.80%	20
8	21,851,930	3.80%	20
9	21,851,930	3.80%	20
10	21,851,930	3.80%	20
Total	$ 218,519,305		

III. Capital Expenditure Assumptions

Year	Annual Capital Expenditures[10]
1	$ 11,244,053
2	22,170,018
3	22,170,018
4	22,170,018
5	22,170,018
6	22,170,018
7	22,170,018
8	22,170,018
9	22,170,018
10	33,095,984
Total	$ 221,700,185

(1) Per discussions with City Staff
(2) Derived from Table 2.6 10-year Additional SFE Water Zone Distribution
(3) Balance from 03/30/2024 provided by City Staff
(4) Per discussions with City Staff and City files
(5) From allocation per City Staff; assumes 0% of new project costs funded through sources other than debt
(6) This assumes 100% of new project costs funded through new debt issues
(7) Table 2.1 Water Impact Fee Capital Improvements Project Cost and 10-Year Recoverable Cost
(8) Assumes new debt issued in equal annual amounts
(9) Estimated interest on future debt per discussions with City Staff
(10) Assumes new debt proceeds expended over a 2-year timeframe.
Non-debt funded capital expenditures allocated in equal annual amounts

City of Denton - 2024 Water Impact Fee Update

Capital Improvement Plan for Impact Fees
Debt Service and Expense Summary
Water Service Area Zone 2

I. New Debt Service Detail

Year	Series 1	Series 2	Series 3	Series 4	Series 5	Series 6	Series 7	Series 8	Series 9	Series 10	Total Annual New Debt Service
1	$ 1,579,134	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,579,134
2	1,579,134	1,579,134	-	-	-	-	-	-	-	-	3,158,267
3	1,579,134	1,579,134	1,579,134	-	-	-	-	-	-	-	4,737,401
4	1,579,134	1,579,134	1,579,134	1,579,134	-	-	-	-	-	-	6,316,534
5	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	-	-	-	-	-	7,895,668
6	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	-	-	-	-	9,474,802
7	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	-	-	-	11,053,935
8	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	-	-	12,633,069
9	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	-	14,212,202
10	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	15,791,336
11	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	15,791,336
12	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	15,791,336
13	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	15,791,336
14	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	15,791,336
15	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	15,791,336
16	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	15,791,336
17	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	15,791,336
18	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	15,791,336
19	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	15,791,336
20	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	15,791,336
21	-	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	14,212,202
22	-	-	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	12,633,069
23	-	-	-	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	11,053,935
24	-	-	-	-	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	9,474,802
25	-	-	-	-	-	1,579,134	1,579,134	1,579,134	1,579,134	1,579,134	7,895,668
26	-	-	-	-	-	-	1,579,134	1,579,134	1,579,134	1,579,134	6,316,534
27	-	-	-	-	-	-	-	1,579,134	1,579,134	1,579,134	4,737,401
28	-	-	-	-	-	-	-	-	1,579,134	1,579,134	3,158,267
29	-	-	-	-	-	-	-	-	-	1,579,134	1,579,134
	$ 31,582,672	$ 31,582,672	$ 31,582,672	$ 31,582,672	$ 31,582,672	$ 31,582,672	$ 31,582,672	$ 31,582,672	$ 31,582,672	$ 31,582,672	$ 315,826,720

II. Summary of Annual Expenses

Year	New Annual Debt Service[1]	Annual Capital Expenditures[2]	Annual Bond Proceeds[2]	Existing Annual Debt Service[3]	Annual Credit[4]	Total Expense
1	$ 1,579,134	$ 11,244,053	$ (21,851,930)	$ 1,403,354	$ (76,911)	$ (7,702,300)
2	3,158,267	22,170,018	(21,851,930)	1,403,354	(229,351)	4,650,358
3	4,737,401	22,170,018	(21,851,930)	1,403,354	(451,763)	6,007,079
4	6,316,534	22,170,018	(21,851,930)	1,403,354	(739,124)	7,298,852
5	7,895,668	22,170,018	(21,851,930)	1,403,354	(1,086,878)	8,530,232
6	9,474,802	22,170,018	(21,851,930)	1,403,354	(1,490,887)	9,705,356
7	11,053,935	22,170,018	(21,851,930)	1,403,354	(1,947,382)	10,827,995
8	12,633,069	22,170,018	(21,851,930)	1,403,354	(2,452,924)	11,901,587
9	14,212,202	22,170,018	(21,851,930)	1,403,354	(3,004,367)	12,929,278
10	15,791,336	33,095,984	(21,851,930)	1,403,354	(3,598,828)	24,839,915
11	15,791,336	-	-	1,403,354	-	17,194,690
12	15,791,336	-	-	1,403,354	-	17,194,690
13	15,791,336	-	-	1,403,354	-	17,194,690
14	15,791,336	-	-	1,403,354	-	17,194,690
15	15,791,336	-	-	1,403,354	-	17,194,690
16	15,791,336	-	-	1,403,354	-	17,194,690
17	15,791,336	-	-	1,403,354	-	17,194,690
18	15,791,336	-	-	1,403,354	-	17,194,690
19	15,791,336	-	-	1,403,354	-	17,194,690
20	15,791,336	-	-	1,403,354	-	17,194,690
21	14,212,202	-	-	-	-	14,212,202
22	12,633,069	-	-	-	-	12,633,069
23	11,053,935	-	-	-	-	11,053,935
24	9,474,802	-	-	-	-	9,474,802
25	7,895,668	-	-	-	-	7,895,668
26	6,316,534	-	-	-	-	6,316,534
27	4,737,401	-	-	-	-	4,737,401
28	3,158,267	-	-	-	-	3,158,267
29	1,579,134	-	-	-	-	1,579,134
	$315,826,720	$ 221,700,185	$ (218,519,305)	$ 28,067,078	$ (15,078,415)	$331,996,263

(1) Water Appendices - page 2 Section I
(2) Water Appendices - page 1
(3) Actual timing of payment varies. Calculated P&I above assumes City's estimated average cost of outstanding system debt and constant annual debt service payments.
(4) Water Appendices - page 6

City of Denton - 2024 Water Impact Fee Update

Capital Improvement Plan for Impact Fees

Revenue Test

Water Service Area Zone 2

Year	Impact Fee	Service Units	Impact Fee Revenue	Annual Expenses	Sub-Total	Accumulated Interest	Estimated Fund Balance
Initial							$ -
1	$ 12,139	2,173	$ 26,379,922	$ (7,702,300)	$ 34,082,223	$ 426,028	34,508,251
2	12,139	2,173	26,379,922	4,650,358	21,729,564	1,134,326	57,372,140
3	12,139	2,173	26,379,922	6,007,079	20,372,843	1,688,964	79,433,947
4	12,139	2,173	26,379,922	7,298,852	19,081,070	2,224,362	100,739,380
5	12,139	2,173	26,379,922	8,530,232	17,849,691	2,741,606	121,330,676
6	12,139	2,173	26,379,922	9,705,356	16,674,566	3,241,699	141,246,941
7	12,139	2,173	26,379,922	10,827,995	15,551,928	3,725,573	160,524,441
8	12,139	2,173	26,379,922	11,901,587	14,478,336	4,194,090	179,196,867
9	12,139	2,173	26,379,922	12,929,278	13,450,645	4,648,055	197,295,567
10	12,139	2,173	26,379,922	24,839,915	1,540,007	4,951,639	203,787,213
11	-	-	-	17,194,690	(17,194,690)	4,879,747	191,472,270
12	-	-	-	17,194,690	(17,194,690)	4,571,873	178,849,453
13	-	-	-	17,194,690	(17,194,690)	4,256,303	165,911,066
14	-	-	-	17,194,690	(17,194,690)	3,932,843	152,649,219
15	-	-	-	17,194,690	(17,194,690)	3,601,297	139,055,826
16	-	-	-	17,194,690	(17,194,690)	3,261,462	125,122,598
17	-	-	-	17,194,690	(17,194,690)	2,913,131	110,841,040
18	-	-	-	17,194,690	(17,194,690)	2,556,092	96,202,442
19	-	-	-	17,194,690	(17,194,690)	2,190,127	81,197,880
20	-	-	-	17,194,690	(17,194,690)	1,815,013	65,818,203
21	-	-	-	14,212,202	(14,212,202)	1,467,803	53,073,803
22	-	-	-	12,633,069	(12,633,069)	1,168,932	41,609,666
23	-	-	-	11,053,935	(11,053,935)	902,067	31,457,799
24	-	-	-	9,474,802	(9,474,802)	668,010	22,651,007
25	-	-	-	7,895,668	(7,895,668)	467,579	15,222,918
26	-	-	-	6,316,534	(6,316,534)	301,616	9,208,000
27	-	-	-	4,737,401	(4,737,401)	170,982	4,641,582
28	-	-	-	3,158,267	(3,158,267)	76,561	1,559,876
29	-	-	-	1,579,134	(1,579,134)	19,258	-
			263,799,224	331,996,263		68,197,039	

City of Denton - 2024 Water Impact Fee Update

Capital Improvement Plan for Impact Fees

Impact Fee Calculation

Water Service Area Zone 2

Year	Number of Years to End of Period	Future Value Escalation: Interest Rate Factor	Future Value Escalation: Recovery Fee Factor	Annual Service Units: Actual	Annual Service Units: Escalated	Annual Expense: Actual	Annual Expense: Escalated
1	29	2.0215	1.0000	2,173	4,393	$ (7,702,300)	$ (15,569,824)
2	28	1.9721	1.0000	2,173	4,286	4,650,358	9,171,193
3	27	1.9240	1.0000	2,173	4,181	6,007,079	11,557,899
4	26	1.8771	1.0000	2,173	4,079	7,298,852	13,700,810
5	25	1.8313	1.0000	2,173	3,980	8,530,232	15,621,712
6	24	1.7867	1.0000	2,173	3,883	9,705,356	17,340,252
7	23	1.7431	1.0000	2,173	3,788	10,827,995	18,874,180
8	22	1.7006	1.0000	2,173	3,695	11,901,587	20,239,560
9	21	1.6591	1.0000	2,173	3,605	12,929,278	21,450,954
10	20	1.6186	1.0000	2,173	3,517	24,839,915	40,206,714
11	19	1.5792	1.0000	-	-	17,194,690	27,153,071
12	18	1.5406	1.0000	-	-	17,194,690	26,490,801
13	17	1.5031	1.0000	-	-	17,194,690	25,844,684
14	16	1.4664	1.0000	-	-	17,194,690	25,214,326
15	15	1.4306	1.0000	-	-	17,194,690	24,599,342
16	14	1.3957	1.0000	-	-	17,194,690	23,999,358
17	13	1.3617	1.0000	-	-	17,194,690	23,414,008
18	12	1.3285	1.0000	-	-	17,194,690	22,842,935
19	11	1.2961	1.0000	-	-	17,194,690	22,285,790
20	10	1.2645	1.0000	-	-	17,194,690	21,742,234
21	9	1.2336	1.0000	-	-	14,212,202	17,532,641
22	8	1.2035	1.0000	-	-	12,633,069	15,204,458
23	7	1.1742	1.0000	-	-	11,053,935	12,979,416
24	6	1.1456	1.0000	-	-	9,474,802	10,853,867
25	5	1.1176	1.0000	-	-	7,895,668	8,824,282
26	4	1.0904	1.0000	-	-	6,316,534	6,887,244
27	3	1.0638	1.0000	-	-	4,737,401	5,039,447
28	2	1.0378	1.0000	-	-	3,158,267	3,277,689
29	1	1.0125	1.0000	-	-	1,579,134	1,598,873
					39,407		$ 478,377,917

Annual Interest Rate:		2.50%
Present Value of Initial Impact Fee Fund Balance	$	-
Total Escalated Expense for Entire Period	$	478,377,917
Less Future Value of Initial Impact Fee Fund Balance		-
Sub-Total	$	478,377,917
Total Escalated Service Units		39,407
Impact Fee for Water Service Area	**$**	**12,139**

City of Denton - 2024 Water Impact Fee Update

Capital Improvement Plan for Impact Fees

Impact Fee Project Funding

Water Service Area Zone 2

Impact Fee Project Name[1]	Cost In Service Area [1]	Impact Fee Recoverable Cost[1]	Debt Funded[2] Existing	Debt Funded[2] Proposed	Non-Debt Funded[2]	Impact Fee Recoverable Cost
Lake Ray Roberts	$ 63,127,116	$ 6,312,712	$ 6,312,712	$ -	$ -	$ 6,312,712
54" Finished Water Transmission Line	3,949,012	2,251,307	2,251,307	-	-	2,251,307
Loop 288 Water Main - Sherman to UNT	1,796,085	1,167,455	1,167,455	-	-	1,167,455
Southwest Pump Station	2,511,285	1,255,643	1,255,643	-	-	1,255,643
Southwest PS Oversize Discharge Line (30" to 36")	120,839	49,455	49,455	-	-	49,455
Roselawn Elevated Storage Tank	2,593,930	691,715	691,715	-	-	691,715
Roselawn Water Line	763,479	76,348	76,348	-	-	76,348
Southwest Elevated Storage Tank	2,298,165	57,454	57,454	-	-	57,454
Allred Road / John Paine Road Water Lines	2,518,930	863,633	222,826	-	640,807	863,633
Northwest Booster Pump Station	6,190,688	5,238,274	3,261,821	-	1,976,453	5,238,274
36" Northwest Water Line	6,280,528	3,985,720	3,463,278	-	522,442	3,985,720
Lake Ray Roberts WTP Rerate to 30 MGD	16,991,098	16,991,098	-	16,991,098	-	16,991,098
Lake Ray Roberts WTP 20 MGD Expansion to 50 MGD	83,190,538	83,190,538	-	83,190,538	-	83,190,538
42" Jim Christal EST Transmission Main	5,083,320	4,130,197	-	4,130,197	-	4,130,197
24/30" West Allred Rd Transmission Main Oversize	315,185	315,185	-	315,185	-	315,185
16" Ponder Water Line	4,326,000	2,249,520	-	2,249,520	-	2,249,520
24/30" Rosebrook/Sanctuary Transmission Main	59,702,000	37,811,267	-	37,811,267	-	37,811,267
24" Rosebrook Transmission Main	4,005,651	2,403,391	-	2,403,391	-	2,403,391
24" North/South Transmission Main	9,945,314	8,619,272	-	8,619,272	-	8,619,272
12" Old Stoney Rd Water Line	3,824,000	994,240	-	994,240	-	994,240
12" Rosebrook Water Line	4,669,000	1,494,080	-	1,494,080	-	1,494,080
Lake Ray Roberts HSPS Improvements Phase 1	2,349,019	2,349,019	-	2,349,019	-	2,349,019
Lake Ray Roberts WTP 54/60" Transmission Main	50,108,446	29,298,408	-	29,298,408	-	29,298,408
Lake Ray Roberts WTP 10 MGD Expansion to 60 MGD	41,595,269	4,159,527	-	4,159,527	-	4,159,527
24/48" Loop 288 Transmission Main	28,456,296	16,638,396	-	16,638,396	-	16,638,396
Lake Ray Roberts HSPS Improvements Phase 2	2,349,019	810,800	-	810,800	-	810,800
Southwest PS Improvements	4,284,730	1,064,366	-	1,064,366	-	1,064,366
20" Ponder Farms Transmission Main	4,500,000	4,500,000	-	4,500,000	-	4,500,000
12" Webster Meadows Transmission Main	1,500,000	1,500,000	-	1,500,000	-	1,500,000
Water Impact Fee Report Preparation	41,177	41,177	-	-	41,177	41,177
Total	$ 419,386,122	$ 240,510,198	$ 18,810,013	$ 218,519,305	$ 3,180,880	$ 240,510,198

(1) Derived from Table 2.1 Water Impact Fee Capital Improvements Project Cost and 10-Year Recoverable Cost for Zone 2

(2) Per discussions with City staff and City files

City of Denton - 2024 Water Impact Fee Update

Capital Improvement Plan for Impact Fees
Credit Determination
Water Service Area Zone 2

2024 Service Units[1]	82,096	
Ten Year Growth in Service Units[2]	21,731	
	10	years
Annual Growth in Service Units	2,173	

	1	2	3	4	5	6	7	8	9	10	Total
Debt Service for Debt Funded Projects Eligible for Impact Fees[3]	$2,982,488	$4,561,621	$6,140,755	$ 7,719,888	$ 9,299,022	$ 10,878,156	$ 12,457,289	$ 14,036,423	$ 15,615,556	$ 17,194,690	$ 100,885,887
Net Impact Fee Eligible Debt Service Funded by Other Sources	$2,982,488	$4,561,621	$6,140,755	$ 7,719,888	$ 9,299,022	$ 10,878,156	$ 12,457,289	$ 14,036,423	$ 15,615,556	$ 17,194,690	$ 100,885,887
Current Service Units	84,269	86,442	88,615	90,788	92,961	95,134	97,308	99,481	101,654	103,827	
Total Net Impact Fee Eligible Debt Service Funded by Other Sources per Service Unit	$ 35.39	$ 52.77	$ 69.30	$ 85.03	$ 100.03	$ 114.35	$ 128.02	$ 141.10	$ 153.62	$ 165.61	
Annual Growth in Service Units (Cumulative)	2,173	4,346	6,519	8,692	10,865	13,038	15,212	17,385	19,558	21,731	
Annual Water Rate Revenue Generated by Service Unit for Net Impact Fee Eligible Debt Service Funded by Other Sources	$ 76,911	$ 229,351	$ 451,763	$ 739,124	$ 1,086,878	$ 1,490,887	$ 1,947,382	$ 2,452,924	$ 3,004,367	$ 3,598,828	$ 15,078,415

Credit Amount	**$**	**15,078,415**

(1) Derived from Table 2.5 10-year Additional Single-Family Equivalent Calculation
(2) Derived from Table 2.6 10-year Additional SFE Water Zone Distribution
(3) Water Appendices - page 2 Section II

APPENDIX

WASTEWATER FINANCIAL ANALYSIS

City of Denton - 2024 Wastewater Impact Fee Update
Capital Improvement Plan for Impact Fees
Impact Fee Calculation Assumptions
Wastewater Service Area Pecan Creek

0	Existing Fund Balance	$ -
1	Existing Number of Service Units Over Entire City	82,096
2	Additional Service Units Added During Planning Period In the Service Area	7,616
3	Total Cost of the Wastewater Impact Fee CIP	$ 294,802,074
4	Recoverable Cost for Impact Fee Planning Period	$ 69,883,844
5	Percent Recoverable for Wastewater Impact Fee Planning Period (Line 4 / Line 3)	23.71%
6	Financing Costs (From Financial Analysis)	$ 34,160,000
7	Interest Earnings (From Financial Analysis)	$ (13,234,573)
8	Recoverable Cost of Wastewater Impact Fee and Financing Costs Less Balance (Line 5 + Line 7 + Line 8 - Line 0)	$ 90,809,272
9	Pre-Credit Maximum Fee (Line 8 / Line 2)	$ 11,923
10	Credit for Utility Revenues (From Financial Analysis)	$ (2,347,057)
11	Recoverable Cost of Wastewater Impact Fee and Financing (Line 8 + Line 10)	$ 88,462,214
12	Maximum Assessable Fee (Line 11 / Line 2)	$ 11,615

SUMMARY OF WASTEWATER IMPACT FEE DETERMINATION

Wastewater Service Area: Pecan Creek

Recoverable Impact Fee CIP Costs	$	69,883,844	Table 3.1
Financing Cost		34,160,000	See Detail Below
Existing Fund Balance		-	Wastewater Appendices - page 1
Interest Earnings		(13,234,573)	Wastewater Appendices - page 3
Pre Credit Recoverable Cost for Impact Fee	$	90,809,271	Sum of Above
Credit for Utility Revenues		(2,347,057)	Wastewater Appendices - page 6
Maximum Recoverable Cost for Impact Fee	**$**	**88,462,214**	

Recoverable Impact Fee CIP Costs:

Represents the portion of capital improvement costs that are eligible for funding through impact fees.
Reference is Table 3.1 Wastewater Impact Fee Capital Improvements Project Cost and 10-Year Recoverable Cost

Financing Costs:

Represents the interest costs associated with debt financing the new impact fee project costs. Interest costs are derived from existing debt issues and forecasted debt issues.

New Annual Debt Service	$	19,678,504	Wastewater Appendices - page 2
Existing Annual Debt Service		84,255,782	Wastewater Appendices - page 2
Principal Component (New and Existing Debt)		(69,774,285)	Wastewater Appendices - page 1
Financing Costs	$	34,160,000	

Existing Fund Balance:

Represents impact fee revenue collected but not yet expended. Some projects that are included in the 2018 Impact Fee Update were also included in prior Impact Fee Updates.
To avoid charging twice for the same project, the impact fee revenues collected but yet to be expended (i.e. fund balance) are credited against the recoverable costs. Reference is page 1 of Wastewater Appendices.

Interest Earnings

Represents the interest earned on cash flows and assumes a 1.89% annual interest rate.
The Impact Fee Statute states that interest earnings are funds of the impact fee account and are held to the same restrictions as impact fee revenues. Therefore in order to recognize that interest earnings are used to fund capital improvements, interest earnings are credited against the recoverable costs.
Reference is the sum of Accumulated Interest on page 3 of Wastewater Appendices.

Pre Credit Recoverable Cost for Impact Fee

Represents Recoverable Impact Fee CIP Costs plus Financing Costs less Existing Fund Balance and Interest Earnings.

Credit for Utility Revenues

In 2001, the Impact Fee Statute was amended to include a credit for ad valorem and utility revenues generated by new service units during the ten-year timeframe that are used to fund impact fee eligible projects for which the new service units were charged an impact fee. The intent of this amendment is to avoid double-charging the new service units for impact fee capital improvements. The credit recognizes utility revenues used to fund the debt service of debt financed impact fee eligible projects. Reference is page 6 of Wastewater Appendices.

Maximum Recoverable Cost for Impact Fee:

Represents Pre Credit Recoverable Cost for Impact Fee less Credit for Utility Revenues.
This is the maximum cost that can be recovered through impact fees.

City of Denton - 2024 Wastewater Impact Fee Update

Capital Improvement Plan for Impact Fees
Impact Fee Calculation Assumptions
Wastewater Service Area: Pecan Creek

I. General Assumptions

Annual Interest Rate on Deposits[1]	2.50%
Annual Service Unit Growth[2]	762
Existing Fund Balance[3]	$ -

Portion of Projects Funded by Existing Debt[4]	$ 56,158,803
Non-debt Funded Project Cost[5]	109,559
New Project Cost Funded Through New Debt[6]	13,615,482
Total Recoverable Project Cost[7]	$ 69,883,844

II. New Debt Issues Assumptions

Year	Principal[8]	Interest[9]	Term
1	$ 1,361,548	3.80%	20
2	1,361,548	3.80%	20
3	1,361,548	3.80%	20
4	1,361,548	3.80%	20
5	1,361,548	3.80%	20
6	1,361,548	3.80%	20
7	1,361,548	3.80%	20
8	1,361,548	3.80%	20
9	1,361,548	3.80%	20
10	1,361,548	3.80%	20
Total	$ 13,615,482		

III. Capital Expenditure Assumptions

Year	Annual Capital Expenditures[10]
1	$ 691,730
2	1,372,504
3	1,372,504
4	1,372,504
5	1,372,504
6	1,372,504
7	1,372,504
8	1,372,504
9	1,372,504
10	2,053,278
Total	$ 13,725,041

(1) Per discussions with City Staff
(2) Derived from Table 3.3 10-year Additional Single-Family Equivalent Calculation
(3) Balance from 03/30/2024 provided by City Staff
(4) Per discussions with City Staff and City files
(5) From allocation per City Staff; assumes 0% of new project costs funded through sources other than debt
(6) This assumes 100% of new project costs funded through new debt issues
(7) Table 3.1 Wastewater Impact Fee Capital Improvements Project Cost and 10-Year Recoverable Cost
(8) Assumes new debt issued in equal annual amounts
(9) Estimated interest on future debt per discussions with City Staff
(10) Assumes new debt proceeds expended over a 2-year timeframe.
Non-debt funded capital expenditures allocated in equal annual amounts

City of Denton - 2024 Wastewater Impact Fee Update

Capital Improvement Plan for Impact Fees
Debt Service and Expense Summary
Wastewater Service Area: Pecan Creek

I. New Debt Service Detail

Year	Series 1	Series 2	Series 3	Series 4	Series 5	Series 6	Series 7	Series 8	Series 9	Series 10	Total Annual New Debt Service
1	$ 98,393	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 98,393
2	98,393	98,393	-	-	-	-	-	-	-	-	196,785
3	98,393	98,393	98,393	-	-	-	-	-	-	-	295,178
4	98,393	98,393	98,393	98,393	-	-	-	-	-	-	393,570
5	98,393	98,393	98,393	98,393	98,393	-	-	-	-	-	491,963
6	98,393	98,393	98,393	98,393	98,393	98,393	-	-	-	-	590,355
7	98,393	98,393	98,393	98,393	98,393	98,393	98,393	-	-	-	688,748
8	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	-	-	787,140
9	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	-	885,533
10	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	983,925
11	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	983,925
12	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	983,925
13	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	983,925
14	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	983,925
15	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	983,925
16	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	983,925
17	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	983,925
18	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	983,925
19	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	983,925
20	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	983,925
21	-	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	885,533
22	-	-	98,393	98,393	98,393	98,393	98,393	98,393	98,393	98,393	787,140
23	-	-	-	98,393	98,393	98,393	98,393	98,393	98,393	98,393	688,748
24	-	-	-	-	98,393	98,393	98,393	98,393	98,393	98,393	590,355
25	-	-	-	-	-	98,393	98,393	98,393	98,393	98,393	491,963
26	-	-	-	-	-	-	98,393	98,393	98,393	98,393	393,570
27	-	-	-	-	-	-	-	98,393	98,393	98,393	295,178
28	-	-	-	-	-	-	-	-	98,393	98,393	196,785
29	-	-	-	-	-	-	-	-	-	98,393	98,393
	$ 1,967,850	$ 1,967,850	$ 1,967,850	$ 1,967,850	$ 1,967,850	$ 1,967,850	$ 1,967,850	$ 1,967,850	$ 1,967,850	$ 1,967,850	$ 19,678,504

II. Summary of Annual Expenses

Year	New Annual Debt Service[1]	Annual Capital Expenditures[2]	Annual Bond Proceeds[2]	Existing Annual Debt Service[3]	Annual Credit[4]	Total Expense
1	$ 98,393	$ 691,730	$ (1,361,548)	$ 4,212,789	$ (39,628)	$ 3,601,735
2	196,785	1,372,504	(1,361,548)	4,212,789	(80,326)	4,340,204
3	295,178	1,372,504	(1,361,548)	4,212,789	(122,066)	4,396,856
4	393,570	1,372,504	(1,361,548)	4,212,789	(164,820)	4,452,495
5	491,963	1,372,504	(1,361,548)	4,212,789	(208,560)	4,507,148
6	590,355	1,372,504	(1,361,548)	4,212,789	(253,260)	4,560,840
7	688,748	1,372,504	(1,361,548)	4,212,789	(298,896)	4,613,596
8	787,140	1,372,504	(1,361,548)	4,212,789	(345,444)	4,665,442
9	885,533	1,372,504	(1,361,548)	4,212,789	(392,879)	4,716,399
10	983,925	2,053,278	(1,361,548)	4,212,789	(441,179)	5,447,265
11	983,925	-	-	4,212,789	-	5,196,714
12	983,925	-	-	4,212,789	-	5,196,714
13	983,925	-	-	4,212,789	-	5,196,714
14	983,925	-	-	4,212,789	-	5,196,714
15	983,925	-	-	4,212,789	-	5,196,714
16	983,925	-	-	4,212,789	-	5,196,714
17	983,925	-	-	4,212,789	-	5,196,714
18	983,925	-	-	4,212,789	-	5,196,714
19	983,925	-	-	4,212,789	-	5,196,714
20	983,925	-	-	4,212,789	-	5,196,714
21	885,533	-	-	-	-	885,533
22	787,140	-	-	-	-	787,140
23	688,748	-	-	-	-	688,748
24	590,355	-	-	-	-	590,355
25	491,963	-	-	-	-	491,963
26	393,570	-	-	-	-	393,570
27	295,178	-	-	-	-	295,178
28	196,785	-	-	-	-	196,785
29	98,393	-	-	-	-	98,393
	$ 19,678,504	$ 13,725,041	$ (13,615,482)	$ 84,255,782	$ (2,347,057)	$ 101,696,787

(1) Wastewater Appendices - page 2 Section I
(2) Wastewater Appendices - page 1
(3) Actual timing of payment varies. Calculated P&I above assumes City's estimated average cost of outstanding system debt and constant annual debt service payments.
(4) Wastewater Appendices - page 6

City of Denton - 2024 Wastewater Impact Fee Update

Capital Improvement Plan for Impact Fees

Revenue Test

Wastewater Service Area: Pecan Creek

Year	Impact Fee	Service Units	Impact Fee Revenue	Annual Expenses	Sub-Total	Accumulated Interest	Estimated Fund Balance
Initial							$ -
1	$ 11,615	762	$ 8,846,221	$ 3,601,735	$ 5,244,486	$ 65,556	5,310,042
2	11,615	762	8,846,221	4,340,204	4,506,018	189,076	10,005,136
3	11,615	762	8,846,221	4,396,856	4,449,365	305,745	14,760,247
4	11,615	762	8,846,221	4,452,495	4,393,726	423,928	19,577,900
5	11,615	762	8,846,221	4,507,148	4,339,074	543,686	24,460,660
6	11,615	762	8,846,221	4,560,840	4,285,382	665,084	29,411,125
7	11,615	762	8,846,221	4,613,596	4,232,625	788,186	34,431,936
8	11,615	762	8,846,221	4,665,442	4,180,780	913,058	39,525,774
9	11,615	762	8,846,221	4,716,399	4,129,822	1,039,767	44,695,364
10	11,615	762	8,846,221	5,447,265	3,398,956	1,159,871	49,254,191
11	-	-	-	5,196,714	(5,196,714)	1,166,396	45,223,873
12	-	-	-	5,196,714	(5,196,714)	1,065,638	41,092,796
13	-	-	-	5,196,714	(5,196,714)	962,361	36,858,443
14	-	-	-	5,196,714	(5,196,714)	856,502	32,518,231
15	-	-	-	5,196,714	(5,196,714)	747,997	28,069,513
16	-	-	-	5,196,714	(5,196,714)	636,779	23,509,578
17	-	-	-	5,196,714	(5,196,714)	522,781	18,835,644
18	-	-	-	5,196,714	(5,196,714)	405,932	14,044,862
19	-	-	-	5,196,714	(5,196,714)	286,163	9,134,310
20	-	-	-	5,196,714	(5,196,714)	163,399	4,100,995
21	-	-	-	885,533	(885,533)	91,456	3,306,918
22	-	-	-	787,140	(787,140)	72,834	2,592,612
23	-	-	-	688,748	(688,748)	56,206	1,960,070
24	-	-	-	590,355	(590,355)	41,622	1,411,337
25	-	-	-	491,963	(491,963)	29,134	948,508
26	-	-	-	393,570	(393,570)	18,793	573,731
27	-	-	-	295,178	(295,178)	10,654	289,207
28	-	-	-	196,785	(196,785)	4,770	97,193
29	-	-	-	98,393	(98,393)	1,200	-
			88,462,214	101,696,787		13,234,573	

City of Denton - 2024 Wastewater Impact Fee Update

Capital Improvement Plan for Impact Fees

Impact Fee Calculation

Wastewater Service Area: Pecan Creek

Year	Number of Years to End of Period	Future Value Escalation: Interest Rate Factor	Future Value Escalation: Recovery Fee Factor	Annual Service Units: Actual	Annual Service Units: Escalated	Annual Expense: Actual	Annual Expense: Escalated
1	29	2.0215	1.0000	762	1,540	$ 3,601,735	$ 7,280,733
2	28	1.9721	1.0000	762	1,502	4,340,204	8,559,522
3	27	1.9240	1.0000	762	1,465	4,396,856	8,459,755
4	26	1.8771	1.0000	762	1,430	4,452,495	8,357,861
5	25	1.8313	1.0000	762	1,395	4,507,148	8,254,098
6	24	1.7867	1.0000	762	1,361	4,560,840	8,148,708
7	23	1.7431	1.0000	762	1,328	4,613,596	8,041,918
8	22	1.7006	1.0000	762	1,295	4,665,442	7,933,941
9	21	1.6591	1.0000	762	1,264	4,716,399	7,824,974
10	20	1.6186	1.0000	762	1,233	5,447,265	8,817,125
11	19	1.5792	1.0000	-	-	5,196,714	8,206,415
12	18	1.5406	1.0000	-	-	5,196,714	8,006,258
13	17	1.5031	1.0000	-	-	5,196,714	7,810,983
14	16	1.4664	1.0000	-	-	5,196,714	7,620,472
15	15	1.4306	1.0000	-	-	5,196,714	7,434,607
16	14	1.3957	1.0000	-	-	5,196,714	7,253,275
17	13	1.3617	1.0000	-	-	5,196,714	7,076,366
18	12	1.3285	1.0000	-	-	5,196,714	6,903,771
19	11	1.2961	1.0000	-	-	5,196,714	6,735,387
20	10	1.2645	1.0000	-	-	5,196,714	6,571,109
21	9	1.2336	1.0000	-	-	885,533	1,092,422
22	8	1.2035	1.0000	-	-	787,140	947,358
23	7	1.1742	1.0000	-	-	688,748	808,720
24	6	1.1456	1.0000	-	-	590,355	676,282
25	5	1.1176	1.0000	-	-	491,963	549,823
26	4	1.0904	1.0000	-	-	393,570	429,130
27	3	1.0638	1.0000	-	-	295,178	313,997
28	2	1.0378	1.0000	-	-	196,785	204,226
29	1	1.0125	1.0000	-	-	98,393	99,622
					13,811		$ 160,418,856

Annual Interest Rate:		2.50%
Present Value of Initial Impact Fee Fund Balance	$	-
Total Escalated Expense for Entire Period	$	160,418,856
Less Future Value of Initial Impact Fee Fund Balance		-
Sub-Total	$	160,418,856
Total Escalated Service Units		13,811
Impact Fee for Wastewater Service Area	**$**	**11,615**

City of Denton - 2024 Wastewater Impact Fee Update

Capital Improvement Plan for Impact Fees

Impact Fee Project Funding

Wastewater Service Area: Pecan Creek

Impact Fee Project Name[1]	Cost In Service Area [1]	Impact Fee Recoverable Cost[1]	Debt Funded[2] Existing	Debt Funded[2] Proposed	Non-Debt Funded[2]	Impact Fee Recoverable Cost
Cooper Creek Interceptor III	$ 1,277,970	$ 26,887	$ 26,887	$ -	$ -	$ 26,887
Cooper Creek Outfall (Loop 288)	3,898,807	411,553	411,553	-	-	411,553
Graveyard Branch Interceptor	5,004,952	484,130	484,130	-	-	484,130
Pecan Creek Interceptor (Ph 1 & 2)	3,363,189	257,047	257,047	-	-	257,047
Pecan Creek Interceptor I	1,975,672	123,815	123,815	-	-	123,815
Pecan Creek Interceptor II	1,862,175	103,913	103,913	-	-	103,913
Pecan Creek Interceptor III	3,079,149	172,497	172,497	-	-	172,497
Pecan Creek Interceptor IV	978,285	77,121	77,121	-	-	77,121
Pecan WRP Expansion (6 MGD)	30,005,125	25,004,271	25,004,271	-	-	25,004,271
Cooper Creek Interceptor I	2,632,000	309,649	266,084	-	43,565	309,649
Cooper Creek Interceptor II	1,128,000	113,537	97,563	-	15,974	113,537
PCWRP Headworks Facility	56,260,000	12,333,923	12,333,923	-	-	12,333,923
PCWRP 5.0 MGD Expansion to 26 MGD	120,000,000	16,800,000	16,800,000	-	-	16,800,000
North Loop 288 Sewer Line (12"- 15")	7,980,000	1,750,452	-	1,750,452	-	1,750,452
Mingo Road Sewer Line (12")	4,380,000	2,580,649	-	2,580,649	-	2,580,649
Lakeview Interceptor Replacement (24" - 30")	2,367,000	399,875	-	399,875	-	399,875
Lakeview South Lift Station	8,300,000	2,191,051	-	2,191,051	-	2,191,051
Grissom Sewer Line (15")	2,960,000	927,382	-	927,382	-	927,382
Lakeview Ranch Sewer Line (24")	5,820,000	1,009,502	-	1,009,502	-	1,009,502
United Copper Sewer Line (12"-24")	9,500,000	1,193,632	-	1,193,632	-	1,193,632
Cooper Creek Sewer Line Replacement (18"- 24")	3,590,000	147,710	-	147,710	-	147,710
Pecan Creek Interceptor Replacement (36")	3,890,000	1,349,783	-	1,349,783	-	1,349,783
Stella Hills Lift Station, Force Main, and Onsite Sewer Line Oversize	4,934,730	639,957	-	639,957	-	639,957
East McKinney Sreet Sewer Line (15" - 21")	3,180,000	473,921	-	473,921	-	473,921
North Trinity Lift Station and Force Main Oversize	5,858,000	873,029	-	873,029	-	873,029
North Trinity Road Sewer Line Oversize (15")	527,000	78,540	-	78,540	-	78,540
Wastewater Impact Fee Report Preparation	50,020	50,020	-	-	50,020	50,020
Total	$ 294,802,074	$ 69,883,844	$ 56,158,803	$ 13,615,482	$ 109,559	$ 69,883,844

(1) Table 3.1 Wastewater Impact Fee Capital Improvements Project Cost and 10-Year Recoverable Cost

(2) Per discussions with City staff and City files

City of Denton - 2024 Wastewater Impact Fee Update

Capital Improvement Plan for Impact Fees
Credit Determination
Wastewater Service Area: Pecan Creek

2024 Service Units[1]	82,096	
Ten Year Growth in Service Units[1]	7,616	
	10	years
Annual Growth in Service Units	762	

	1	2	3	4	5	6	7	8	9	10	Total
Debt Service for Debt Funded Projects Eligible for Impact Fees[2]	$ 4,311,182	$ 4,409,574	$ 4,507,967	$ 4,606,359	$ 4,704,752	$ 4,803,144	$ 4,901,537	$ 4,999,929	$ 5,098,322	$ 5,196,714	$ 47,539,479
Net Impact Fee Eligible Debt Service Funded by Other Sources	$ 4,311,182	$ 4,409,574	$ 4,507,967	$ 4,606,359	$ 4,704,752	$ 4,803,144	$ 4,901,537	$ 4,999,929	$ 5,098,322	$ 5,196,714	$ 47,539,479
Current Service Units	82,858	83,619	84,381	85,142	85,904	86,666	87,427	88,189	88,951	89,712	
Total Net Impact Fee Eligible Debt Service Funded by Other Sources per Service Unit	$ 52.03	$ 52.73	$ 53.42	$ 54.10	$ 54.77	$ 55.42	$ 56.06	$ 56.70	$ 57.32	$ 57.93	
Annual Growth in Service Units (Cumulative)	762	1,523	2,285	3,046	3,808	4,570	5,331	6,093	6,855	7,616	
Service Unit for Net Impact Fee Eligible Debt Service Funded by Other Sources	$ 39,628	$ 80,326	$ 122,066	$ 164,820	$ 208,560	$ 253,260	$ 298,896	$ 345,444	$ 392,879	$ 441,179	$ 2,347,057

Credit Amount **$ 2,347,057**

(1) Derived from Table 3.3 10-year Additional Single-Family Equivalent Calculation
(2) Wastewater Appendices - page 2 Section II

City of Denton - 2024 Wastewater Impact Fee Update
Capital Improvement Plan for Impact Fees
Impact Fee Calculation Assumptions
Wastewater Service Area

0	Existing Fund Balance	$ -
1	Existing Number of Service Units Over Entire City	82,096
2	Additional Service Units Added During Planning Period In the Service Area	35,412
3	Total Cost of the Wastewater Impact Fee CIP	$ 685,550,867
4	Recoverable Cost for Impact Fee Planning Period	$ 426,546,589
5	Percent Recoverable for Wastewater Impact Fee Planning Period (Line 4 / Line 3)	62.22%
6	Financing Costs (From Financial Analysis)	$ 190,088,853
7	Interest Earnings (From Financial Analysis)	$ (124,870,363)
8	Recoverable Cost of Wastewater Impact Fee and Financing Costs Less Balance (Line 5 + Line 7 + Line 8 - Line 0)	$ 491,765,079
9	Pre-Credit Maximum Fee (Line 8 / Line 2)	$ 13,887
10	Credit for Utility Revenues (From Financial Analysis)	$ (38,817,845)
11	Recoverable Cost of Wastewater Impact Fee and Financing (Line 8 + Line 10)	$ 452,947,234
12	Maximum Assessable Fee (Line 11 / Line 2)	$ 12,791

SUMMARY OF WASTEWATER IMPACT FEE DETERMINATION

Wastewater Service Area: Hickory Creek

Recoverable Impact Fee CIP Costs	$	426,546,589	Table 3.1
Financing Cost		190,088,853	See Detail Below
Existing Fund Balance		-	Wastewater Appendices - page 1
Interest Earnings		(124,870,363)	Wastewater Appendices - page 3
Pre Credit Recoverable Cost for Impact Fee	$	491,765,079	Sum of Above
Credit for Utility Revenues		(38,817,845)	Wastewater Appendices - page 6
Maximum Recoverable Cost for Impact Fee	**$**	**452,947,234**	

Recoverable Impact Fee CIP Costs:

Represents the portion of capital improvement costs that are eligible for funding through impact fees.
Reference is Table 3.1 Wastewater Impact Fee Capital Improvements Project Cost and 10-Year Recoverable Cost

Financing Costs:

Represents the interest costs associated with debt financing the new impact fee project costs. Interest costs are derived from existing debt issues and forecasted debt issues.

New Annual Debt Service	$	599,911,952	Wastewater Appendices - page 2
Existing Annual Debt Service		15,754,514	Wastewater Appendices - page 2
Principal Component (New and Existing Debt)		(425,577,613)	Wastewater Appendices - page 1
Financing Costs	$	190,088,853	

Existing Fund Balance:

Represents impact fee revenue collected but not yet expended. Some projects that are included in the 2018 Impact Fee Update were also included in prior Impact Fee Updates.
To avoid charging twice for the same project, the impact fee revenues collected but yet to be expended (i.e. fund balance) are credited against the recoverable costs. Reference is page 1 of Wastewater Appendices.

Interest Earnings

Represents the interest earned on cash flows and assumes a 1.89% annual interest rate.
The Impact Fee Statute states that interest earnings are funds of the impact fee account and are held to the same restrictions as impact fee revenues. Therefore in order to recognize that interest earnings are used to fund capital improvements, interest earnings are credited against the recoverable costs.
Reference is the sum of Accumulated Interest on page 3 of Wastewater Appendices.

Pre Credit Recoverable Cost for Impact Fee

Represents Recoverable Impact Fee CIP Costs plus Financing Costs less Existing Fund Balance and Interest Earnings.

Credit for Utility Revenues

In 2001, the Impact Fee Statute was amended to include a credit for ad valorem and utility revenues generated by new service units during the ten-year timeframe that are used to fund impact fee eligible projects for which the new service units were charged an impact fee. The intent of this amendment is to avoid double-charging the new service units for impact fee capital improvements. The credit recognizes utility revenues used to fund the debt service of debt financed impact fee eligible projects. Reference is page 6 of Wastewater Appendices.

Maximum Recoverable Cost for Impact Fee:

Represents Pre Credit Recoverable Cost for Impact Fee less Credit for Utility Revenues.
This is the maximum cost that can be recovered through impact fees.

City of Denton - 2024 Wastewater Impact Fee Update

Capital Improvement Plan for Impact Fees
Impact Fee Calculation Assumptions
Wastewater Service Area: Hickory Creek

I. General Assumptions

Annual Interest Rate on Deposits[1]	2.50%
Annual Service Unit Growth[2]	3,541
Existing Fund Balance[3]	$ -

Portion of Projects Funded by Existing Debt[4]	$ 10,500,818
Non-debt Funded Project Cost[5]	968,975
New Project Cost Funded Through New Debt[6]	415,076,795
Total Recoverable Project Cost[7]	$ 426,546,589

II. New Debt Issues Assumptions

Year	Principal[8]	Interest[9]	Term
1	$ 41,507,680	3.80%	20
2	41,507,680	3.80%	20
3	41,507,680	3.80%	20
4	41,507,680	3.80%	20
5	41,507,680	3.80%	20
6	41,507,680	3.80%	20
7	41,507,680	3.80%	20
8	41,507,680	3.80%	20
9	41,507,680	3.80%	20
10	41,507,680	3.80%	20
Total	$ 415,076,795		

III. Capital Expenditure Assumptions

Year	Annual Capital Expenditures[10]
1	$ 20,850,737
2	41,604,577
3	41,604,577
4	41,604,577
5	41,604,577
6	41,604,577
7	41,604,577
8	41,604,577
9	41,604,577
10	62,358,417
Total	$ 416,045,771

(1) Per discussions with City Staff
(2) Derived from Table 3.3 10-year Additional Service Units by Service Area
(3) Balance from 03/30/2024 provided by City Staff
(4) Per discussions with City Staff and City files
(5) From allocation per City Staff; assumes 0% of new project costs funded through sources other than debt
(6) This assumes 100% of new project costs funded through new debt issues
(7) Table 3.1 Wastewater Impact Fee Capital Improvements Project Cost and 10-Year Recoverable Cost
(8) Assumes new debt issued in equal annual amounts
(9) Estimated interest on future debt per discussions with City Staff
(10) Assumes new debt proceeds expended over a 2-year timeframe.
Non-debt funded capital expenditures allocated in equal annual amounts

City of Denton - 2024 Wastewater Impact Fee Update

Capital Improvement Plan for Impact Fees
Debt Service and Expense Summary
Wastewater Service Area: Hickory Creek

I. New Debt Service Detail

Year	Series 1	Series 2	Series 3	Series 4	Series 5	Series 6	Series 7	Series 8	Series 9	Series 10	Total Annual New Debt Service
1	$ 2,999,560	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,999,560
2	2,999,560	2,999,560	-	-	-	-	-	-	-	-	5,999,120
3	2,999,560	2,999,560	2,999,560	-	-	-	-	-	-	-	8,998,679
4	2,999,560	2,999,560	2,999,560	2,999,560	-	-	-	-	-	-	11,998,239
5	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	-	-	-	-	-	14,997,799
6	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	-	-	-	-	17,997,359
7	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	-	-	-	20,996,918
8	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	-	-	23,996,478
9	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	-	26,996,038
10	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	29,995,598
11	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	29,995,598
12	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	29,995,598
13	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	29,995,598
14	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	29,995,598
15	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	29,995,598
16	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	29,995,598
17	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	29,995,598
18	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	29,995,598
19	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	29,995,598
20	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	29,995,598
21	-	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	26,996,038
22	-	-	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	23,996,478
23	-	-	-	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	20,996,918
24	-	-	-	-	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	17,997,359
25	-	-	-	-	-	2,999,560	2,999,560	2,999,560	2,999,560	2,999,560	14,997,799
26	-	-	-	-	-	-	2,999,560	2,999,560	2,999,560	2,999,560	11,998,239
27	-	-	-	-	-	-	-	2,999,560	2,999,560	2,999,560	8,998,679
28	-	-	-	-	-	-	-	-	2,999,560	2,999,560	5,999,120
29	-	-	-	-	-	-	-	-	-	2,999,560	2,999,560
	$ 59,991,195	$ 59,991,195	$ 59,991,195	$ 59,991,195	$ 59,991,195	$ 59,991,195	$ 59,991,195	$ 59,991,195	$ 59,991,195	$ 59,991,195	$ 599,911,952

II. Summary of Annual Expenses

Year	New Annual Debt Service[1]	Annual Capital Expenditures[2]	Annual Bond Proceeds[2]	Existing Annual Debt Service[3]	Annual Credit[4]	Total Expense
1	$ 2,999,560	$ 20,850,737	$ (41,507,680)	$ 787,726	$ (156,607)	$ (17,026,264)
2	5,999,120	41,604,577	(41,507,680)	787,726	(538,993)	6,344,749
3	8,998,679	41,604,577	(41,507,680)	787,726	(1,121,291)	8,762,012
4	11,998,239	41,604,577	(41,507,680)	787,726	(1,881,437)	11,001,426
5	14,997,799	41,604,577	(41,507,680)	787,726	(2,800,500)	13,081,922
6	17,997,359	41,604,577	(41,507,680)	787,726	(3,862,143)	15,019,838
7	20,996,918	41,604,577	(41,507,680)	787,726	(5,052,196)	16,829,345
8	23,996,478	41,604,577	(41,507,680)	787,726	(6,358,305)	18,522,796
9	26,996,038	41,604,577	(41,507,680)	787,726	(7,769,652)	20,111,009
10	29,995,598	62,358,417	(41,507,680)	787,726	(9,276,721)	42,357,339
11	29,995,598	-	-	787,726	-	30,783,323
12	29,995,598	-	-	787,726	-	30,783,323
13	29,995,598	-	-	787,726	-	30,783,323
14	29,995,598	-	-	787,726	-	30,783,323
15	29,995,598	-	-	787,726	-	30,783,323
16	29,995,598	-	-	787,726	-	30,783,323
17	29,995,598	-	-	787,726	-	30,783,323
18	29,995,598	-	-	787,726	-	30,783,323
19	29,995,598	-	-	787,726	-	30,783,323
20	29,995,598	-	-	787,726	-	30,783,323
21	26,996,038	-	-	-	-	26,996,038
22	23,996,478	-	-	-	-	23,996,478
23	20,996,918	-	-	-	-	20,996,918
24	17,997,359	-	-	-	-	17,997,359
25	14,997,799	-	-	-	-	14,997,799
26	11,998,239	-	-	-	-	11,998,239
27	8,998,679	-	-	-	-	8,998,679
28	5,999,120	-	-	-	-	5,999,120
29	2,999,560	-	-	-	-	2,999,560
	$ 599,911,952	$ 416,045,771	$ (415,076,795)	$ 15,754,514	$ (38,817,845)	$ 577,817,596

(1) Wastewater Appendices - page 2 Section I
(2) Wastewater Appendices - page 1
(3) Actual timing of payment varies. Calculated P&I above assumes City's estimated average cost of outstanding system debt and constant annual debt service payments.
(4) Wastewater Appendices - page 6

City of Denton - 2024 Wastewater Impact Fee Update

Capital Improvement Plan for Impact Fees

Revenue Test

Wastewater Service Area: Hickory Creek

Year	Impact Fee	Service Units	Impact Fee Revenue	Annual Expenses	Sub-Total	Accumulated Interest	Estimated Fund Balance
Initial							$ -
1	$ 12,791	3,541	$ 45,294,723	$ (17,026,264)	$ 62,320,987	$ 779,012	63,099,999
2	12,791	3,541	45,294,723	6,344,749	38,949,974	2,064,375	104,114,348
3	12,791	3,541	45,294,723	8,762,012	36,532,712	3,059,518	143,706,577
4	12,791	3,541	45,294,723	11,001,426	34,293,298	4,021,331	182,021,205
5	12,791	3,541	45,294,723	13,081,922	32,212,801	4,953,190	219,187,196
6	12,791	3,541	45,294,723	15,019,838	30,274,885	5,858,116	255,320,197
7	12,791	3,541	45,294,723	16,829,345	28,465,378	6,738,822	290,524,397
8	12,791	3,541	45,294,723	18,522,796	26,771,927	7,597,759	324,894,084
9	12,791	3,541	45,294,723	20,111,009	25,183,714	8,437,149	358,514,946
10	12,791	3,541	45,294,723	42,357,339	2,937,384	8,999,591	370,451,921
11	-	-	-	30,783,323	(30,783,323)	8,876,506	348,545,104
12	-	-	-	30,783,323	(30,783,323)	8,328,836	326,090,617
13	-	-	-	30,783,323	(30,783,323)	7,767,474	303,074,768
14	-	-	-	30,783,323	(30,783,323)	7,192,078	279,483,522
15	-	-	-	30,783,323	(30,783,323)	6,602,297	255,302,495
16	-	-	-	30,783,323	(30,783,323)	5,997,771	230,516,943
17	-	-	-	30,783,323	(30,783,323)	5,378,132	205,111,752
18	-	-	-	30,783,323	(30,783,323)	4,743,002	179,071,430
19	-	-	-	30,783,323	(30,783,323)	4,091,994	152,380,101
20	-	-	-	30,783,323	(30,783,323)	3,424,711	125,021,489
21	-	-	-	26,996,038	(26,996,038)	2,788,087	100,813,538
22	-	-	-	23,996,478	(23,996,478)	2,220,382	79,037,442
23	-	-	-	20,996,918	(20,996,918)	1,713,475	59,753,999
24	-	-	-	17,997,359	(17,997,359)	1,268,883	43,025,523
25	-	-	-	14,997,799	(14,997,799)	888,166	28,915,890
26	-	-	-	11,998,239	(11,998,239)	572,919	17,490,570
27	-	-	-	8,998,679	(8,998,679)	324,781	8,816,671
28	-	-	-	5,999,120	(5,999,120)	145,428	2,962,980
29	-	-	-	2,999,560	(2,999,560)	36,580	-
			452,947,233	577,817,596		124,870,363	

City of Denton - 2024 Wastewater Impact Fee Update

Capital Improvement Plan for Impact Fees

Impact Fee Calculation

Wastewater Service Area: Hickory Creek

Year	Number of Years to End of Period	Future Value Escalation: Interest Rate Factor	Future Value Escalation: Recovery Fee Factor	Annual Service Units: Actual	Annual Service Units: Escalated	Annual Expense: Actual	Annual Expense: Escalated
1	29	2.0215	1.0000	3,541	7,158	$ (17,026,264)	$ (34,417,761)
2	28	1.9721	1.0000	3,541	6,984	6,344,749	12,512,782
3	27	1.9240	1.0000	3,541	6,813	8,762,012	16,858,517
4	26	1.8771	1.0000	3,541	6,647	11,001,426	20,650,979
5	25	1.8313	1.0000	3,541	6,485	13,081,922	23,957,383
6	24	1.7867	1.0000	3,541	6,327	15,019,838	26,835,470
7	23	1.7431	1.0000	3,541	6,173	16,829,345	29,335,081
8	22	1.7006	1.0000	3,541	6,022	18,522,796	31,499,434
9	21	1.6591	1.0000	3,541	5,875	20,111,009	33,366,159
10	20	1.6186	1.0000	3,541	5,732	42,357,339	68,561,000
11	19	1.5792	1.0000	-	-	30,783,323	48,611,622
12	18	1.5406	1.0000	-	-	30,783,323	47,425,973
13	17	1.5031	1.0000	-	-	30,783,323	46,269,242
14	16	1.4664	1.0000	-	-	30,783,323	45,140,724
15	15	1.4306	1.0000	-	-	30,783,323	44,039,730
16	14	1.3957	1.0000	-	-	30,783,323	42,965,591
17	13	1.3617	1.0000	-	-	30,783,323	41,917,649
18	12	1.3285	1.0000	-	-	30,783,323	40,895,268
19	11	1.2961	1.0000	-	-	30,783,323	39,897,822
20	10	1.2645	1.0000	-	-	30,783,323	38,924,704
21	9	1.2336	1.0000	-	-	26,996,038	33,303,201
22	8	1.2035	1.0000	-	-	23,996,478	28,880,825
23	7	1.1742	1.0000	-	-	20,996,918	24,654,363
24	6	1.1456	1.0000	-	-	17,997,359	20,616,889
25	5	1.1176	1.0000	-	-	14,997,799	16,761,698
26	4	1.0904	1.0000	-	-	11,998,239	13,082,301
27	3	1.0638	1.0000	-	-	8,998,679	9,572,415
28	2	1.0378	1.0000	-	-	5,999,120	6,225,961
29	1	1.0125	1.0000	-	-	2,999,560	3,037,054
					64,216		$ 821,382,075

Annual Interest Rate:		2.50%
Present Value of Initial Impact Fee Fund Balance	$	-
Total Escalated Expense for Entire Period	$	821,382,075
Less Future Value of Initial Impact Fee Fund Balance		-
Sub-Total	$	821,382,075
Total Escalated Service Units		64,216
Impact Fee for Wastewater Service Area	**$**	**12,791**

City of Denton - 2024 Wastewater Impact Fee Update

Capital Improvement Plan for Impact Fees

Impact Fee Project Funding

Wastewater Service Area: Hickory Creek

Impact Fee Project Name[1]	Cost In Service Area [1]	Impact Fee Recoverable Cost[1]	Debt Funded[2] Existing	Debt Funded[2] Proposed	Non-Debt Funded[2]	Impact Fee Recoverable Cost
Krum Sewer Line	$ 398,450	$ 87,775	$ 87,775	$ -	$ -	$ 87,775
Leatherwood Interceptor	156,592	4,616	4,616	-	-	4,616
Hickory Creek Interceptor I	1,447,500	1,058,753	1,052,544	-	6,208	1,058,753
Hickory Creek Interceptor II	8,102,500	3,120,135	3,101,839	-	18,296	3,120,135
Hickory Creek Interceptor III	2,875,433	721,323	566,544	-	154,779	721,323
Hickory Creek Lift Station Detention Facility	9,900,000	6,435,000	5,687,500	-	747,500	6,435,000
Roark Branch Interceptor Oversize (27" - 42")	2,810,200	829,989	-	829,989	-	829,989
Cole Ranch Interceptor Oversize (36"- 42")	4,809,000	4,809,000	-	4,809,000	-	4,809,000
North Cole Ranch Sewer Line (36")	7,310,000	4,377,794	-	4,377,794	-	4,377,794
Legends Sewer Line (12"- 15")	32,080,000	32,080,000	-	32,080,000	-	32,080,000
Robson Ranch Sewer Line (12")	3,086,000	112,722	-	112,722	-	112,722
Robson West Lift Station, Force Main, and Sewer Line Oversize	13,079,000	1,438,690	-	1,438,690	-	1,438,690
North Masch Sewer Line (12"- 18")	8,680,000	2,965,667	-	2,965,667	-	2,965,667
Masch Sewer Line Replacement (15"- 18")	5,560,000	3,003,678	-	3,003,678	-	3,003,678
Dry Fork Sewer Line (18")	3,620,000	627,467	-	627,467	-	627,467
Hickory Creek Peak Flow Basin Improvements	23,400,000	23,400,000	-	23,400,000	-	23,400,000
HCWRP 10.0 MGD MBR Plant	448,600,000	260,188,000	-	260,188,000	-	260,188,000
C Wolfe Road Interceptor (36")	18,120,000	10,282,047	-	10,282,047	-	10,282,047
TN Skiles Road Interceptor (36")	14,420,000	8,855,122	-	8,855,122	-	8,855,122
Ponder Sewer Line (12"- 15")	5,230,000	2,331,446	-	2,331,446	-	2,331,446
South Hickory Creek Sewer Line (24")	22,580,000	19,345,135	-	19,345,135	-	19,345,135
Wolf Branch Sewer Line (12"- 21")	18,040,000	9,466,267	-	9,466,267	-	9,466,267
Sanctuary Sewer Line (12"- 18")	4,280,000	4,217,059	-	4,217,059	-	4,217,059
Meadows Sewer Line (12")	2,130,000	2,130,000	-	2,130,000	-	2,130,000
Cole Ranch West Sewer Line Oversize (15"- 18")	294,000	116,714	-	116,714	-	116,714
Ponder Farms/Webster Meadows Lift Station and Force Main	11,500,000	11,500,000	-	11,500,000	-	11,500,000
Ponder Farms/Webster Meadows Interceptor (15"-21")	13,000,000	13,000,000	-	13,000,000	-	13,000,000
Wastewater Impact Fee Report Preparation	42,192	42,192	-	-	42,192	42,192
Total	$ 685,550,867	$ 426,546,589	$ 10,500,818	$ 415,076,795	$ 968,975	$ 426,546,589

(1) Table 3.1 Wastewater Impact Fee Capital Improvements Project Cost and 10-Year Recoverable Cost

(2) Per discussions with City staff and City files

City of Denton - 2024 Wastewater Impact Fee Update

Capital Improvement Plan for Impact Fees
Credit Determination
Wastewater Service Area: Hickory Creek

2024 Service Units[1]	82,096	
Ten Year Growth in Service Units[1]	35,412	
	10	years
Annual Growth in Service Units	3,541	

	1	2	3	4	5	6	7	8	9	10	Total
Debt Service for Debt Funded Projects Eligible for Impact Fees[2]	$3,787,285	$6,786,845	$9,786,405	$ 12,785,965	$ 15,785,524	$ 18,785,084	$ 21,784,644	$ 24,784,204	$ 27,783,764	$ 30,783,323	$ 172,853,044
Net Impact Fee Eligible Debt Service Funded by Other Sources	$3,787,285	$6,786,845	$9,786,405	$ 12,785,965	$ 15,785,524	$ 18,785,084	$ 21,784,644	$ 24,784,204	$ 27,783,764	$ 30,783,323	$ 172,853,044
Current Service Units	85,637	89,178	92,719	96,261	99,802	103,343	106,884	110,425	113,966	117,508	
Total Net Impact Fee Eligible Debt Service Funded by Other Sources per Service Unit	$ 44.22	$ 76.10	$ 105.55	$ 132.83	$ 158.17	$ 181.77	$ 203.82	$ 224.44	$ 243.79	$ 261.97	
Annual Growth in Service Units (Cumulative)	3,541	7,082	10,623	14,165	17,706	21,247	24,788	28,329	31,870	35,412	
Annual Wastewater Rate Revenue Generated by Service Unit for Net Impact Fee Eligible Debt	$ 156,607	$ 538,993	$1,121,291	$ 1,881,437	$ 2,800,500	$ 3,862,143	$ 5,052,196	$ 6,358,305	$ 7,769,652	$ 9,276,721	$ 38,817,845

Credit Amount **$ 38,817,845**

(1) Derived from Table 3.3 10-year Additional Service Units by Service Area
(2) Wastewater Appendices - page 2 Section II

City of Denton - 2024 Wastewater Impact Fee Update
Capital Improvement Plan for Impact Fees
Impact Fee Calculation Assumptions
Wastewater Service Area

0	Existing Fund Balance	$ -
1	Existing Number of Service Units Over Entire City	82,096
2	Additional Service Units Added During Planning Period In the Service Area	9,248
3	Total Cost of the Wastewater Impact Fee CIP	$ 242,082,508
4	Recoverable Cost for Impact Fee Planning Period	$ 139,912,428
5	Percent Recoverable for Wastewater Impact Fee Planning Period (Line 4 / Line 3)	57.80%
6	Financing Costs (From Financial Analysis)	$ 47,194,860
7	Interest Earnings (From Financial Analysis)	$ (17,484,683)
8	Recoverable Cost of Wastewater Impact Fee and Financing Costs Less Balance (Line 5 + Line 7 + Line 8 - Line 0)	$ 169,622,605
9	Pre-Credit Maximum Fee (Line 8 / Line 2)	$ 18,341
10	Credit for Utility Revenues (From Financial Analysis)	$ (3,934,480)
11	Recoverable Cost of Wastewater Impact Fee and Financing (Line 8 + Line 10)	$ 165,688,125
12	Maximum Assessable Fee (Line 11 / Line 2)	$ 17,916

SUMMARY OF WASTEWATER IMPACT FEE DETERMINATION

Wastewater Service Area: Pecan Creek

Recoverable Impact Fee CIP Costs	$	139,912,428	Table 3.3
Financing Cost		47,194,860	See Detail Below
Existing Fund Balance		-	Wastewater Appendices - page 1
Interest Earnings		(17,484,683)	Wastewater Appendices - page 3
Pre Credit Recoverable Cost for Impact Fee	$	169,622,605	Sum of Above
Credit for Utility Revenues		(3,934,480)	Wastewater Appendices - page 6
Maximum Recoverable Cost for Impact Fee	**$**	**165,688,125**	

Recoverable Impact Fee CIP Costs:

Represents the portion of capital improvement costs that are eligible for funding through impact fees.
Reference is Table 3.1 Wastewater Impact Fee Capital Improvements Project Cost and 10-Year Recoverable Cost

Financing Costs:

Represents the interest costs associated with debt financing the new impact fee project costs. Interest costs are derived from existing debt issues and forecasted debt issues.

New Annual Debt Service	$	19,966,716	Wastewater Appendices - page 2
Existing Annual Debt Service		123,077,765	Wastewater Appendices - page 2
Principal Component (New and Existing Debt)		(95,849,621)	Wastewater Appendices - page 1
Financing Costs	$	47,194,860	

Existing Fund Balance:

Represents impact fee revenue collected but not yet expended. Some projects that are included in the 2018 Impact Fee Update were also included in prior Impact Fee Updates.
To avoid charging twice for the same project, the impact fee revenues collected but yet to be expended (i.e. fund balance) are credited against the recoverable costs. Reference is page 1 of Wastewater Appendices.

Interest Earnings

Represents the interest earned on cash flows and assumes a 1.89% annual interest rate.
The Impact Fee Statute states that interest earnings are funds of the impact fee account and are held to the same restrictions as impact fee revenues. Therefore in order to recognize that interest earnings are used to fund capital improvements, interest earnings are credited against the recoverable costs.
Reference is the sum of Accumulated Interest on page 3 of Wastewater Appendices.

Pre Credit Recoverable Cost for Impact Fee

Represents Recoverable Impact Fee CIP Costs plus Financing Costs less Existing Fund Balance and Interest Earnings.

Credit for Utility Revenues

In 2001, the Impact Fee Statute was amended to include a credit for ad valorem and utility revenues generated by new service units during the ten-year timeframe that are used to fund impact fee eligible projects for which the new service units were charged an impact fee. The intent of this amendment is to avoid double-charging the new service units for impact fee capital improvements. The credit recognizes utility revenues used to fund the debt service of debt financed impact fee eligible projects. Reference is page 6 of Wastewater Appendices.

Maximum Recoverable Cost for Impact Fee:

Represents Pre Credit Recoverable Cost for Impact Fee less Credit for Utility Revenues.
This is the maximum cost that can be recovered through impact fees.

City of Denton - 2024 Wastewater Impact Fee Update

Capital Improvement Plan for Impact Fees
Impact Fee Calculation Assumptions
Wastewater Service Area: Pecan Creek

I. General Assumptions

Annual Interest Rate on Deposits[1]	2.50%
Annual Service Unit Growth[2]	925
Existing Fund Balance[3]	$ -

Portion of Projects Funded by Existing Debt[4]	$ 82,034,726
Non-debt Funded Project Cost[5]	44,062,806
New Project Cost Funded Through New Debt[6]	13,814,895
Total Recoverable Project Cost[7]	$ 139,912,428

II. New Debt Issues Assumptions

Year	Principal[8]	Interest[9]	Term
1	$ 1,381,489	3.80%	20
2	1,381,489	3.80%	20
3	1,381,489	3.80%	20
4	1,381,489	3.80%	20
5	1,381,489	3.80%	20
6	1,381,489	3.80%	20
7	1,381,489	3.80%	20
8	1,381,489	3.80%	20
9	1,381,489	3.80%	20
10	1,381,489	3.80%	20
Total	$ 13,814,895		

III. Capital Expenditure Assumptions

Year	Annual Capital Expenditures[10]
1	$ 5,097,025
2	5,787,770
3	5,787,770
4	5,787,770
5	5,787,770
6	5,787,770
7	5,787,770
8	5,787,770
9	5,787,770
10	6,478,515
Total	$ 57,877,701

(1) Per discussions with City Staff
(2) Derived from Table 3.3 10-year Additional Service Units by Service Area
(3) Balance from 03/30/2024 provided by City Staff
(4) Per discussions with City Staff and City files
(5) From allocation per City Staff; assumes 0% of new project costs funded through sources other than debt
(6) This assumes 100% of new project costs funded through new debt issues
(7) Table 3.1 Wastewater Impact Fee Capital Improvements Project Cost and 10-Year Recoverable Cost
(8) Assumes new debt issued in equal annual amounts
(9) Estimated interest on future debt per discussions with City Staff
(10) Assumes new debt proceeds expended over a 2-year timeframe.
Non-debt funded capital expenditures allocated in equal annual amounts

City of Denton - 2024 Wastewater Impact Fee Update

Capital Improvement Plan for Impact Fees
Debt Service and Expense Summary
Wastewater Service Area: Pecan Creek

I. New Debt Service Detail

Year	Series 1	Series 2	Series 3	Series 4	Series 5	Series 6	Series 7	Series 8	Series 9	Series 10	Total Annual New Debt Service
1	$ 99,834	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 99,834
2	99,834	99,834	-	-	-	-	-	-	-	-	199,667
3	99,834	99,834	99,834	-	-	-	-	-	-	-	299,501
4	99,834	99,834	99,834	99,834	-	-	-	-	-	-	399,334
5	99,834	99,834	99,834	99,834	99,834	-	-	-	-	-	499,168
6	99,834	99,834	99,834	99,834	99,834	99,834	-	-	-	-	599,001
7	99,834	99,834	99,834	99,834	99,834	99,834	99,834	-	-	-	698,835
8	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	-	-	798,669
9	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	-	898,502
10	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	998,336
11	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	998,336
12	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	998,336
13	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	998,336
14	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	998,336
15	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	998,336
16	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	998,336
17	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	998,336
18	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	998,336
19	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	998,336
20	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	998,336
21	-	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	898,502
22	-	-	99,834	99,834	99,834	99,834	99,834	99,834	99,834	99,834	798,669
23	-	-	-	99,834	99,834	99,834	99,834	99,834	99,834	99,834	698,835
24	-	-	-	-	99,834	99,834	99,834	99,834	99,834	99,834	599,001
25	-	-	-	-	-	99,834	99,834	99,834	99,834	99,834	499,168
26	-	-	-	-	-	-	99,834	99,834	99,834	99,834	399,334
27	-	-	-	-	-	-	-	99,834	99,834	99,834	299,501
28	-	-	-	-	-	-	-	-	99,834	99,834	199,667
29	-	-	-	-	-	-	-	-	-	99,834	99,834
	$ 1,996,672	$ 1,996,672	$ 1,996,672	$ 1,996,672	$ 1,996,672	$ 1,996,672	$ 1,996,672	$ 1,996,672	$ 1,996,672	$ 1,996,672	$ 19,966,716

II. Summary of Annual Expenses

Year	New Annual Debt Service[1]	Annual Capital Expenditures[2]	Annual Bond Proceeds[2]	Existing Annual Debt Service[3]	Annual Credit[4]	Total Expense
1	$ 99,834	$ 5,097,025	$ (1,381,489)	$ 6,153,888	$ (69,665)	$ 9,899,593
2	199,667	5,787,770	(1,381,489)	6,153,888	(139,994)	10,619,842
3	299,501	5,787,770	(1,381,489)	6,153,888	(210,967)	10,648,703
4	399,334	5,787,770	(1,381,489)	6,153,888	(282,561)	10,676,942
5	499,168	5,787,770	(1,381,489)	6,153,888	(354,758)	10,704,579
6	599,001	5,787,770	(1,381,489)	6,153,888	(427,538)	10,731,632
7	698,835	5,787,770	(1,381,489)	6,153,888	(500,884)	10,758,120
8	798,669	5,787,770	(1,381,489)	6,153,888	(574,776)	10,784,061
9	898,502	5,787,770	(1,381,489)	6,153,888	(649,199)	10,809,472
10	998,336	6,478,515	(1,381,489)	6,153,888	(724,137)	11,525,112
11	998,336	-	-	6,153,888	-	7,152,224
12	998,336	-	-	6,153,888	-	7,152,224
13	998,336	-	-	6,153,888	-	7,152,224
14	998,336	-	-	6,153,888	-	7,152,224
15	998,336	-	-	6,153,888	-	7,152,224
16	998,336	-	-	6,153,888	-	7,152,224
17	998,336	-	-	6,153,888	-	7,152,224
18	998,336	-	-	6,153,888	-	7,152,224
19	998,336	-	-	6,153,888	-	7,152,224
20	998,336	-	-	6,153,888	-	7,152,224
21	898,502	-	-	-	-	898,502
22	798,669	-	-	-	-	798,669
23	698,835	-	-	-	-	698,835
24	599,001	-	-	-	-	599,001
25	499,168	-	-	-	-	499,168
26	399,334	-	-	-	-	399,334
27	299,501	-	-	-	-	299,501
28	199,667	-	-	-	-	199,667
29	99,834	-	-	-	-	99,834
	$ 19,966,716	$ 57,877,701	$ (13,814,895)	$ 123,077,765	$ (3,934,480)	$ 183,172,808

(1) Wastewater Appendices - page 2 Section I
(2) Wastewater Appendices - page 1
(3) Actual timing of payment varies. Calculated P&I above assumes City's estimated average cost of outstanding system debt and constant annual debt service payments.
(4) Wastewater Appendices - page 6

City of Denton - 2024 Wastewater Impact Fee Update

Capital Improvement Plan for Impact Fees

Revenue Test

Wastewater Service Area: Pecan Creek

Year	Impact Fee	Service Units	Impact Fee Revenue	Annual Expenses	Sub-Total	Accumulated Interest	Estimated Fund Balance
Initial							$ -
1	$ 17,916	925	$ 16,568,812	$ 9,899,593	$ 6,669,219	$ 83,365	6,752,585
2	17,916	925	16,568,812	10,619,842	5,948,971	243,177	12,944,732
3	17,916	925	16,568,812	10,648,703	5,920,109	397,620	19,262,461
4	17,916	925	16,568,812	10,676,942	5,891,870	555,210	25,709,541
5	17,916	925	16,568,812	10,704,579	5,864,234	716,041	32,289,817
6	17,916	925	16,568,812	10,731,632	5,837,180	880,210	39,007,207
7	17,916	925	16,568,812	10,758,120	5,810,692	1,047,814	45,865,713
8	17,916	925	16,568,812	10,784,061	5,784,751	1,218,952	52,869,417
9	17,916	925	16,568,812	10,809,472	5,759,341	1,393,727	60,022,485
10	17,916	925	16,568,812	11,525,112	5,043,700	1,563,608	66,629,793
11	-	-	-	7,152,224	(7,152,224)	1,576,342	61,053,911
12	-	-	-	7,152,224	(7,152,224)	1,436,945	55,338,632
13	-	-	-	7,152,224	(7,152,224)	1,294,063	49,480,471
14	-	-	-	7,152,224	(7,152,224)	1,147,609	43,475,856
15	-	-	-	7,152,224	(7,152,224)	997,494	37,321,126
16	-	-	-	7,152,224	(7,152,224)	843,625	31,012,527
17	-	-	-	7,152,224	(7,152,224)	685,910	24,546,213
18	-	-	-	7,152,224	(7,152,224)	524,253	17,918,242
19	-	-	-	7,152,224	(7,152,224)	358,553	11,124,571
20	-	-	-	7,152,224	(7,152,224)	188,711	4,161,058
21	-	-	-	898,502	(898,502)	92,795	3,355,351
22	-	-	-	798,669	(798,669)	73,900	2,630,583
23	-	-	-	698,835	(698,835)	57,029	1,988,777
24	-	-	-	599,001	(599,001)	42,232	1,432,007
25	-	-	-	499,168	(499,168)	29,561	962,400
26	-	-	-	399,334	(399,334)	19,068	582,134
27	-	-	-	299,501	(299,501)	10,810	293,443
28	-	-	-	199,667	(199,667)	4,840	98,616
29	-	-	-	99,834	(99,834)	1,217	-
			165,688,125	183,172,808		17,484,683	

City of Denton - 2024 Wastewater Impact Fee Update

Capital Improvement Plan for Impact Fees

Impact Fee Calculation

Wastewater Service Area: Pecan Creek

Year	Number of Years to End of Period	Future Value Escalation: Interest Rate Factor	Future Value Escalation: Recovery Fee Factor	Annual Service Units: Actual	Annual Service Units: Escalated	Annual Expense: Actual	Annual Expense: Escalated
1	29	2.0215	1.0000	925	1,869	$ 9,899,593	$ 20,011,544
2	28	1.9721	1.0000	925	1,824	10,619,842	20,943,895
3	27	1.9240	1.0000	925	1,779	10,648,703	20,488,598
4	26	1.8771	1.0000	925	1,736	10,676,942	20,041,884
5	25	1.8313	1.0000	925	1,694	10,704,579	19,603,670
6	24	1.7867	1.0000	925	1,652	10,731,632	19,173,867
7	23	1.7431	1.0000	925	1,612	10,758,120	18,752,383
8	22	1.7006	1.0000	925	1,573	10,784,061	18,339,123
9	21	1.6591	1.0000	925	1,534	10,809,472	17,933,985
10	20	1.6186	1.0000	925	1,497	11,525,112	18,654,930
11	19	1.5792	1.0000	-	-	7,152,224	11,294,466
12	18	1.5406	1.0000	-	-	7,152,224	11,018,992
13	17	1.5031	1.0000	-	-	7,152,224	10,750,236
14	16	1.4664	1.0000	-	-	7,152,224	10,488,035
15	15	1.4306	1.0000	-	-	7,152,224	10,232,229
16	14	1.3957	1.0000	-	-	7,152,224	9,982,663
17	13	1.3617	1.0000	-	-	7,152,224	9,739,183
18	12	1.3285	1.0000	-	-	7,152,224	9,501,642
19	11	1.2961	1.0000	-	-	7,152,224	9,269,895
20	10	1.2645	1.0000	-	-	7,152,224	9,043,800
21	9	1.2336	1.0000	-	-	898,502	1,108,422
22	8	1.2035	1.0000	-	-	798,669	961,233
23	7	1.1742	1.0000	-	-	698,835	820,565
24	6	1.1456	1.0000	-	-	599,001	686,187
25	5	1.1176	1.0000	-	-	499,168	557,875
26	4	1.0904	1.0000	-	-	399,334	435,415
27	3	1.0638	1.0000	-	-	299,501	318,596
28	2	1.0378	1.0000	-	-	199,667	207,217
29	1	1.0125	1.0000	-	-	99,834	101,082
					16,771		$ 300,461,612

Annual Interest Rate:		2.50%
Present Value of Initial Impact Fee Fund Balance	$	-
Total Escalated Expense for Entire Period	$	300,461,612
Less Future Value of Initial Impact Fee Fund Balance		-
Sub-Total	$	300,461,612
Total Escalated Service Units		16,771
Impact Fee for Wastewater Service Area	**$**	**17,916**

City of Denton - 2024 Wastewater Impact Fee Update

Capital Improvement Plan for Impact Fees

Impact Fee Project Funding

Wastewater Service Area: Pecan Creek

Impact Fee Project Name[1]	Cost In Service Area [1]	Impact Fee Recoverable Cost[1]	Debt Funded[2] Existing	Debt Funded[2] Proposed	Non-Debt Funded[2]	Impact Fee Recoverable Cost
CCWRP 2.5 MGD MBR Plant	$ 118,800,000	$ 82,034,726	$ 82,034,726	$ -	$ -	$ 82,034,726
Clear Creek Interceptor (27"- 42")	89,440,000	44,055,019	-	-	44,055,019	44,055,019
Milam Creek Sewer Line (18"- 24")	13,750,000	3,630,769	-	3,630,769	-	3,630,769
Denton ICC Sewer Line Oversize (18")	324,720	33,899	-	33,899	-	33,899
Ganzer Rd Sewer Line (12")	2,530,000	1,167,692	-	1,167,692	-	1,167,692
Beaver Creek Sewer Line (12")	2,910,000	1,343,077	-	1,343,077	-	1,343,077
North Milam Sewer Line (12"- 18")	6,890,000	3,667,912	-	3,667,912	-	3,667,912
Stark Farms Sewer Line (8"- 12")	1,340,000	978,783	-	978,783	-	978,783
East Clear Creek Sewer Line (8"- 15")	3,170,000	1,633,769	-	1,633,769	-	1,633,769
East Milam Sewer Line (12"- 15")	2,920,000	1,358,994	-	1,358,994	-	1,358,994
Wastewater Impact Fee Report Preparation	7,788	7,788	-	-	7,788	7,788
Total	$ 242,082,508	$ 139,912,428	$ 82,034,726	$ 13,814,895	$ 44,062,806	$ 139,912,428

(1) Table 3.1 Wastewater Impact Fee Capital Improvements Project Cost and 10-Year Recoverable Cost

(2) Per discussions with City staff and City files

City of Denton - 2024 Wastewater Impact Fee Update

Capital Improvement Plan for Impact Fees

Credit Determination

Wastewater Service Area: Pecan Creek

2024 Service Units[1]	82,096	
Ten Year Growth in Service Units[1]	9,248	
	10	years
Annual Growth in Service Units	925	

	1	2	3	4	5	6	7	8	9	10	Total
Debt Service for Debt Funded Projects Eligible for Impact Fees[2]	$ 6,253,722	$ 6,353,555	$ 6,453,389	$ 6,553,223	$ 6,653,056	$ 6,752,890	$ 6,852,723	$ 6,952,557	$ 7,052,390	$ 7,152,224	$ 67,029,729
Net Impact Fee Eligible Debt Service Funded by Other Sources	$ 6,253,722	$ 6,353,555	$ 6,453,389	$ 6,553,223	$ 6,653,056	$ 6,752,890	$ 6,852,723	$ 6,952,557	$ 7,052,390	$ 7,152,224	$ 67,029,729
Current Service Units	83,021	83,946	84,870	85,795	86,720	87,645	88,570	89,495	90,419	91,344	
Total Net Impact Fee Eligible Debt Service Funded by Other Sources per Service Unit	$ 75.33	$ 75.69	$ 76.04	$ 76.38	$ 76.72	$ 77.05	$ 77.37	$ 77.69	$ 78.00	$ 78.30	
Annual Growth in Service Units (Cumulative)	925	1,850	2,774	3,699	4,624	5,549	6,474	7,399	8,323	9,248	
Service Unit for Net Impact Fee Eligible Debt Service Funded by Other Sources	$ 69,665	$ 139,994	$ 210,967	$ 282,561	$ 354,758	$ 427,538	$ 500,884	$ 574,776	$ 649,199	$ 724,137	$ 3,934,480

Credit Amount **$ 3,934,480**

(1) Derived from Table 3.3 10-year Additional Service Units by Service Area

(2) Wastewater Appendices - page 2 Section II

APPENDIX

CONSIDERATION FOR THE HUNTER RANCH AND COLE RANCH OPERATING AGREEMENTS

APPENDIX – CONSIDERATION FOR THE HUNTER RANCH AND COLE RANCH OPERATING AGREEMENTS

Introduction

Consideration for Hunter Ranch and Cole Ranch Operating Agreement

The City of Denton has operating agreements with the Hunter Ranch District (Ordinance No. 20-763 – Operating Agreement with Hunter Ranch Improvement District No. 1) and the Cole Ranch District (Ordinance No. 20-761 – Operating Agreement with Cole Ranch Improvement District No. 1) which stipulate certain calculations to be included in the Water and Wastewater Impact Fee Study. The purpose of this appendix is to explain what calculations were performed, and how they will be used in the administration of both the Impact Fee Program and the operating agreements. The terms City Offsites, District Cost, District Area Revenue, and District Tax Revenue are defined in Section 4.11 of the operating agreements.

Consideration for Hunter Ranch and Cole Ranch Operating Agreement

The operating agreements define City Offsites as specific water and wastewater infrastructure that are to be constructed by the City. The City Offsites are described in Exhibits K1-A and K1-B of the operating agreements. City Offsite facilities are impact fee eligible water and wastewater infrastructure that are anticipated to be funded in part by impact fees collected within the service area (including within the districts) and by district financial participation in the form of District Tax assessed and paid from properties in the districts. As part of the operating agreements, the Water and Wastewater Impact Fee Study is to include a capacity analysis which shows “what portion of each City Offsite will serve the District Area and what portion will serve other areas of the City”. This preliminary non-binding analysis is provided in the tables included in this appendix. Maps identifying the City Offsite facilities and development Improvement Projects as identified within the context of the 2025 Water and Wastewater Impact Fee CIP are provided in Exhibits 1 and 2. The original maps of the City Offsites from the operating agreements are included in Exhibits K1-A and K1-B.

Executive Summary

Water Capacity Analysis

Hunter Ranch

For Hunter Ranch seven (7) City Offsite projects (See Exhibits 1, K-1A and L) were identified for capacity analysis. Exhibit 1 correlates the City impact fee projects to Exhibit K1-A projects from the Hunter/Cole Agreements. As illustrated in the City's 2025 Water and Wastewater Impact Fee Study the total cost of these projects is approximately $502 million with a 10-year recoverable cost of approximately $325 million and a Hunter Ranch Service Area 2 10-year utilization cost of approximately $27.5 million.

Cole Ranch

For Cole Ranch seven (7) City Offsite projects (See Exhibits 1, K1-A and L) were identified for capacity analysis. As illustrated in the City's 2025 Water and Wastewater Impact Fee the total cost of these projects is approximately $502 million with a 10-year recoverable cost of approximately $325 million and a Cole Ranch Service Area 2 10-year utilization cost of approximately $30.2 million and a Service Area 1B 10-year utilization cost of approximately $745,000.

Wastewater Capacity Analysis

Hunter Ranch

For Hunter Ranch two (2) City Offsite projects (See Exhibit 2, K1-B and L) were identified for capacity analysis. Exhibit 2 correlates the City impact fee projects to Exhibit K1-B projects from the Hunter/Cole Agreements. As illustrated in the City's 2025 Water and Wastewater Impact Fee Study the total cost of these projects is approximately $472 million with a 10-year recoverable cost of approximately $284 million and a Hunter Ranch Hickory Creek Service Area 10-year utilization cost of approximately $34 million.

Cole Ranch

For Cole Ranch two (2) City Offsite projects (See Exhibit 2, K1-B and L) were identified for capacity analysis. As illustrated in the City's 2025 Water and Wastewater Impact Fee the total cost of these projects is approximately $472 million with a 10-year recoverable cost of approximately $284 million and a Cole Ranch Hickory Creek Service Area 10-year utilization cost of approximately $39.7 million.

Calculations

Water Recoverable Cost Calculation

The water capital projects shown in Table 1 match the City of Denton Impact Fee Capital Improvement projects and they correspond to "City Offsite" projects shown on Exhibit K1-A and Exhibit L. The first two columns of Table 1 list the corresponding "City Offsite" and Impact Fee Capital Improvement projects. The last three columns of Table 1 list the recoverable cost attributed to Hunter and Cole Ranch per "City Offsite" project and service area.

Table 1
City-Offsite Water Capital Improvements Plan

City Offsite Project	Impact Fee Project	Description	Total Project Cost	10-Year Recoverable Cost	Area 2 Recoverable Cost	Area 1B Recoverable Cost	Area 2 Hunter Recoverable Cost	Area 2 Cole Recoverable Cost	Area 1B Cole Recoverable Cost
O-1	21	Lake Ray Roberts WTP 20 MGD Expansion to 50 MGD	$195,845,000	$195,845,000	$83,190,538	$112,654,462	$16,638,108	$18,301,918	$450,618
O-1	37	Lake Ray Roberts HSPS Improvements Phase 1	$5,530,000	$5,530,000	$2,349,019	$3,180,981	$469,804	$516,784	$12,724
O-2	42	Southwest PS Improvements	$10,087,000	$2,505,703	$1,064,366	$1,441,337	$212,873	$234,160	$5,765
O-3	40	24/48" Loop 288 Transmission Main	$69,107,000	$40,406,863	$16,638,396	$22,531,284	$3,327,679	$3,660,447	$90,125
O-6	39	Lake Ray Roberts WTP 10 MGD Expansion to 60 MGD	$97,922,500	$9,792,250	$4,159,527	$5,632,723	$831,905	$915,096	$22,531
O-6	41	Lake Ray Roberts HSPS Improvements Phase 2	$5,530,000	$1,908,764	$810,800	$1,097,964	$162,160	$178,376	$4,392
O-7	38	Lake Ray Roberts WTP 54/60" Transmission Main	$117,964,000	$68,973,551	$29,298,408	$39,675,142	$5,859,682	$6,445,650	$158,701
		Total	**$501,985,500**	**$324,962,130**	**$137,511,055**	**$186,213,892**	**$27,502,211**	**$30,252,432**	**$744,856**

Note: From Exhibit L Offsite Projects O-4, O-5 and O-8 do not exist as City Impact Fee Capital Improvement Projects. Therefore, they are not part of the calculation.

Wastewater Impact Fee Calculation

Recoverable Cost Calculation

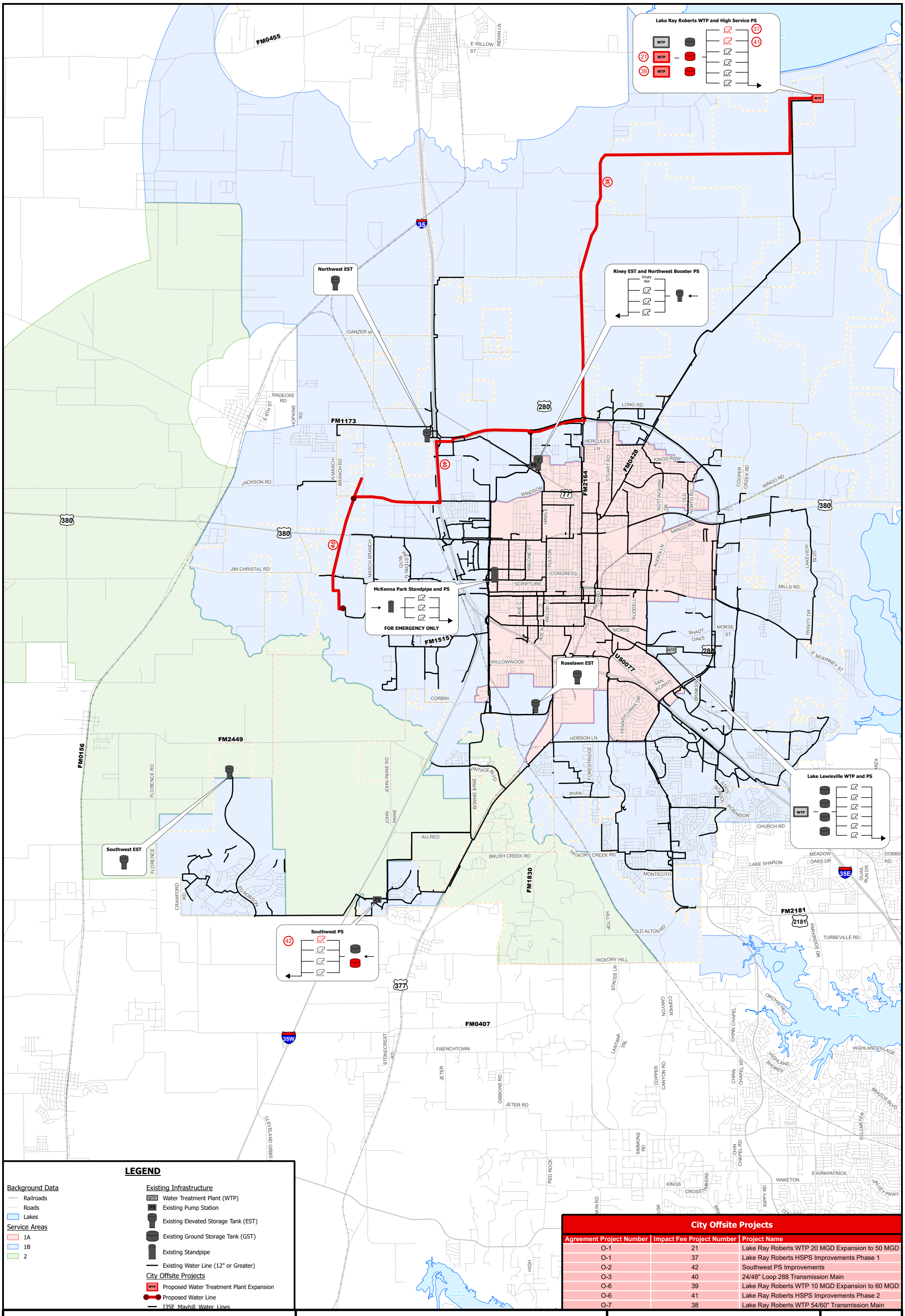
The wastewater capital projects shown in Table 2 match the listed City of Denton Impact Fee Capital Improvement projects and they correspond to "City Offsite" projects shown on Exhibit K1-B and Exhibit L. The first two columns of Table 2 list the corresponding "City Offsite" and Impact Fee Capital Improvement projects. The last two columns of Table 2 list the recoverable cost attributed to Hunter and Cole Ranch per "City Offsite" project.

Table 2
City-Offsite Wastewater Capital Improvements Plan

City Offsite Project	Impact Fee Project	Description	Total Project Cost	10-Year Recoverable Cost	Hickory Creek Recoverable Cost	Hickory Creek Hunter Recoverable Cost	Hickory Creek Cole Recoverable Cost
Sub O-1*	41	Hickory Creek Peak Flow Basin Improvements	$23,400,000	$23,400,000	$23,400,000	$2,808,000	$3,276,000
O-2	46	HCWRP 10.0 MGD MBR Plant	$448,600,000	$260,188,000	$260,188,000	$31,222,560	$36,426,320
		Total	**$472,000,000**	**$283,588,000**	**$283,588,000**	**$34,030,560**	**$39,702,320**

Note: *Sub O-1 indicates Hunter/Cole Project O-1 is replaced by Impact Fee project 41. From Exhibit L Offsite Project O-3 is no longer a project and O-5 is planned for design and construction beyond the 10-year planning window. Therefore, they are not part of the calculation.

EXHIBITS



LEGEND

Background Data
- Railroads
- Roads
- Lakes

Service Areas
- 1A
- 1B
- 2

Existing Infrastructure
- WTP — Water Treatment Plant (WTP)
- PS — Existing Pump Station
- Existing Elevated Storage Tank (EST)
- Existing Ground Storage Tank (GST)
- Existing Standpipe
- Existing Water Line (12" or Greater)

City Offsite Projects
- WTP — Proposed Water Treatment Plant Expansion
- Proposed Water Line
- I35E_Mayhill_Water_Lines

City Offsite Projects

Agreement Project Number	Impact Fee Project Number	Project Name
O-1	21	Lake Ray Roberts WTP 20 MGD Expansion to 50 MGD
O-1	37	Lake Ray Roberts HSPS Improvements Phase 1
O-2	42	Southwest PS Improvements
O-3	40	24/48" Loop 288 Transmission Main
O-6	39	Lake Ray Roberts WTP 10 MGD Expansion to 60 MGD
O-6	41	Lake Ray Roberts HSPS Improvements Phase 2
O-7	38	Lake Ray Roberts WTP 54/60" Transmission Main

CITY OF DENTON

CITY OF DENTON
CITY OFFSITE
WATER PROJECTS

1 IN = 4,000 FT

June 2025

Kimley»Horn

This map product is for information 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.

EXHIBIT

1

186

Pecan Creek WRP

Hickory Creek Peak Flow Basin

41

Hickory Creek WRP

46

LEGEND

Background Data
- Railroads
- Roads
- Lakes
- Denton City Limits

Service Areas
- Clear Creek
- Hickory Creek
- Pecan Creek

Existing Infrastructure
- Ex. 8-10-inch Sewer Line*
- Ex. ≥12-inch Sewer Line
- Force Main
- LS Ex. Lift Station**
- WRP Ex. Water Reclamation Facility
- Ex. Peak Flow Basin

City Offsite Projects
- WRP Proposed Water Reclamation Facility

*Existing sewer lines smaller than 8" are not shown.
**Existing lift stations planned to be abandoned are not shown.

City Offsite Projects

Agreement Project Number	Impact Fee Project Number	Project Name
Sub O-1	41	Hickory Creek Peak Flow Basin Improvements
O-2	46	HCWRP 10.0 MGD MBR Plant

CITY OF DENTON

CITY OF DENTON
CITY OFFSITE
WASTEWATER PROJECTS

1 IN = 4,000 FT

March 2025

Kimley»Horn

This map product is for information 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.

EXHIBIT

2

187

EXHIBIT K1-A - MAPS OF CITY OFFSITES

FIGURE 1

CITY OF DENTON

WATER DISTRIBUTION SYSTEM RECOMMENDED IMPROVEMENTS OFFSITE PROJECTS

LEGEND

- Pressure Reducing Valve
- Pump Station
- Ground Storage Tank
- Elevated Storage Tank
- Water Treatment Plant
- Under Design/Construction Water Line
- 10" and Smaller Water Line
- 12" and Larger Water Line
- Road
- Railroad
- Stream
- Lake
- Parcel
- Hunter/Cole Development
- City Limit
- ETJ Boundary
- Other City Limit

CITY OF DENTON

FREESE AND NICHOLS

February 11, 2020

NOTE: Recommended improvements are sized for existing and ultimate Hunter/Cole Development projections. Recommended improvements do not include future growth projections outside of the Hunter/Cole Development.

O-# Offsite Improvements

PRESSURE PLANES (HGL)

- Central (826')
- East (745')
- Northwest (900')
- Southeast (745')
- Southwest (905')

RECOMMENDED IMPROVEMENTS

Short-Term Improvements

- Water Treatment Plant
- *Intermediate-Term Improvements*
- Ground Storage Tank
- Pump Station
- Water Line
- *Long-Term Improvements*
- Water Line

Lake Ray Roberts Water Treatment Plant
Treatment Capacity = 20.0 MGD
Project O-1: Expand Treatment Capacity to 50.0 MGD
Project O-6: Expand Treatment Capacity to 70.0 MGD
Firm Pumping Capacity = 38.2 MGD
Project O-1: Expand Firm Pumping Capacity to 55.0 MGD
Project O-6: Expand Firm Pumping Capacity to 70.0 MGD

1.0 MG Northwest Elevated Storage Tank
Overflow Elevation = 900'

Highway 380 Booster Pump Station
Firm Pumping Capacity = 10.0 MGD
2.0 MG Ground Storage
Expand Firm Pumping Capacity to 25.0 MGD
4.0 MG Ground Storage

2.0 MG Riney Road Elevated Storage Tank
Overflow Elevation = 826'

2.0 MG McKenna Park Standpipe

McKenna Park Pump Station
Firm Pumping Capacity = 4.3 MGD

Lake Lewisville Water Treatment Plant
Treatment Capacity = 30.0 MGD
Firm Pumping Capacity = 36.5 MGD

3.0 MG Roselawn Elevated Storage Tank
Overflow Elevation = 826'

3.0 MG Southwest Elevated Storage Tank
Overflow Elevation = 905'

2.0 MG Southwest Ground Storage Tank

2.0 MG Southwest #2 Ground Storage Tank

Southwest Pump Station
Firm Pumping Capacity = 6.1 MGD
15.0 MGD Expansion

0 3,600 7,200
SCALE IN FEET

Created By: Freese and Nichols, Inc.
Job No.: DTN19478
Location: H:\fw_ws_PLANNING\01_DELIVERABLES\07_Offsite_CIP_Projects\Figure_1_Water_CIP_Offsite_Only.mxd
Updated: Tuesday, February 11, 2020 12:20:00 PM
User Name: GZ499

FIGURE 2

CITY OF DENTON

WASTEWATER SYSTEM RECOMMENDED IMPROVEMENTS OFFSITE PROJECTS

LEGEND

- Flow Meter
- Manhole
- Lift Station
- Private Lift Station
- Water Reclamation Plant
- 10" and Smaller Wastewater Line
- 12" and Larger Wastewater Line
- Force Main
- Road
- Railroad
- Stream
- Lake
- Parcel
- Hunter/Cole Development
- City Limit
- ETJ Boundary
- Other City Limit

CITY OF DENTON

FREESE AND NICHOLS

February 11, 2020

NOTE: Recommended improvements are sized for existing and ultimate Hunter/Cole Development projections. Recommended improvements do not include future growth projections outside of the Hunter/Cole Development.

O-# Offsite Improvements

MAJOR BASINS

- Basin C
- Basin H
- Basin M
- Basin P
- Basin R
- Basin T

RECOMMENDED IMPROVEMENTS

Under Design/Construction Improvements

- Lift Station
- Water Reclamation Plant
- Wastewater Line
- Force Main

Short-Term Improvements

- Water Reclamation Plant

Intermediate-Term Improvements

- Lift Station
- Weir
- Wastewater Line
- Force Main

Robson
Water Reclamation Plant
Permitted Capacity: 0.375 MGD
Existing Avg. Day Flow: 0.29 MGD
Existing Peak Day Flow: 0.77 MGD
(To Be Decommissioned)

Robson Ranch East Lift Station
Firm Capacity: 2.25 MGD
(To Be Decommissioned)

Robson Lift Station
Firm Capacity: 1.25 MGD

Robson Southwest Lift Station

Aldi Lift Station
(To Be Decommissioned)

Airport Lift Station

Dakota Lift Station

Private Lift Station

Vintage Lift Station
(To Be Decommissioned)

To Be Abandoned

Proposed Hickory Creek
Water Reclamation Plant
Permitted Avg. Day Capacity: 3.00 MGD
Expand Permitted Avg. Day Capacity to 6.00 MGD
Expand Permitted Avg. Day Capacity to 11.00 MGD

Proposed Lift Station
Firm Pumping Capacity: 5.00 MGD

Proposed 4.00 MGD Diversion Weir

Hickory Creek Lift Station
Firm Pumping Capacity: 11.00 MGD

Pecan Creek
Water Reclamation Plant
Permitted Avg. Day Capacity: 21.00 MGD

PE-A1-047 Flow Meter
Existing Avg. Day Flow: 5.89 MGD
Existing Peak Hour Flow: 20.80 MGD

University Lift Station
Cooper Creek Lift Station
Lakeview Ranch Trinity Lift Station
Lakewood Estates Lift Station
Adkisson Troy H Lagrone Lift Station
Woodrow Buchanan Lift Station
Grissom Lift Station
Tractor Supply Lift Station
Ruidosa Lift Station
Laredo Lift Station
Green House Lift Station
S I-35E Garner Lift Station
Spencer Oaks Lift Station
Golden Triangle Lift Station
Golden Triangle Lift Station
State School Wet Weather Lift Station
Preserve Lift Station
Classic Used Car Lift Station
Wimbleton Lift Station
Oakmont II Lift Station
Wynstone Lift Station
Upper Trinity Lift Station
Hobson Lift Station
Bent Oaks Lift Station
Teasley Trails Lift Station
Sundown Lift Station
Granada Lift Station
Denton West Lift Station
Good Sam Lift Station
Lexington Park Lift Station

O-1 O-2 O-3 O-4 O-5

0 2,000 4,000
SCALE IN FEET

Created By: Freese and Nichols, Inc.
Job No.: DTN19678
Location: H:\K_WW_PLANNING\01_DELIVERABLES\07_Offsite_CIP_Projects\Figure_2_WW_CIP_Offsite_Outputs
Updated: Tuesday, February 11, 2020 12:22:57 PM
User Name: GDB9

EXHIBIT L - LIST OF IMPROVEMENT PROJECTS

Exhibit L - List of Improvement Projects

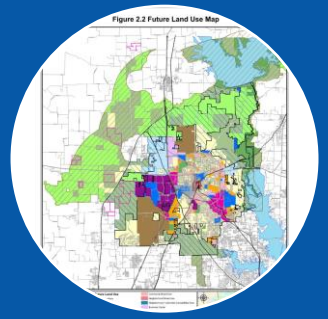
Project Number	Project Name	Project Type	Construction Party	Service	Facility Type	Required Right of Way	City Utilization	Development Utilization	Estimate	City Cost	MMD/ Development Cost	MMD Reimbursement?	COD Off-Site/ MMD Participation	Ownership	Maintainance
D-1	12/20-inch Robson Ranch Transmission Main	Offsite	MMD	Water					$ 2,856,600	$ -	$ 2,856,600	Eligible	N/A	COD	COD
D-2	36-inch I-35 Transmission Main	Offsite	MMD	Water					$ 13,405,900	$ -	$ 13,405,900	Eligible	N/A	COD	COD
D-3	30-inch Cole Ranch Transmission Main	Offsite	MMD	Water					$ 12,266,600	$ -	$ 12,266,600	Eligible	N/A	COD	COD
D-4	24-inch Southwest EST Transmission Main	Offsite	MMD	Water					$ 12,151,900	$ -	$ 12,151,900	Eligible	N/A	COD	COD
D-5	12/16-inch John Pane Transmission Main	Onsite	MMD	Water					$ 4,388,000	$ -	$ 4,388,000	Eligible	N/A	COD	COD
D-6	12-inch Underwood Transmission Main	Offsite	MMD	Water					$ 2,888,200	$ -	$ 2,888,200	Eligible	N/A	COD	COD
D-7	2.0 MG Hunter Cole Elevated Storage Tank & 24-inch Water Line	Onsite	MMD	Water					$ 10,841,900	$ -	$ 10,841,900	Eligible	N/A	COD	COD
D-8	12/16-inch Hunter Ranch Transmission Main	Onsite	MMD	Water					$ 5,896,600	$ -	$ 5,896,600	Eligible	N/A	COD	COD
D-9	12-inch Cole Ranch Looping Transmission Main	Onsite	MMD	Water					$ 4,326,700	$ -	$ 4,326,700	Eligible	N/A	COD	COD
D-10	12-inch Hunter Ranch Looping Transmission Main	Onsite	MMD	Water					$ 2,284,300	$ -	$ 2,284,300	Eligible	N/A	COD	COD
D-1	27-inch Cole Ranch Interceptor Phase-2	Offsite	MMD	Wastewater					$ 14,177,100	$ -	$ 14,177,100	Eligible	N/A	COD	COD
D-2	24/36-inch Roark Branch Interceptor Phase 1	Offsite	MMD	Wastewater					$ 11,915,200	$ -	$ 11,915,200	Eligible	N/A	COD	COD
D-3	24-inch Creekway Drive Interceptor	Offsite	MMD	Wastewater					$ 8,440,800	$ -	$ 8,440,800	Eligible	N/A	COD	COD
D-4	21/27/30-inch Roark Branch Interceptor Phase 2	Onsite	MMD	Wastewater					$ 17,108,800	$ -	$ 17,108,800	Eligible	N/A	COD	COD
D-5	8/12/15-inch Hunter Ranch West Collectors	Onsite	MMD	Wastewater					$ 4,772,100	$ -	$ 4,772,100	Eligible	N/A	COD	COD
D-6	8/12/15/21-inch Cole Ranch Collectors	Onsite	MMD	Wastewater					$ 13,032,000	$ -	$ 13,032,000	Eligible	N/A	COD	COD
D-7	27-inch Cole Ranch Interceptor Phase 1	Offsite	MMD	Wastewater					$ 3,975,300	$ -	$ 3,975,300	Eligible	N/A	COD	COD
D-8	8/12/15-inch Hunter Ranch East Collectors	Onsite	MMD	Wastewater					$ 7,525,900	$ -	$ 7,525,900	Eligible	N/A	COD	COD
D-9	8/12/15-inch Hunter Ranch Central Collectors	Onsite	MMD	Wastewater					$ 5,737,900	$ -	$ 5,737,900	Eligible	N/A	COD	COD
D-10	8/15-inch Hunter Ranch South Collectors	Onsite	MMD	Wastewater					$ 4,254,800	$ -	$ 4,254,800	Eligible	N/A	COD	COD
O-1	Lake Ray Roberts WTP Expansion #1	Offsite	COD	Water			60.00%	40.00%	$ 70,020,000	$ 70,020,000	$ -	N/A	N/A	COD	COD
O-2	Southwest Pump Station Improvements	Offsite	COD	Water			15.00%	85.00%	$ 6,325,000	$ 6,325,000	$ -	N/A	$ 5,376,250	COD	COD
O-3	36/42-inch North Loop 288 Transmission Main	Offsite	COD	Water			20.00%	80.00%	$ 48,614,700	$ 48,614,700	$ -	N/A	$ 38,891,760	COD	COD
O-4	Highway 380 Pump Station Improvements Phase 1	Offsite	COD	Water			10.00%	90.00%	$ 6,325,000	$ 6,325,000	$ -	N/A	$ 5,692,500	COD	COD
O-5	36-inch West Loop 288 Transmission Main	Offsite	COD	Water			10.00%	90.00%	$ 7,120,400	$ 7,120,400	$ -	N/A	$ 6,408,360	COD	COD
O-6	Lake Ray Roberts WTP Expansion #2	Offsite	COD	Water			50.00%	50.00%	$ 50,331,000	$ 50,331,000	$ -	N/A	N/A	COD	COD
O-7	42-inch LRRWTP Transmission Main	Offsite	COD	Water			40.00%	60.00%	$ 57,716,700	$ 57,716,700	$ -	N/A	N/A	COD	COD
O-8	Highway 380 Pump Station Improvements Phase 2	Offsite	COD	Water			10.00%	90.00%	$ 6,325,000	$ 6,325,000	$ -	N/A	$ 5,692,500	COD	COD
O-9	16-inch Jim Christal Transmission Main	Offsite	COD	Water			30.00%	70.00%	$ 4,528,200	$ 4,528,200	$ -	N/A	$ 3,169,740	COD	COD
O-1	Proposed Hickory Creek WRP Phase 1	Offsite	COD	Wastewater			20.00%	80.00%	$ 65,010,100	$ 65,010,100	$ -	N/A	N/A	COD	COD
O-2	Proposed Hickory Creek WRP Phase 2	Offsite	COD	Wastewater			5.00%	95.00%	$ 44,850,000	$ 44,850,000	$ -	N/A	N/A	COD	COD
O-3	Proposed Diversion Lift Station	Offsite	COD	Wastewater			50.00%	50.00%	$ 10,007,600	$ 10,007,600	$ -	N/A	$ 5,003,800	COD	COD
O-4	12/15-inch Robson Ranch Interceptor	Offsite	COD	Wastewater			100.00%	0.00%	$ 4,884,200	$ 4,884,200	$ -	N/A	N/A	COD	COD
O-5	Proposed Hickory Creek WRP Phase 3	Offsite	COD	Wastewater			40.00%	60.00%	$ 74,750,000	$ 74,750,000	$ -	N/A	N/A	COD	COD
52925	Loop 288 SB - North of R7	Offsite	TXDOT	Roads	Freeway	6-lane divided			$ -	$ -	$ -	N/A	N/A	TXDOT	TXDOT
52946	Loop 288 SB - West of R1	Offsite	TXDOT	Roads	Freeway	6-lane divided			$ -	$ -	$ -	N/A	N/A	TXDOT	TXDOT
51039	Jim Christal Road - East of Loop 288	Offsite	COD	Roads	Minor	4-lane divided	98.59%	1.41%	$ 19,674,900	$ 19,674,900	$ -	N/A	$ 277,416	COD	COD
45891	Vintage Blvd - East of IH 35W	Offsite	COD/County	Roads	Principal	6-lane divided	90.57%	9.43%	$ 15,000,700	$ 15,000,700	$ -	N/A	$ 1,414,566	COD	COD
52790	R3/FM 2449 - West of Loop 288	Onsite	MMD	Roads	Principal	6-lane divided			$ 12,500,200	$ -	$ 12,500,200	Eligible	N/A	COD/TXDOT	COD/TXDOT
52776	R2/Allred Road - East of R9/West of US 377	Offsite	COD	Roads	Principal	6-lane divided	93.75%	6.25%	$ 11,589,900	$ 11,589,900	$ -	N/A	$ 724,369	COD	COD
52771	R2/Allred Road - East of John Paine Road	Onsite	MMD	Roads	Principal	6-lane divided			$ 7,775,700	$ -	$ 7,775,700	Eligible	N/A	COD	COD
52773	R2/Allred Road - West of John Paine Road	Onsite	MMD	Roads	Principal	6-lane divided			$ 26,420,500	$ -	$ 26,420,500	Eligible	N/A	COD	COD
52709	Crawford Road - West of IH 35 W	Offsite	TXDOT/COD/County	Roads	Minor	4-lane divided	83.87%	16.13%	$ 11,470,700	$ 11,470,700	$ -	N/A	$ 1,850,224	COD	COD
52758	Robson Ranch - East/West of R1	Offsite	TXDOT/COD/County	Roads	Principal	6-lane divided	90.77%	9.23%	$ 8,383,600	$ 8,383,600	$ -	N/A	$ 773,806	COD	COD
52879	R6 - South of FM 2449	Onsite	MMD	Roads	Minor	4-lane divided			$ 24,968,700	$ -	$ 24,968,700	Eligible	N/A	COD	COD
52866	R7 - West of Loop 288	Onsite	MMD	Roads	Minor	4-lane divided			$ 10,551,700	$ -	$ 10,551,700	Eligible	N/A	COD	COD
52823	R16 - North of FM 2449	Onsite	MMD	Roads	Collector	4-lane divided			$ 9,842,200	$ -	$ 9,842,200	Eligible	N/A	COD	COD
52943	R10 - East of Loop 288	Onsite	MMD	Roads	Minor	4-lane divided			$ 1,596,100	$ -	$ 1,596,100	Eligible	N/A	COD	COD
52872	R18 - West of John Paine Road	Onsite	MMD	Roads	Collector	4-lane divided			$ 8,423,500	$ -	$ 8,423,500	Eligible	N/A	COD	COD
52791	R15 - North of Allred Road	Onsite	MMD	Roads	Collector	4-lane divided			$ 6,384,200	$ -	$ 6,384,200	Eligible	N/A	COD	COD
52828	R5 - North of Allred Road	Onsite	MMD	Roads	Minor	4-lane divided			$ 19,684,500	$ -	$ 19,684,500	Eligible	N/A	COD	COD
52853	R13 - North of R2	Onsite	MMD	Roads	Collector	4-lane divided			$ 10,019,600	$ -	$ 10,019,600	Eligible	N/A	COD	COD
52767	R12 - West of R4	Onsite	MMD	Roads	Collector	4-lane divided			$ 17,379,400	$ -	$ 17,379,400	Eligible	N/A	COD	COD
52953	R1/John Paine Road - North/South of Allred Road	Onsite	MMD	Roads	Principal	4-lane divided			$ 41,787,600	$ -	$ 41,787,600	Eligible	N/A	COD	COD
52756	R4 - North of Robson Ranch Road	Onsite	MMD	Roads	Principal	4-lane divided			$ 6,445,300	$ -	$ 6,445,300	Eligible	N/A	COD	COD
52777	R9 - South of Allred Road	Onsite	MMD	Roads	Minor	4-lane divided			$ 4,344,600	$ -	$ 4,344,600	Eligible	N/A	COD	COD
52824	R11 - East of R4	Onsite	MMD	Roads	Collector	4-lane divided			$ 12,058,900	$ -	$ 12,058,900	Eligible	N/A	COD	COD
52782	R19 - West of R9	Onsite	MMD	Roads	Collector	4-lane divided			$ 3,901,400	$ -	$ 3,901,400	Eligible	N/A	COD	COD
52782	R20 - West of R9	Onsite	MMD	Roads	Collector	4-lane divided			$ 2,926,000	$ -	$ 2,926,000	Eligible	N/A	COD	COD
52808	R8 - North of Loop 288	Onsite	MMD	Roads	Principal	4-lane divided			$ 5,546,100	$ -	$ 5,546,100	Eligible	N/A	COD	COD
52808	R8 - Underwood Dr - North of Cole Property	Offsite	COD	Roads	Principal	4-lane divided	57.89%	42.11%	$ 12,160,800	$ 12,160,800	$ -	N/A	$ 5,120,913	COD	COD
52897	R6 - North of Tom Cole Rd	Offsite	COD	Roads	Minor	4-lane divided	100.00%	0.00%	$ 11,398,100	$ 11,398,100	$ -	N/A	$ -	COD	COD
52807	R14 - Hunter NE Collector	Onsite	MMD	Roads	Collector	4-lane divided			$ 5,675,000	$ -	$ 5,675,000	Eligible	N/A	COD	COD
52788	R17 - Cole - West Collector	Onsite	MMD	Roads	Collector	4-lane divided			$ 2,926,000	$ -	$ 2,926,000	Eligible	N/A	COD	COD

Water and Wastewater Impact Fee Update

City of Denton

July 15, 2025
ID 25-1139

Impact Fee Study Components



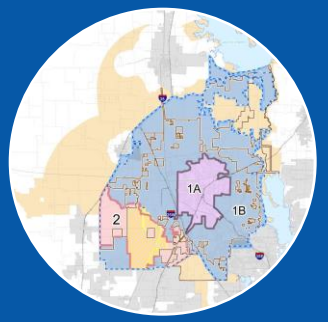
Land Use Assumptions Growth



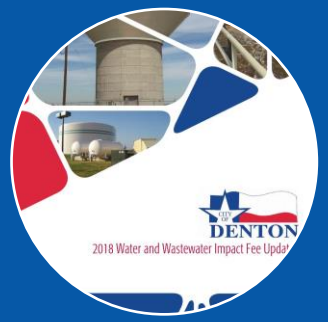
Service Units



Impact Fee Capital Improvement Plans



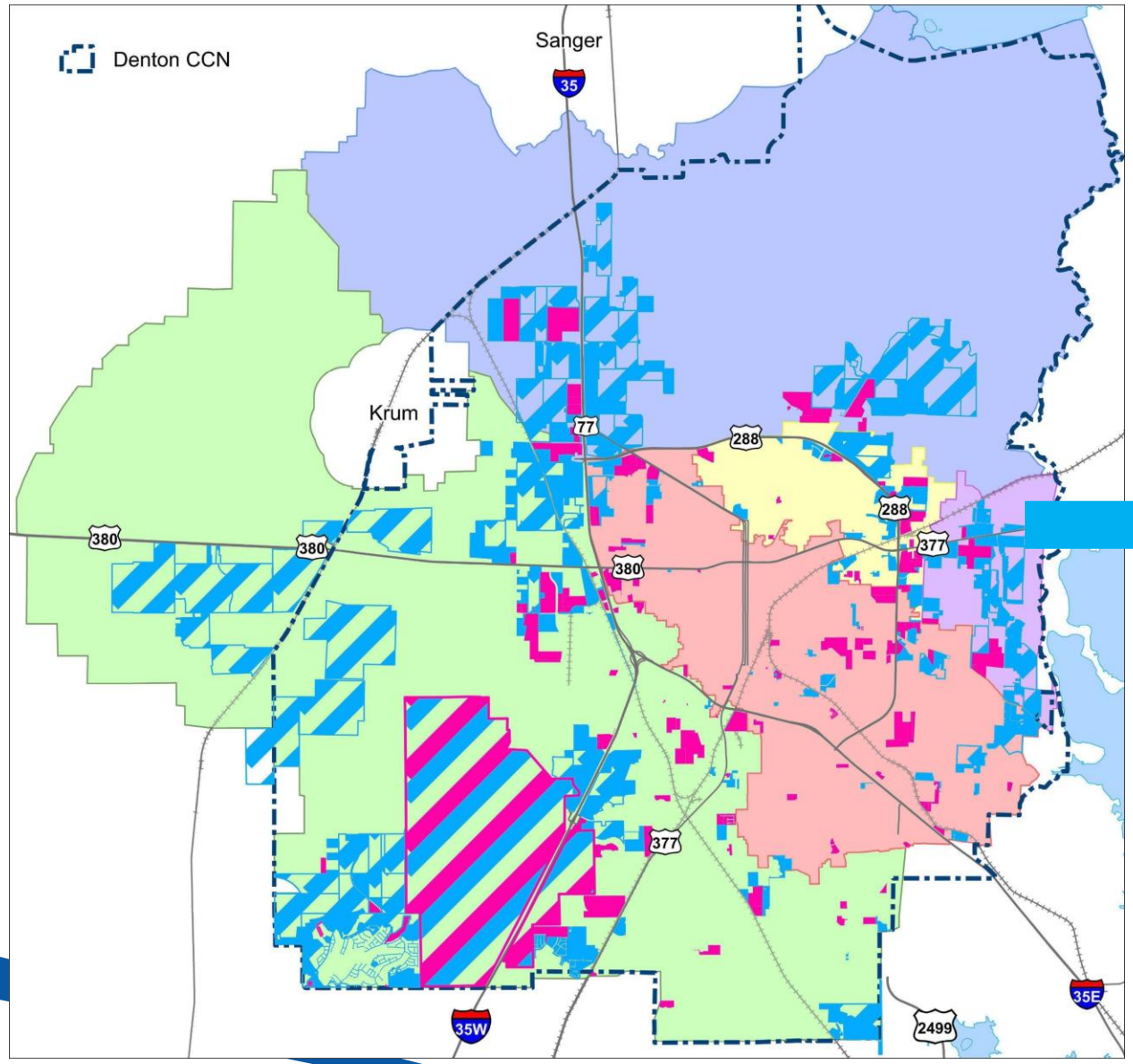
Service Area Comparisons

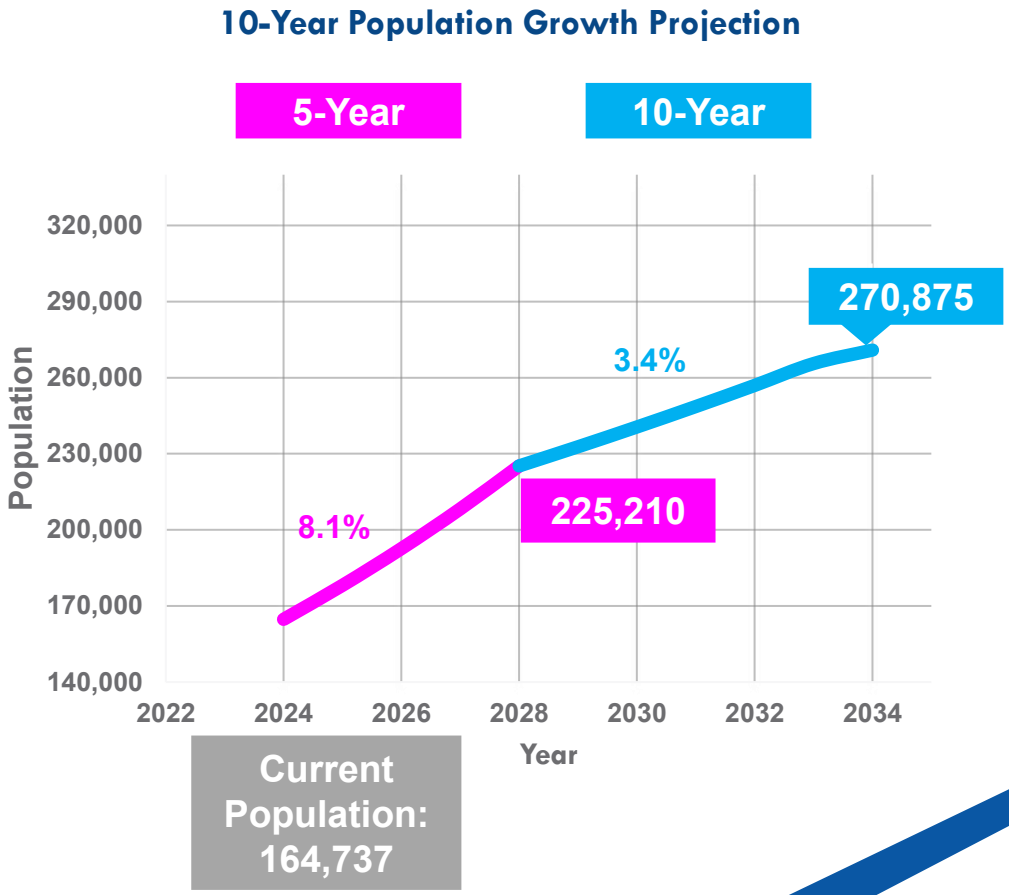


Impact Fee Calculation

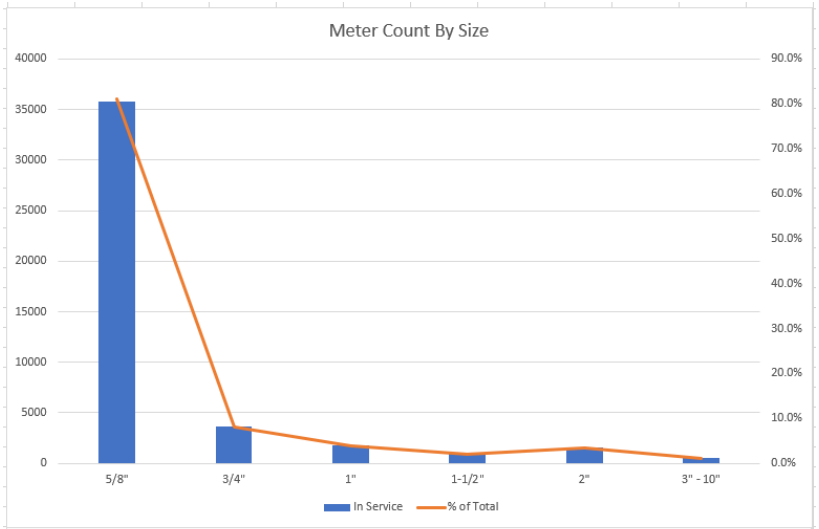
*Hunter/Cole Offsite Impacts are detailed in the appendix

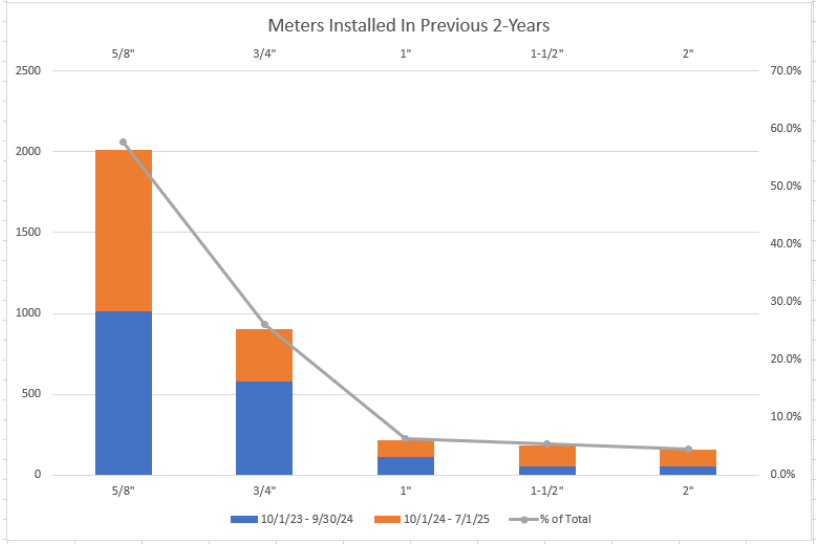
PHASING & POPULATION GROWTH





Impact Fee Components: Wastewater/Water Service Units





American Water Works Association (AWWA) establishes the 5/8” meter as 1 Single Family Equivalency (SFE) since that is the standard meter size required for a single-family home

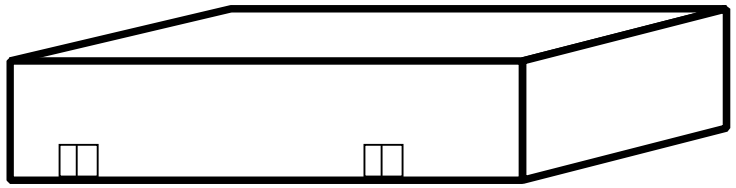
- **81% of Denton’s current meter count are 5/8” compared to 8% for ¾” (next size up)**
- **Therefore, the 5/8” meter was chosen as the base unit for calculations**

Impact Fee Components: Meter Size Comparison

Domestic Demand Meters (Potable & Reclaimed Source)			
Type	Size	†Safe Maximum Operating Capacity (gpm)	Recommended Continuous Max Service Unit Eq.
*Positive Displacement	5/8"	20	1.0
*Positive Displacement	3/4"	30	1.5
*Positive Displacement	1"	50	2.5
*Positive Displacement	1.5"	100	5.0
*Positive Displacement	2"	160	8.0
**Compound	3"	350	17.5
**Compound	4"	600	30.0
**Compound	6"	1350	67.5
**Compound	8"	1600	90.0

Impact fees are calculated as a multiple of the SFE based on meter sizing per the AWWA chart.

Large Retail Development (2” meter)

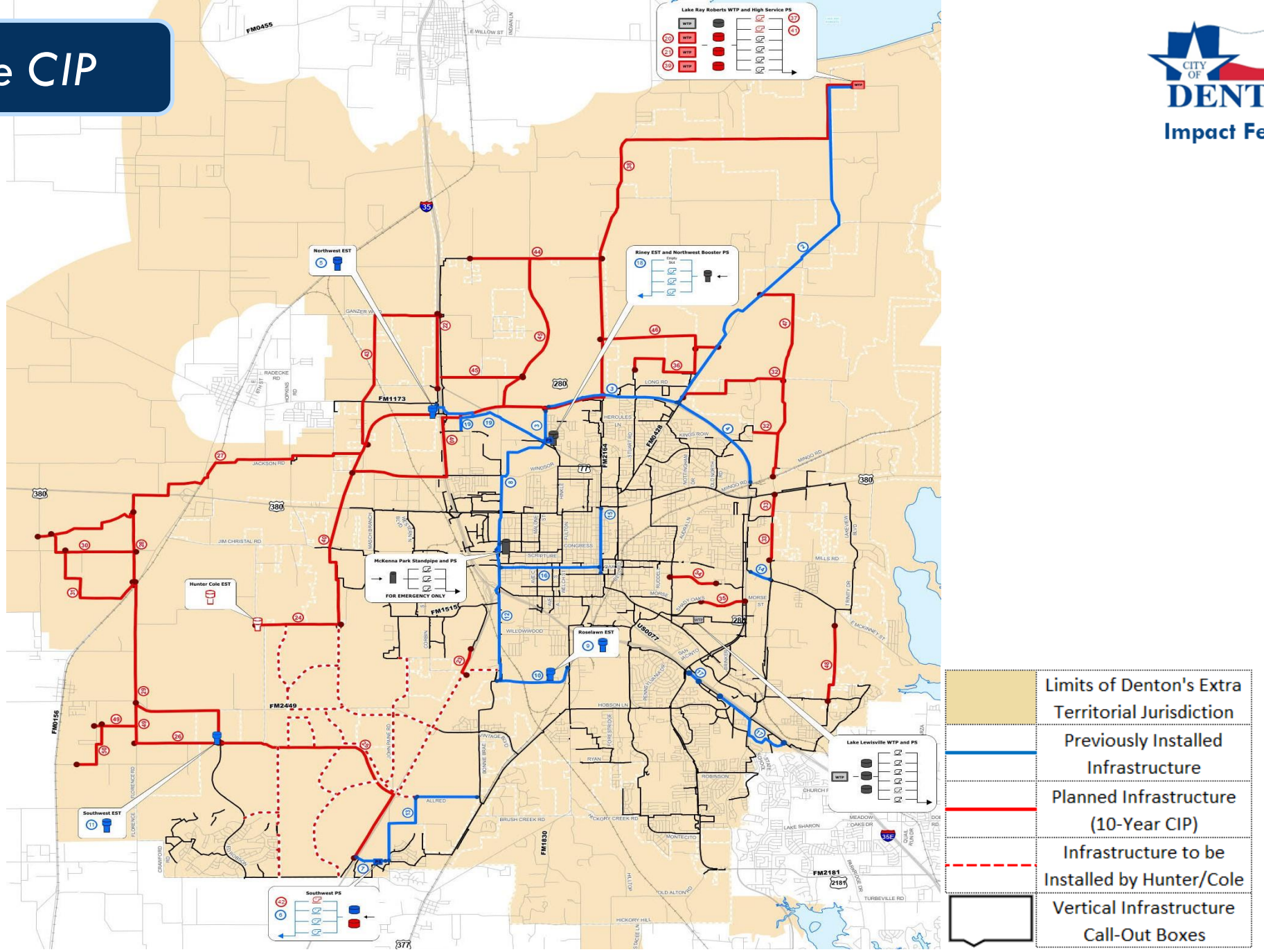


=



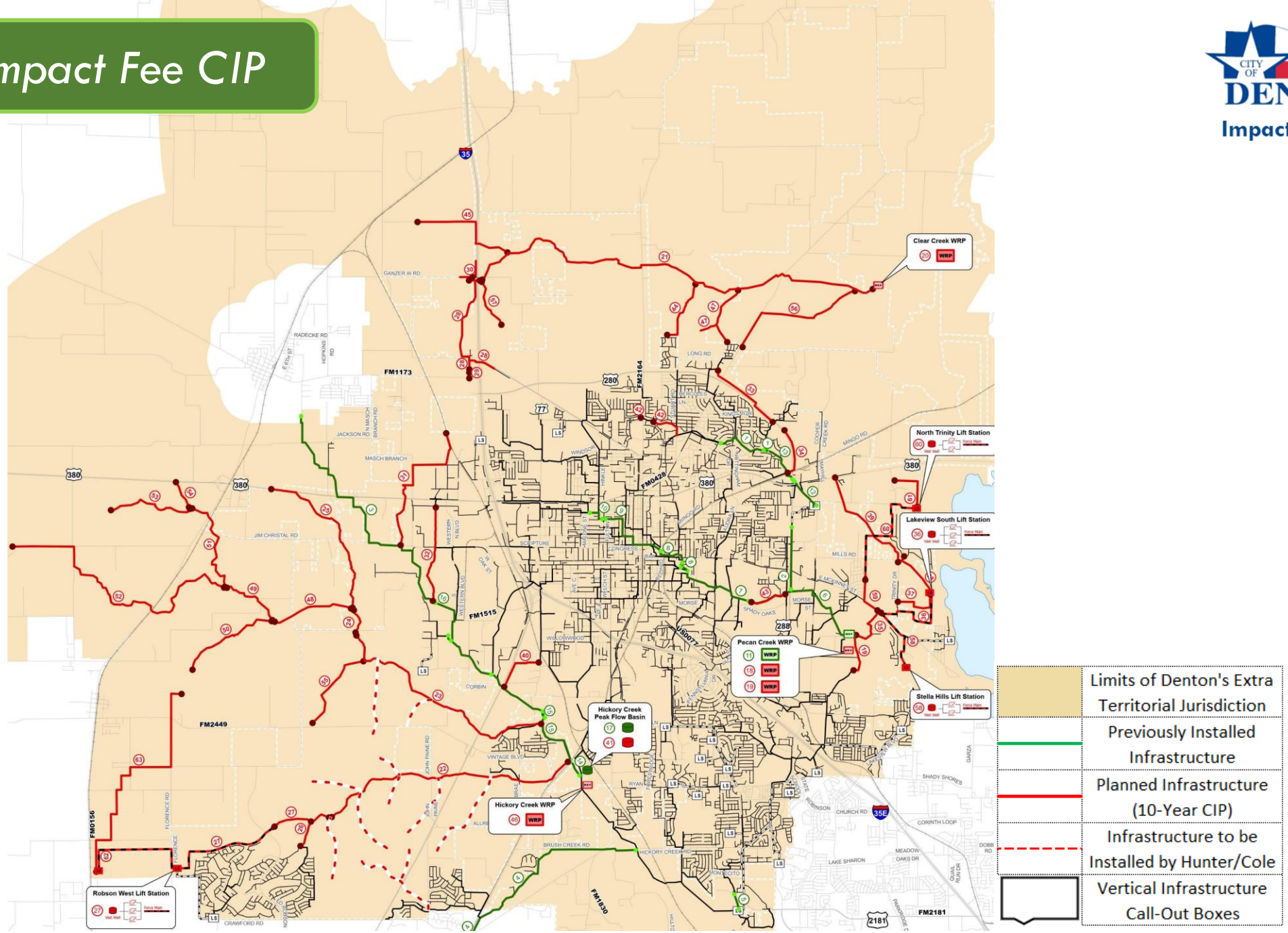
8- Single Family Homes

Water Impact Fee CIP

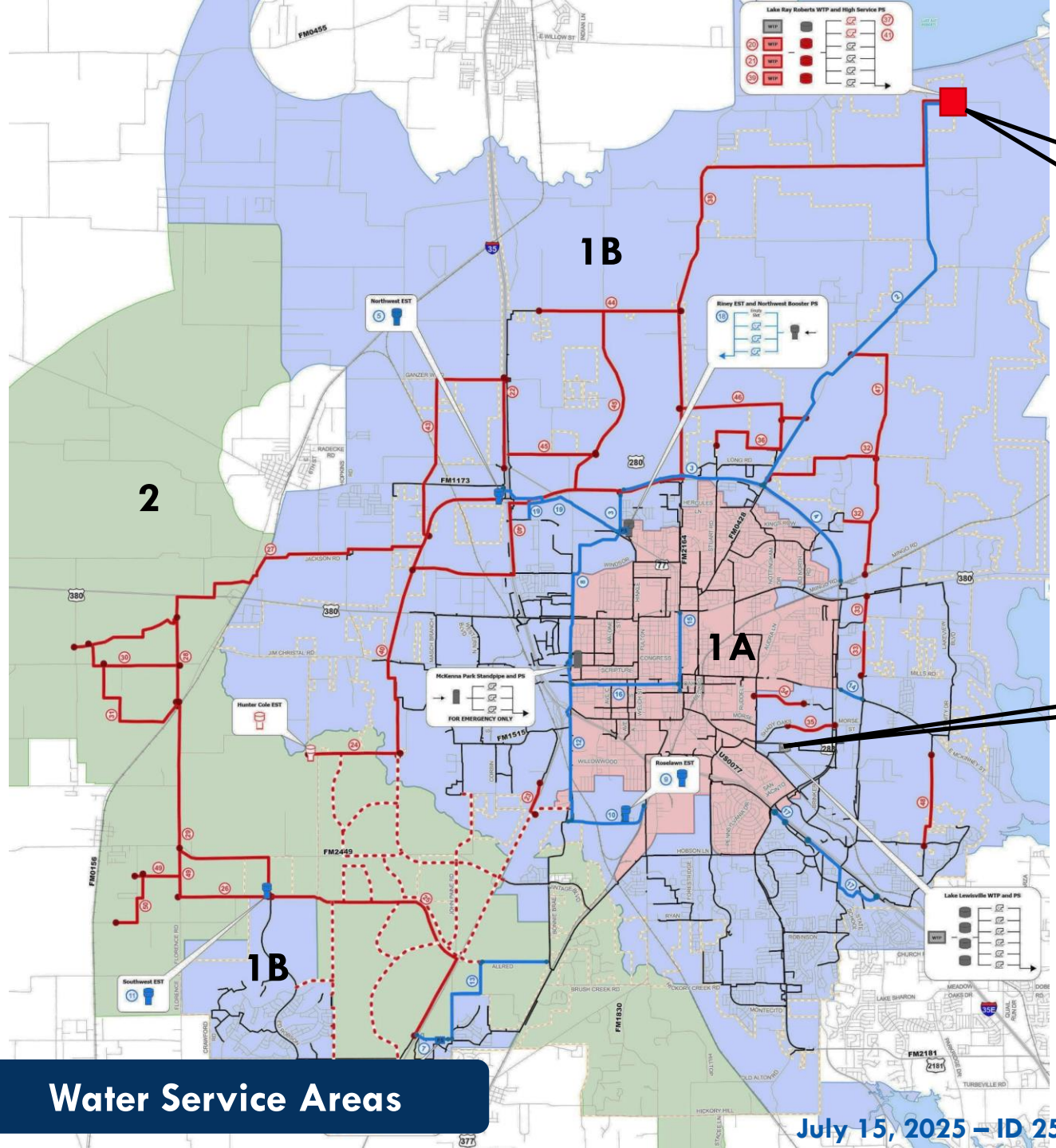


Wastewater Impact Fee CIP

CITY OF DENTON
Impact Fee CIP



Existing and Proposed Water Service Areas



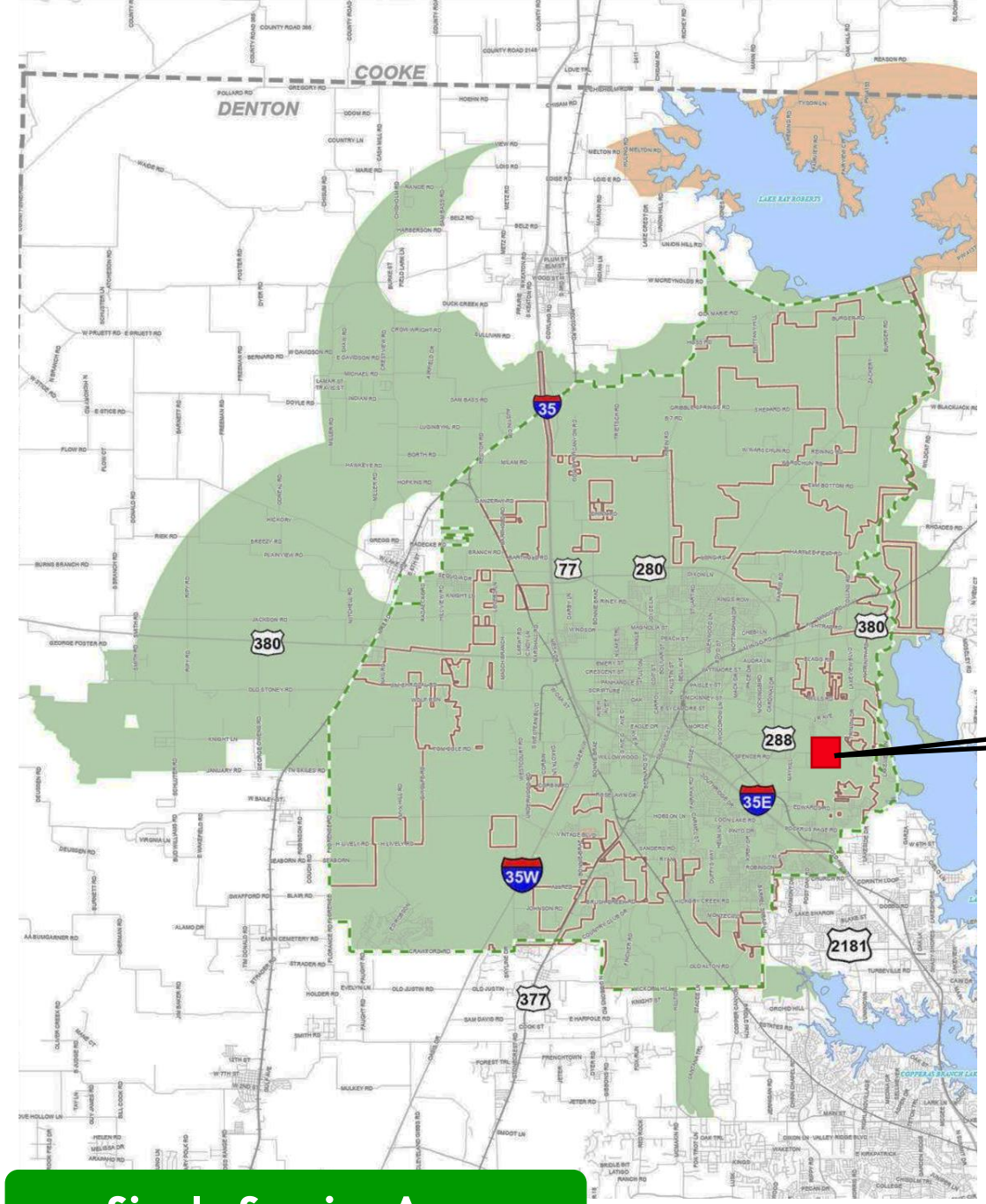
Existing Lake Ray Roberts WTP

Existing Lake Lewisville WTP

Water Service Areas

July 15, 2025 – ID 25-1139

CITY OF DENTON Service Areas



Existing Pecan Creek WRP

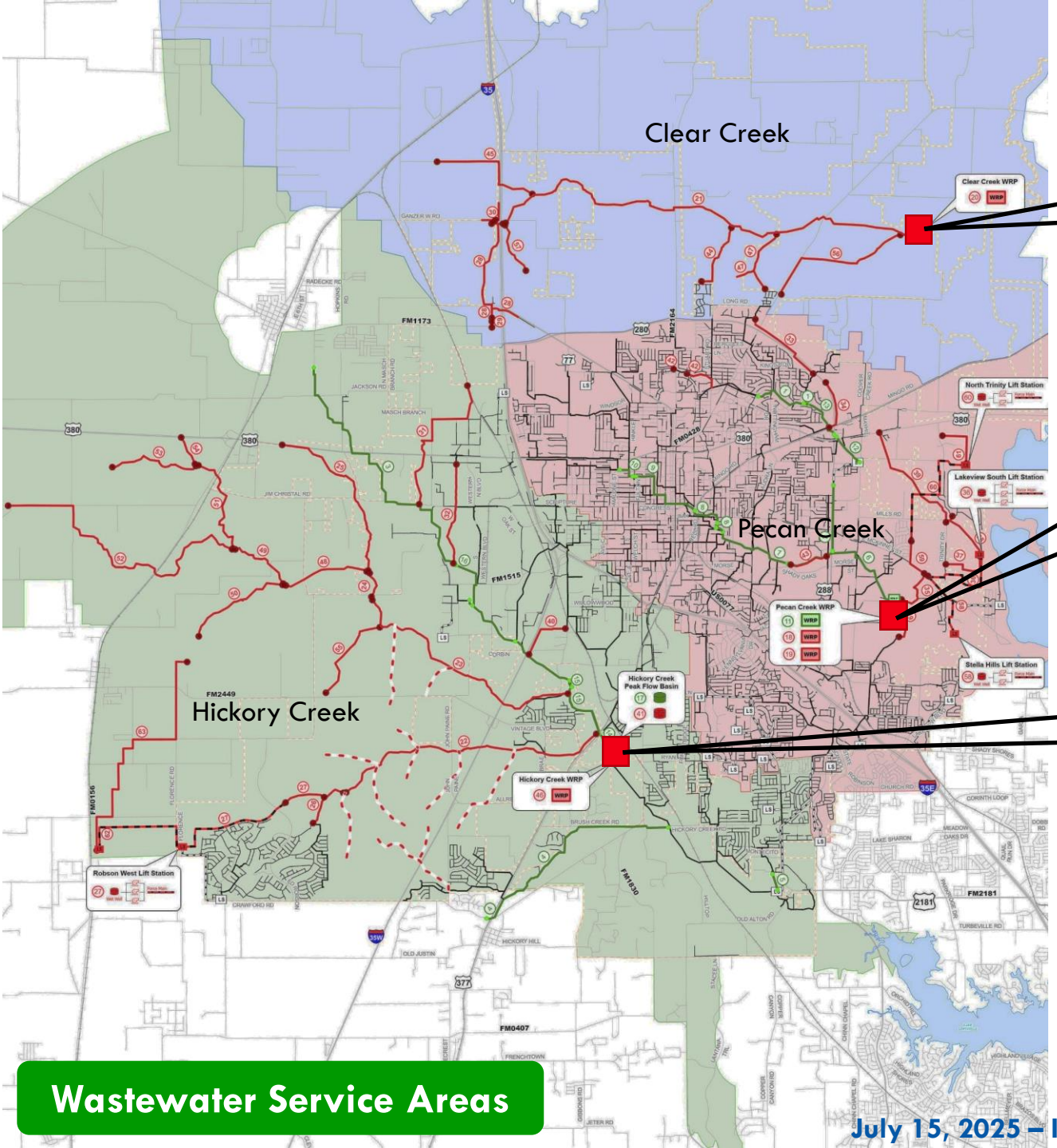
Existing Wastewater Service Area

Pecan Creek WRP Statistics:

- 21 MGD current treatment capacity
  - Approaching 90% utilization which requires expansion to be under construction by Texas Commission on Environmental Quality (TCEQ) rules
- 30 MGD after expansion
  - Treatment capacity and discharge permit will be fully utilized by 2030 according to current models

Single Service Area

Proposed Wastewater Service Areas



Proposed Clear Creek WRP
10 MGD

Existing Pecan Creek WRP
30 MGD

Proposed Hickory Creek WRP
10-20 MGD

Wastewater Service Areas

Estimated Maximum Assessable Impact Fee Calculation (City-Wide)

$$Maximum\ Impact\ Fee\ Per\ Service\ Unit = \frac{10-Year\ Recoverable\ Cost\ of\ Impact\ Fee\ CIP}{10-Year\ Service\ Unit\ Projection}$$

Entire Study Area	Water	Wastewater
10 – Year Recoverable Cost of Impact Fee CIP	$582,923,277	$707,097,573
10 – Year Service Unit Projection	52,774	52,276
Max Assessable Impact Fee per Service Unit	$11,046	$13,526

- Water and Wastewater service unit counts differ slightly due to users with on-site septic or sewer systems
- This calculation is based on single city-wide service areas instead of divided service areas

Proposed Maximum Assessable (100%) Impact Fees Per Service Area

Water Maximum Impact fee by Service Areas

Year	Service Area 1A	Service Area 1B	Service Area 2
2018	$3,569	$5,352	$7,638
2025	$1,820	$10,745	$12,139

Wastewater Maximum Impact fee by Service Areas

Year	2018 Single Service Area		
2018	$4,716		
	Pecan Creek	Hickory Creek	Clear Creek
2025	$11,615	$12,791	$17,916

- The Hunter Ranch and Cole Ranch impacts to projects collectively known as “City Offsites” is calculated and detailed in the final appendix of the impact fee report.
  - This complies with both the Hunter and Cole Operating Agreements as well as Texas Local Government Code Chapter 395

Staff Recommendation
75% Assessable
Impact Fees Per Service Area

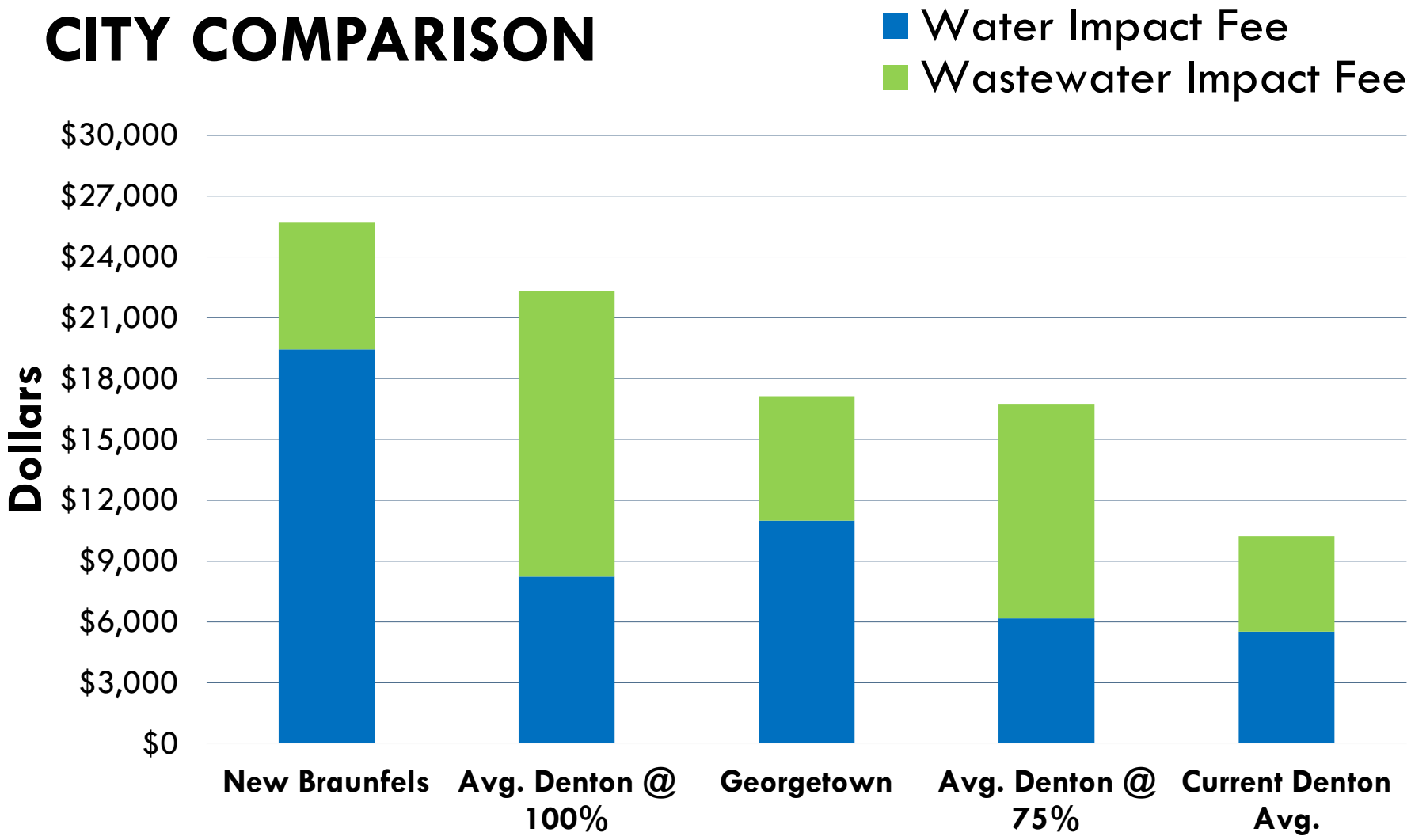
Water 75% Impact fee by Service Areas

Year	Service Area 1A	Service Area 1B	Service Area 2
2018	$3,569	$5,352	$7,638
2025	$1,365	$8,059	$9,104

Wastewater 75% Impact fee by Service Areas

Year	2018 Single Service Area		
2018	$4,716		
	Pecan Creek	Hickory Creek	Clear Creek
2025	$8,711	$9,593	$13,437

CITY COMPARISON



- New Braunfels and Georgetown share the following characteristics with Denton
  - Full-service utilities (own and operate all water and wastewater facilities)
  - Similar population bases and high population growth as Denton
  - Located on the edge of a major metro area

Summary

- Water Utilities staff met individually with Council Members in December 2023 and January 2024 to review the study methodology and share a preliminary update on the impact fee calculations.
- On March 5, 2025 and July 1, 2025, city staff hosted a developer town hall and facilitated a discussion on proposed changes.
- In February and June 2025, staff presented to the Capital Improvement Advisory Committee (CIAC).
- On June 25, 2025, CIAC voted to recommend approval (6-0).
  - Recommended adopting the impact fees at 100% of the calculated maximum collection rate.

Staff recommends adopting Water and Wastewater impact fees at 75% of the proposed maximum amounts per service area.

Adoption Steps

- Notice of Public Hearing (Complete) - 06/21/2025
- Capital Improvement Advisory Committee (CIAC) (6-0 approval) - 06/25/2025
- City Council Work Session to set Public Hearing Meeting - 07/15/2025
- City Council Public Hearing Meeting - 08/052025
- City Council Ordinance Update Meeting - 08/19/2025
- Public Utilities Board Memo Update - 09/22/2025
- Capital Improvement Advisory Committee Update - TBD

Questions

Kyle.Pedigo@cityofdenton.com

File #: ID 25-760, **Version:** 1

AGENDA CAPTION

Deliberations regarding Economic Development - Under Texas Government Code Section 551.087.

Receive a report and hold a discussion regarding the potential offer of a financial or other incentive to a business prospect code-named Project Loom which the City seeks to have locate, stay, renovate, or expand in or near the territory of the City and with which the City is conducting economic development negotiations. This discussion shall include commercial and financial information, including an economic development incentive request the City has received from Project Loom.

File #: ID 25-1225, **Version:** 1

AGENDA CAPTION

Consultation with Attorneys - Under Texas Government Code Section 551.071.

Consult with the City's attorneys regarding potential resolution to a claim with Frontier Southwest, Inc.; where public discussion of these legal matters would conflict with the duty of the City's attorneys to the City of Denton under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas, or otherwise compromise the City's legal position. This agenda item is related to Consent Agenda item ID 25-1226 and will be a placeholder if Council members have questions requiring confidential discussion as allowed by law.

File #: ID 25-680, **Version:** 1

AGENDA CAPTION

Proclamation: Parks and Recreation Month

Proclamation

by the

Mayor of the City of Denton, Texas

To all to whom these presents shall come,

Greetings:

WHEREAS, parks and recreation are vital to the health, well-being, and quality of life of all our residents; and

WHEREAS, these invaluable resources provide opportunities for physical activity, mental rejuvenation, social connection, and environmental stewardship, contributing significantly to a vibrant and cohesive community; and

WHEREAS, our dedicated professionals and volunteers work tirelessly to ensure a safe and welcoming environment for all, allowing for the community to celebrate the essential role parks and recreation plays in building stronger, healthier, and more livable Denton.

NOW, THEREFORE, I, Gerard Hudspeth, Mayor of the City of Denton, Texas, do hereby declare and proclaim July 2025 as

"PARKS AND RECREATION MONTH"

in the City of Denton and encourage all citizens to acknowledge the importance of parks and recreation and the benefits they provide our community.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the official seal of the City of Denton, Texas to be affixed this the 15th day of July 2025.

GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: Ingrid M. Rex

File #: ID 25-1181, **Version:** 1

AGENDA CAPTION

Ms. Prudence Sanchez regarding support of the city after school program.

File #: ID 25-1213, **Version:** 1

AGENDA CAPTION

Ms. Lauren Inman regarding June 3 flooding and city responsiveness.

File #: ID 25-1252, **Version:** 1

AGENDA CAPTION

Ms. Danna Zoltner regarding a proposed gas plant.

File #: ID 25-1290, **Version:** 1

AGENDA CAPTION

Mr. Gokhan Saginci regarding electric spending.

File #: ID 25-062, **Version:** 1

AGENDA CAPTION

Consider approval of the minutes of the June 17, 2025 Regular Meeting.

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: City Secretary's Office

CM: Sara Hensley

DATE: July 15, 2025

SUBJECT

Consider approval of the minutes of the June 17, 2025 Regular Meeting.

BACKGROUND

The minutes draft is provided for review and formal approval by the City Council.

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – June 17, 2025 Minutes

Respectfully submitted:

Lauren Thoden
City Secretary

CITY OF DENTON CITY COUNCIL MINUTES
June 17, 2025

After determining that a quorum was present, the City Council of the City of Denton, Texas convened in a Work Session on Tuesday, June 17, 2025, at 2:00 p.m. in the Council Work Session Room 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 City Manager Sara Hensley and City Attorney Mack Reinwand.

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

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.

• Clarification:
o None

• Pulled For Individual Consideration:
o 4.B

3. Work Session Reports

A. ID 25-1026 Receive a report, hold a discussion, and give staff direction regarding the nominations of Council Members to standing and ad hoc boards, committees, and other internal/external groups, and the associated nomination and appointment processes. [Estimated Presentation/Discussion Time: 45 minutes]

The item was presented, and discussion followed.

Following discussion, Mayor Hudspeth requested staff follow up via email to Council to identify the list of Council Members currently serving on the various boards, along with those members interested in serving on each board.

B. ID 25-1043 Receive a report, hold a discussion, and give staff direction regarding a recap of the 89th State Legislative Session and the City's State Legislative Program priorities. [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 24-2616 Receive a report, hold a discussion, and give staff direction regarding the current and forecasted budget. [Estimated Presentation/Discussion Time: 60 minutes]

The item was presented, and discussion followed.

Following discussion, City Council consensus was to support staff recommendations. Council Member Beck did not support the budget cuts for Clear Creek.

D. ID 25-1105 Receive a report, hold a discussion, and give staff direction to explore the acquisition of an existing and/or proposed dispatchable electric generation facility. [Estimated Presentation/Discussion Time: 45 minutes]

The item was presented, and discussion followed.

Following discussion, Council consensus was to support staff recommendations to investigate acquiring additional [300 MW (option 1) or 600 MW (option 2)] generation capacity with the included community engagement component in the form of a survey, and to report back to Council with findings and options.

The meeting was recessed for a short break at 5:33 p.m. and reconvened at 5:44 p.m.

E. ID25-028 Receive a report, hold a discussion and give staff direction on two-minute pitch requests for:
   1) 2025 Pride Month Resolution
   2) Historic City Hall Building
   [Estimated Presentation/Discussion Time: 30 minutes]

Item 1 was presented, and discussion followed.

Following discussion, there was no required supermajority of City Council support for a resolution to move forward.

Item 2 was withdrawn.
The work session ended at 5:50 p.m.

CLOSED MEETING – NOT HELD

1. Closed Meeting:

A. ID 25-1115 Deliberations Regarding Certain Public Power Utilities: Competitive Matters - Under Texas Government Code Section 551.086. Receive information from staff regarding the energy cost adjustment schedule of rates for large load commercial customers that include public power utility competitive data; discuss, deliberate, and provide direction to staff regarding same. This agenda item is related to Consent Agenda Item ID 25-675 and will be a placeholder if Council members have questions requiring confidential discussion as allowed by law.
NOT DELIBERATED

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, June 17, 2025, at 6:31 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 City Manager Sara Hensley and City Attorney Mack Reinwand.

The posted agenda noted the registration process for in-person and public participation at this meeting. While citizen commentary received via the online registration process was not read, each member for the City Council received each online commentary as it was submitted. In-person and online comments 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 25-1021 Proclamation: Steve Edgar Appreciation
PRESENTED

3. 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 25-1118 Ms. Tracy Duckworth regarding homelessness.
NOT PRESENTED

B. ID 25-1126 Mr. Matt Pruneda regarding public utilities.
PRESENTED

C. ID 25-1128 Mr. Ed Soph regarding the acquisition or construction of another gas-fired power plant.
PRESENTED

D. ID 25-1131 Ms. Jodi Ismert regarding City of Denton's Energy Portfolio and the possibility of a second gas plant.
PRESENTED

E. ID 25-1132 Ms. Deb Armintor regarding no gas plant.
PRESENTED

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.

Citizen comments received are noted on Exhibit A.

4. CONSENT AGENDA

The Consent Agenda consisted of Items 4. A - AH. During the Work Session held earlier in the day, Item 4.B was pulled for Individual Consideration by Council Member Beck.

Council Member Jester moved to adopt the Consent Agenda, now consisting of Items 4.A, 4.C - AH. 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

A. ID 25-061 Consider approval of the minutes of the June 3, 2025, Regular Meeting.
APPROVED

C. ID 25-906 Consider adoption of an ordinance of the City of Denton authorizing the City Manager to execute an interlocal agreement between the City of Denton, Texas, and Denton County, Texas, for the holding and dispositioning of animals and the collection of fees pursuant to the provisions of said agreement; authorizing the City Manager to perform all obligations of the City under the agreement; and providing an effective date. The Animal Shelter Advisory Committee recommends approval (5-0).
ASSIGNED ORDINANCE NO. 25-906

D. ID 25-934 Consider adoption of an ordinance of the City of Denton adopting a schedule of fees, updating the existing charges and fees for City services provided by Animal Services; superseding prior fee schedules; providing severability and repealer clauses; and providing an effective date. The Animal Shelter Advisory Committee recommends approval (5-0).
ASSIGNED ORDINANCE NO. 25-934

E. ID 25-1009 Consider adoption of an ordinance of the City of Denton approving an Assignment of Airport Lease from Ezell Aviation, Inc to Marklyn Jet Parts, LLC covering property at 4855 Sabre, 4933 Sabre, 5011 Sabre, and 5040 Warbird, Denton, Texas at the Denton Enterprise Airport as described in the Lease; authorizing the City Manager to execute the Assignment of Airport Lease; and providing an effective date. Airport Advisory Board recommends approval (7-0).
ASSIGNED ORDINANCE NO. 25-1009

F. ID 25-1010 Consider adoption of an ordinance of the City of Denton approving a Consent to Collateral Assignment of an Airport Land Lease Agreement between HC Aviation Property Holdings, Inc and Guaranty Bank & Trust; and providing an effective date. Airport Advisory Board recommends approval (7-0).
ASSIGNED ORDINANCE NO. 25-1010

G. ID 25-1011 Consider adoption of an ordinance of the City of Denton approving an Airport Land Lease Agreement between the City of Denton, Texas and Hangar Club, LLC, at the Denton Enterprise Airport; authorizing the City Manager to execute the Airport Lease Agreement; and providing an effective date. Airport Advisory Board recommends approval (7-0).
ASSIGNED ORDINANCE NO. 25-1011

H. ID 25-877 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. 25-877

I. ID 25-1013 Consider approval of a resolution of the City of Denton, approving the 2023/2024 Tax Increment Reinvestment Zone Number Two (Westpark TIRZ) annual report; and declaring an effective date. The TIRZ Number Two Board recommends approval (12-0).
ASSIGNED RESOLUTION NO. 25-1013

J. ID 25-1014 Consider approval of a resolution of the City of Denton, Texas, approving the 2023 - 2024 Tax Increment Reinvestment Zone Number One (TIRZ #1) annual report; and declaring an effective date. The TIRZ Number One Board recommends approval (5-0).
ASSIGNED RESOLUTION NO. 25-1014

K. ID 25-1015 Consider adoption of an ordinance of the City of Denton, Texas, allocating expiring Economic Development incentives to the Catalyst Fund; providing for an evaluation of and limit of the amount of allocation; providing a severability clause; and providing an effective date.
ASSIGNED ORDINANCE NO. 25-1015

L. ID 25-1032 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 Thursday, July 3, 2025, from 6:00 p.m. to 10:30 p.m. at the North Texas Fairgrounds; and providing an effective date.
ASSIGNED ORDINANCE NO. 25-1032

M. ID 25-1034 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" and "SCHOOL ZONES" of The Code of Ordinances of the City of Denton, to change the locations, extent, and speed limits on certain parts of Riney Road in the vicinity of future Reeves Elementary School; providing a repealer clause; 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. 25-1034

N. ID 25-1056 Consider adoption of an ordinance of the City of Denton authorizing the City Manager to execute a Reimbursement Agreement for Preliminary Engineering Services with the Union Pacific Railroad Company ("UPRR") relating to the Mingo Road Quiet Zone Project including: 1) Frame Street, 2) Willis Street, 3) Pertain Street, 4) Nottingham Drive, 5) Mockingbird Drive, and 6) Ruddell Street, in the City of Denton; authorizing the expenditure of funds not-to-exceed amount of $200,000.00; and providing an effective date.
ASSIGNED ORDINANCE NO. 25-1056

O. ID 25-1064 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 Primoris T&D Services, LLC., amending the contract approved by City Council on September 28, 2021, in the not-to-exceed amount of $15,000,000.00; said first amendment to continue to supply overhead electrical construction services for Denton Municipal Electric; providing for the expenditure of funds therefor; and providing an effective date (RFP 7725 - providing for an additional first amendment expenditure amount not-to-exceed $3,750,000.00, with the total contract amount not-to-exceed $18,750,000.00). The Public Utilities Board recommends approval (6 - 0).
ASSIGNED ORDINANCE NO. 25-1064

P. ID 25-1065 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 Schweitzer Engineering Laboratories, Inc., for the purchase of Protective Relay Panels for multiple substations for Denton Municipal Electric; providing for the expenditure of funds therefor; and providing an effective date (RFP 8712 - awarded to Schweitzer Engineering Laboratories, Inc., in the not-to-exceed amount of $551,600.00). The Public Utilities Board recommends approval (6 - 0).
ASSIGNED ORDINANCE NO. 25-1065

Q. ID 25-1066 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive statements of qualifications under RFQ 8723 for the General Management Survey of Utilities for the Water Utilities Department; and providing an effective date (RFQ 8723). The Public Utilities Board recommends approval (6 - 0).
ASSIGNED ORDINANCE NO. 25-1066

R. ID 25-1067 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 FCX Performance, Inc. dba Instrumentation Services, for predictive maintenance testing services for the treatment plants and lift stations for the Water Production and Water Reclamation Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8754 - awarded to FCX Performance, Inc. dba Instrumentation Services, 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 $200,000.00). The Public Utilities Board recommends approval (6 - 0).
ASSIGNED ORDINANCE NO. 25-1067

S. ID 25-1068 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a sixth amendment to a contract between the City of Denton and Schneider Electric Smart Grid Solutions, LLC, formerly Telvent USA, LLC, amending the contract approved by City Council on May 7, 2013, in the not-to-exceed amount of $491,813.75; said sixth amendment to continue to provide vendor support of the Denton Municipal Electric (DME) ArcFM solution and associated software modules, along with new hardware and software upgrades; providing for the expenditure of funds

therefor; and providing an effective date (RFP 8764 - providing for a five (5) year term and an additional sixth amendment expenditure amount not-to-exceed $357,500.00). The Public Utilities Board recommends approval (6 - 0).
ASSIGNED ORDINANCE NO. 25-1068

T. ID 25-1069 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 Meter and Device Company, LLC, for water meter reading services for Denton Municipal Electric; providing for the expenditure of funds therefor; and providing an effective date (RFP 8772 - awarded to Texas Meter and Device Company, 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 $3,511,770.00). The Public Utilities Board recommends approval (6 - 0).
ASSIGNED ORDINANCE NO. 25-1069

U. ID 25-1071 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 McMahon Contracting and Construction, LLC dba McMahon Contracting, L.P., for the construction of Westgate Drive Phase 1 Improvement Project for the Capital Projects Department; providing for the expenditure of funds therefor; and providing an effective date (CSP 8777 - awarded to McMahon Contracting and Construction, LLC dba McMahon Contracting, L.P., in the not-to-exceed amount of $3,914,087.57). The Public Utilities Board recommends approval (6 - 0).
ASSIGNED ORDINANCE NO. 25-1071

V. ID 25-1072 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 Primary Health Physicians, PLLC dba CareNow, for the supply of Drug, Alcohol, and Physical Testing Services for the Human Resources Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8792 - awarded to Primary Health Physicians, PLLC dba CareNow, 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 $425,000.00).
ASSIGNED ORDINANCE NO. 25-1072

W. ID 25-1075 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 Connect Technology Group, LLC, through The Interlocal Purchasing System (TIPS) Cooperative Program Contract No. 230105 for structured data cabling services for the Technology Services Department; providing for the expenditure of funds therefor; and providing an effective date (File 8810 - awarded to Connect Technology Group, 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 $360,000.00).
ASSIGNED ORDINANCE NO. 25-1075

X. ID 25-1076 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 Presidio Networked Solutions LLC, through The Interlocal Purchasing System (TIPS) Cooperative

Program Contract No. 240503 for the FreshService Information Technology Service Management (ITSM) system for the Technology Services Department; providing for the expenditure of funds therefor; and providing an effective date (File 8839 - awarded to Presidio Networked Solutions 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 $1,390,000.00).
ASSIGNED ORDINANCE NO. 25-1076

Y. ID 25-1077 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 Lexipol, LLC through the Sourcewell Cooperative Purchasing Network Contract No. 011822-LXP, for the purchase of the Lexipol System including software licenses and maintenance services for the Police Department; authorizing the expenditure of funds therefor; and providing an effective date (File 8847 - awarded to Lexipol, LLC, for one (1) year, with the option for four (4) additional one (1) year extensions, in the total five (5) year in the not-to-exceed amount of $230,743.00).
ASSIGNED ORDINANCE NO. 25-1077

Z. ID 25-1073 Consider adoption of an ordinance of the City of Denton ratifying the submission of an application to the North Central Texas Council of Governments (NCTCOG) FY 2026 to 2027 Solid Waste Grant Program in the amount of $25,025 for trash and recycling containers; and providing for an effective date.
ASSIGNED ORDINANCE NO. 25-1073

AA. ID 25-1078 Consider adoption of an ordinance of the City of Denton authorizing the submission of an application to the U.S. Department of Transportation FY 2025 Safe Streets and Roads for All Grant Program funded by the Infrastructure Investment and Jobs Acts (IIJA) in the amount of $960,000 and City's matching funds of $192,000 to develop an ADA transition plan, Mobility and Active Transportation Plan, and a Safe Routes to School Plan; and providing an effective date.
ASSIGNED ORDINANCE NO. 25-1078

AB. ID 25-1079 Consider adoption of an ordinance of the City of Denton authorizing the submission of an application to the Texas Department of Transportation (TXDOT) 2025 Transportation Alternatives Set-Aside (TA) Program Grant in an amount not to exceed $11,968,000 and City's matching funds of $2,992,000 for pedestrian and bicycle infrastructure; and providing an effective date.
ASSIGNED ORDINANCE NO. 25-1079

AC. ID 25-1080 Consider adoption of an ordinance of the City of Denton ratifying the submission of an application to the U.S. Department of Transportation (USDOT) Build America Bureau's FY 2024 Regional Infrastructure Accelerator Program in the amount of $2,000,000 to implement an Intelligent Vertiport Traffic Flow Management System; and providing an effective date.
ASSIGNED ORDINANCE NO. 25-1080

AD. ID 25-933 Consider approval of a resolution of the City of Denton establishing Policy "Responsible Euthanasia" to establish humane animal euthanasia decision making standards for Animal Services; and declaring an effective date.
ASSIGNED RESOLUTION NO. 25-933

AE. ID 25-1086 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute forms from the Texas Department of Licensing and Registration, the Texas Commission on Environmental Quality, and the Texas department of Motor Vehicles related to the Facilities Management and Fleet Services Departments for a period of three (3) years; ratifying previously executed forms; and providing an effective date.
ASSIGNED ORDINANCE NO. 25-1086

AF. ID 25-1090 Consider adoption of an ordinance of the City of Denton, Texas, authorizing the City Manager to execute an Interlocal Agreement with Denton County for the County to provide Property Tax Billing and Collection Services for the City of Denton; providing a savings clause; and providing an effective date.
ASSIGNED ORDINANCE NO. 25-1090

AG. ID 25-1137 Consider approval of a resolution of the City Council of the City of Denton, Texas, setting a process for the amendment and adoption of updated water and wastewater land use assumptions and capital improvements plans, and the imposition of updated water and wastewater impact fees; directing staff to provide notice of the public hearing as required by law; and providing an effective date.
ASSIGNED RESOLUTION NO. 25-1137

AH. ID 25-675 Consider adoption of an ordinance of the City of Denton, Texas establishing the schedule of rates for electric service; amending the Energy Cost Adjustment and Transmission Cost Recovery Factor Schedules to add rate schedule ECA LL for an Energy Cost Adjustment rate schedule for large load customers whose planned or actual single point of delivery meets or exceeds 20 megawatts; providing for a repealer; providing for a severability clause; and providing effective dates for this ordinance and the schedules of rates. The Public Utilities Board recommends approval (6 - 0).
ASSIGNED ORDINANCE NO. 25-675

ITEM PULLED FOR INDIVIDUAL CONSIDERATION

B. ID 25-084 Consider a nomination/appointment to the City's Planning & Zoning Commission.

The item was presented, and discussion followed.

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

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

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

Motion carried.

5. PUBLIC HEARINGS

A. ID 25-192 Hold a public hearing inviting citizens to comment on the 2025 Action Plan for the 2023-2027 Consolidated Plan for Housing and Community Development.

There were no online registration or call-ins on the item. The summary of public commentary/registrations are noted on Exhibit A.

The item was presented, and discussion followed.

The public hearing was opened and with no callers in the queue, the public hearing was closed.

Note: There was no action taken as the item was only a public hearing.

B. MPA24-0003b Hold a public hearing and consider adoption of an ordinance of the City of Denton, Texas, regarding a City-initiated Comprehensive Plan Amendment to modify the Thoroughfare Map of the 2022 Mobility Plan, including but not limited to modifications to the functional classification of Eagle Drive between North Texas Blvd to South Carroll Blvd, Welch Street between Eagle Drive to West Oak Street, and Avenue A between Highway I-35E to Eagle Drive from Secondary Arterial to Collector. The general area of change is located south and east of the University of North Texas in the City of Denton, Denton County, Texas. STAFF IS REQUESTING THIS ITEM BE WITHDRAWN. (MPA24-0003, Eagle Drive, Avenue A, & Welch, Sahar Esfandyari)

This item was not heard or opened as it was withdrawn.

C. MPA25-0001b Hold a public hearing and consider adoption of an ordinance of the City of Denton, Texas, regarding a City-initiated Comprehensive Plan Amendment to modify the Thoroughfare Map of the 2022 Mobility Plan, including but not limited to removing and realigning a proposed extension of Underwood Road between FM 1515 (Airport Road) and Springside Road, removing an east-west extension of future Corbin Road from Springside Road to existing north-south Corbin Road, and reclassifying portions of Corbin Road and Springside Road. The general area of change is located east of the City of Denton Airport, and west of I-35 W in the City of Denton, Denton County, Texas; adopting an amendment to the City's official mobility plan; 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 4-0 to recommend approval of the request. Motion for approval by Commissioner Dyer and seconded by Commissioner McDuff. (MPA25-0001b, Underwood, Corbin, and Springside, Sahar Esfandyari).
ASSIGNED ORDINANCE NO. MPA25-0001b

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

The public hearing was opened and with no callers in the queue, the public hearing was closed.

Following discussion, Council Member Jester 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

D. MPA25-0002b Hold a public hearing and consider adoption of an ordinance of the City of Denton, Texas, regarding a City-initiated Comprehensive Plan Amendment to modify the Thoroughfare Map of the 2022 Mobility Plan, including but not limited to removing a Future Collector between I-35 and Western Boulevard south of West University Drive (US 380). The general area of change is located west of I-35, east of Western Boulevard, south of US 380, and north of Jim Christal Road in the City of Denton, Denton County, Texas; adopting an amendment to the City's official mobility plan; 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 4-0 to recommend approval of the request. Motion for approval by Commissioner Dyer and seconded by Commissioner McDuff (MPA25-0002b, Future Collector between I-35 and Western, Sahar Esfandyari).
ASSIGNED ORDINANCE NO. MPA25-0002b

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

The public hearing was opened and with no callers in the queue, the public hearing was closed.

Following discussion, Council Member Jester 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

6. ITEMS FOR INDIVIDUAL CONSIDERATION

A. ID 25-1070 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 Holt Texas, LTD., through the Buy Board Cooperative Purchasing Network Contract Nos. 685-22 and

740-24, for authorized repair services, purchases, and rentals of Caterpillar construction equipment for the Fleet Services Department; providing for the expenditure of funds therefor; and providing an effective date (File 8805 - awarded to Holt Texas, LTD., 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 $14,983,500.00). The Public Utilities Board recommends approval (6 - 0).
ASSIGNED ORDINANCE NO. 25-1070

All members of the City Council received the comments 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 public commentary/registrations are noted on Exhibit A.
The item was presented, and discussion followed.

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

B. ID 25-1119 Consider adoption of an ordinance of the City Of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to utilize a contract through the City of Fort Worth, for the purchase of motor vehicle fuels for the Fleet Services Department, as awarded by the City of Fort Worth Bid No. 63191; providing for the expenditure of funds therefor; and providing an effective date (File 8855 - awarded to TACENERGY, 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 $24,444,000.00).
ASSIGNED ORDINANCE NO. 25-1119

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

The item was presented, and discussion followed.

Following discussion, Council Member Jester 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

C. ID 25-913 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 Mayday Manufacturing Co. regarding the expansion of operations in the City of Denton; authorizing the expenditure of funds; therefor and providing an effective date. The Economic Development Partnership Board recommends approval (11-0-1)
ASSIGNED ORDINANCE NO. 25-913

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 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 8:08 P.M.

_____	_____
GERARD HUDSPETH MAYOR CITY OF DENTON, TEXAS	LAUREN THODEN CITY SECRETARY CITY OF DENTON, TEXAS

MINUTES APPROVED ON: _____

June 17, 2025 City Council Regular Meeting - EXHIBIT A							
Name	**Last**	**Address**	**City**	**Agenda Item**	**Position**	**Method**	**Comments**
Laurie	Harrier	503 Boliver St.	Denton			Open Mic	
Max	Darrett	918 N. Bell Ave.	Denton			Open Mic	
George	Ferrie	4708 Conley Ln	Denton			Open Mic	
Rebecca	Lopez			25-1070		e-Comment	I'm Rebecca Lopez, a parent and Christian. I love all people and believe in respect for all, but I also believe truth matters. I'm concerned about the city recognizing Pride Month and promoting gender ideology in public spaces. Many families hold traditional values and deserve a voice. Let's build a community where disagreement is allowed, conscience is protected, and children are not exposed to harmful ideologies. Do not support what God calls evil. Pride comes before a fall.
Amanda	Conway	District 1	Denton	25-192	Support	Public Hearing	Did not speak
George	Ferrie	4708 Conley Ln	Denton	25-192	Support	Public Hearing	Did not speak
Clinton	Ferrie	4708 Conley Ln	Denton	25-192	Support	Public Hearing	Did not speak

File #: ID 25-1229, **Version:** 1

AGENDA CAPTION

Consider approval of a resolution of the City of Denton appointing three members to the Committee on the Environment

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: City Manager's Office

CM: Sara Hensley

DATE: July 17, 2025

SUBJECT

Consider approval of a resolution of the City of Denton appointing three members to the Committee on the Environment.

BACKGROUND

Members of the City Council serve on designated standing committees and other internal/external boards that provide policy guidance and direction to staff. Some are established by City Council resolution/ordinance, while external boards have their own regulations as to the membership composition and appointing authority.

To account for changes in City Council membership resulting from elections, these assignments are reviewed annually to determine any needed adjustments to existing member assignments as well as afford members the opportunity to identify any new or additional committees they may be interested in serving on.

Through Internal Staff Report No. 2025-053 provided as part of the June 6, 2025, Friday Report, Council members were asked to identify and submit committees of interest to the City Secretary's Office by Friday, June 13, 2025.

There are three positions open on the Committee on the Environment.

At the June 17, 2025, Work Session, staff sought direction regarding which nominations to bring forward for appointment on the July 15, 2025, City Council agenda.

The Work Session resulted in three nominations by Mayor Hudspeth for three open seats.

MEMBERS TO BE APPOINTED (3):

Council Member Brian Beck
Council Member Brandon Chase McGee
Council Member Joe Holland

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 - Resolution

Respectfully submitted:

Lauren Thoden
City Secretary

RESOLUTION NO. 25-1229

A RESOLUTION OF THE CITY OF DENTON APPOINTING THREE MEMBERS TO THE COMMITTEE ON THE ENVIRONMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, following each election cycle and periodically as needed the City Secretary informs the Council of vacancies on Boards, Commissions, and Committees; and

WHEREAS, the Committee on the Environment consists of three (3) City Council Members; and

WHEREAS, the Committee on the Environment has three positions open for appointment that must be filled by City Council Members; NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The recitations in the preamble of this resolution are incorporated by reference.

SECTION 2. Council Members Brian Beck, Joe Holland, and Brandon Chase McGee are appointed to the City Council Committee on the Environment and shall serve until a successor(s) is appointed following the next election cycle.

SECTION 3. This resolution shall become effective immediately upon its passage and approval.

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

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY



BY: _____

File #: ID 25-1230, **Version:** 1

AGENDA CAPTION

Consider approval of a resolution of the City of Denton appointing two members to the Tax Increment Reinvestment Zone Number One Board.

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: City Manager's Office

CM: Sara Hensley

DATE: July 15, 2025

SUBJECT

Consider approval of a resolution of the City of Denton appointing two members to the Tax Increment Reinvestment Zone Number One Board.

BACKGROUND

Members of the City Council serve on designated standing committees and other internal/external boards that provide policy guidance and direction to staff. Some are established by City Council resolution/ordinance, while external boards have their own regulations as to the membership composition and appointing authority.

To account for changes in City Council membership resulting from elections, these assignments are reviewed annually to determine any needed adjustments to existing member assignments as well as afford members the opportunity to identify any new or additional committees they may be interested in serving on.

Through Internal Staff Report No. 2025-053 provided as part of the June 6, 2025, Friday Report, Council members were asked to identify and submit committees of interest to the City Secretary's Office by Friday, June 13, 2025.

There are two positions open on the Tax Increment Reinvestment Zone Number One Board. One position has a term ending August 31, 2026, and the second position has a term ending August 31, 2027.

At the June 17, 2025, Work Session, Council Members Beck and Holland expressed interest in serving on the Tax Increment Reinvestment Zone Number One Board.

The Work Session resulted in two nominations for two open seats.

MEMBERS TO BE APPOINTED (2):

Council Member Brian Beck and
Council Member Joe Holland

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Resolution

Respectfully submitted:

Lauren Thoden
City Secretary

RESOLUTION NO. 25-1230

A RESOLUTION OF THE CITY OF DENTON APPOINTING TWO MEMBERS TO THE TAX INCREMENT REINVESTMENT ZONE NUMBER ONE BOARD; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Tax Increment Reinvestment Zone One Board makes recommendations to the City Council concerning the administration of Tax Increment Reinvestment Zone One.

WHEREAS, the Tax Increment Reinvestment Zone One Board prepares and adopts a project plan and Tax Increment Reinvestment Zone financing plans for the Zone and submits the plans to the City Council for approval.

WHEREAS, the Tax Increment Reinvestment Zone One Board also prepares, implements, and monitors such project and financing plans for the Tax Increment Reinvestment Zone as the City Council considers advisable including the submission of an annual report on the status of the Zone.

WHEREAS the Tax Increment Reinvestment Zone One Board has two positions open for appointment that must be filled by City Council Members.

WHEREAS, the City Council of the City of Denton, after due consideration, has selected Council Member _____ to serve on the Tax Increment Reinvestment Zone One Board for the unexpired term ending August 31, 2026.

WHEREAS, the City Council of the City of Denton, after due consideration, has selected Council Member _____ to serve on the Tax Increment Reinvestment Zone One Board for the term ending August 31, 2027; NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The recitations in the preamble of this resolution are incorporated by reference.

SECTION 2. Council Member _____ is appointed to serve on the Tax Increment Reinvestment Zone One Board for the unexpired term ending August 31, 2026.

SECTION 2. Council Member _____ is appointed to serve on the Tax Increment Reinvestment Zone One Board for the term ending August 31, 2027.

SECTION 3. This resolution shall become effective immediately upon its passage and approval.

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

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY



BY: _____

File #: ID 25-1231, **Version:** 1

AGENDA CAPTION

Consider approval of a resolution of the City of Denton appointing an alternate member to the Dallas Regional Mobility Coalition.

AGENDA INFORMATION SHEET

DEPARTMENT: City Manager's Office

CM: Sara Hensley

DATE: July 17, 2025

SUBJECT

Consider approval of a resolution of the City of Denton appointing an alternate member to the Dallas Regional Mobility Coalition.

BACKGROUND

Members of the City Council serve on designated standing committees and other internal/external boards that provide policy guidance and direction to staff. Some are established by City Council resolution/ordinance, while external boards have their own regulations as to the membership composition and appointing authority.

To account for changes in City Council membership resulting from elections, these assignments are reviewed annually to determine any needed adjustments to existing member assignments as well as afford members the opportunity to identify any new or additional committees they may be interested in serving on.

Through Internal Staff Report No. 2025-053 provided as part of the June 6, 2025, Friday Report, Council members were asked to identify and submit committees of interest to the City Secretary's Office by Friday, June 13, 2025.

There is one positions open on the Dallas Regional Mobility Coalition for an alternate member.

At the June 17, 2025, Work Session, staff sought direction regarding which nomination to bring forward for appointment on the July 15, 2025, City Council agenda.

The Work Session resulted in a nomination for an alternate member on the Dallas Regional Mobility Coalition.

MEMBER TO BE APPOINTED (1):

Council Member Jill Jester - alternate member

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Resolution

Respectfully submitted:

Lauren Thoden
City Secretary

RESOLUTION NO. 25-1231

A RESOLUTION OF THE CITY OF DENTON APPOINTING AN ALTERNATE MEMBER TO THE DALLAS REGIONAL MOBILITY COALITION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Dallas Regional Mobility Coalition Bylaws outline the board composition and states, in part, *"...the Executive Committee shall consist of appointed members as indicated ... one each from the Cities with a population of 50,000, ... , being either the Mayor or another elected official designated by the City Council.*"

WHEREAS, Dallas Regional Mobility Coalition Bylaws do not provide for a term limit for appointed members; and

WHEREAS, the City Council understands the important work performed by the Dallas Regional Mobility Coalition and therefore wishes to appoint an alternate member to fill the existing vacancy; and

WHEREAS, the City Council, after due consideration, has selected Council Member Jill Jester to serve as alternate member on the Dallas Regional Mobility Coalition;

THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The recitations in the preamble of this resolution are incorporated by reference as findings of the City Council.

SECTION 2. Council Member Jill Jester is appointed as the alternate member of the Dallas Regional Mobility Coalition to represent the City of Denton.

SECTION 3. This resolution shall become effective immediately upon its passage and approval.

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

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY



BY: _____

File #: ID 25-1232, **Version:** 1

AGENDA CAPTION

Consider approval of a resolution of the City of Denton appointing a member and proxy to the North Texas Commission.

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: City Manager's Office

CM: Sara Hensley

DATE: July 17, 2025

SUBJECT

Consider approval of a resolution of the City of Denton appointing a member and proxy to the North Texas Commission; and providing an effective date.

BACKGROUND

Members of the City Council serve on designated standing committees and other internal/external boards that provide policy guidance and direction to staff. Some are established by City Council resolution/ordinance, while external boards have their own regulations as to the membership composition and appointing authority.

To account for changes in City Council membership resulting from elections, these assignments are reviewed annually to determine any needed adjustments to existing member assignments as well as afford members the opportunity to identify any new or additional committees they may be interested in serving on.

Through Internal Staff Report No. 2025-053 provided as part of the June 6, 2025, Friday Report, Council members were asked to identify and submit committees of interest to the City Secretary's Office by Friday, June 13, 2025.

There are two positions open, for a member and proxy, to the North Texas Commission.

At the June 17, 2025, Work Session, staff sought direction regarding which nominations to bring forward for appointment on the July 15, 2025, City Council agenda.

The Work Session resulted in nominations for the Mayor to serve as the member and the City Manager as proxy to the North Texas Commission for the period October 1, 2025, through September 30, 2026.

MEMBERS TO BE APPOINTED (2):

Mayor Gerard Hudspeth (member)
City Manager Sara Hensley (proxy)

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Resolution

Respectfully submitted:

Lauren Thoden
City Secretary

RESOLUTION NO. 25-1232

A RESOLUTION OF THE CITY OF DENTON APPOINTING A MEMBER AND PROXY TO THE NORTH TEXAS COMMISSION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Dallas-Fort Worth Metroplex is unique and home to 7.5 million people. North Texas is one of the fastest-growing regions in the U.S. and currently the nation's 4th largest region; and

WHEREAS, the North Texas Commission was created as a non-profit corporation chartered under the laws of the State of Texas and manages the region's unified advocacy voice at the state and federal levels; and

WHEREAS, the City of Denton has been a member of the North Texas Commission since 1978 and can appoint a member and proxy; and

WHEREAS, the City Council understands the important work performed by the North Texas Commission and therefore wishes to continue appointing a member and proxy; NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The recitations in the preamble of this resolution are incorporated by reference.

SECTION 2. The Mayor is appointed as a member of the North Texas Commission and the City Manager as proxy to represent the City of Denton, for the term ending September 30, 2026 (such applicable term covering the period of October 1, 2025 through September 30, 2026).

SECTION 3. This resolution shall become effective immediately upon its passage and approval.

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

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jil Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

File #: ID 25-085, **Version:** 1

AGENDA CAPTION

Consider a nomination/appointment to the City of Denton's Community Services Advisory Committee.

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: City Secretary's Office

CM: Sara Hensley

DATE: July 15, 2025

SUBJECT

Consider a nomination to the City of Denton's 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 Kamga Siewe was received from Council Member Beck (District 2) for a vacancy on the Community Services Advisory Committee. The nomination is for an unexpired term ending August 31, 2025 and for the term commencing September 1, 2025 and ending August 31, 2027.

EXHIBIT

Exhibit 1 – Agenda Information Sheet

Respectfully submitted:

Lauren Thoden
City Secretary

File #: ID 25-1250, **Version:** 1

AGENDA CAPTION

Consider a nomination/appointment to the City's Bond Oversight Committee.

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: City Secretary's Office

CM: Sara Hensley

DATE: July 15, 2025

SUBJECT

Consider a nomination to the City of Denton Bond Oversight Committee.

BACKGROUND

This item provides for nominations to the City of Denton Bond Oversight Committee 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 resignation of Bond Oversight Committee member Patrick Smith on May 7, 2025 resulted in a vacancy to be filled by a successor appointed by the City Council. Pursuant to Resolution Number 21-1507 Section 1, "membership of the Bond Oversight Committee shall be composed of seven (7) residents of the City of Denton, appointed by the City Council. The members shall serve at the pleasure of the City Council until successors are duly appointed." As such, all seats on this committee are eligible for nomination by any member of the City Council.

One nomination for Brand Richter was received from Mayor Pro Tem Rumohr for the vacancy on the Bond Oversight Committee for an unexpired term commencing December 17, 2019 and ending December 16, 2025.

EXHIBIT

Exhibit 1 – Agenda Information Sheet

Respectfully submitted:

Lauren Thoden
City Secretary

File #: ID 25-1251, **Version:** 1

AGENDA CAPTION

Consider a nomination/appointment to the Denton Police Department Chief of Police Advisory Board.

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: City Secretary's Office

CM: Sara Hensley

DATE: July 15, 2025

SUBJECT

Consider a nomination to the Denton Police Department Chief of Police Advisory 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 Donald Poer was received from Council Member Beck (District 2) for a vacancy on the Denton Police Department Chief of Police Advisory Board. The nomination is for the term commencing September 1, 2025 and ending August 31, 2028.

EXHIBIT

Exhibit 1 – Agenda Information Sheet

Respectfully submitted:

Lauren Thoden
City Secretary

File #: ID 25-1239, **Version:** 1

AGENDA CAPTION

Consider approval of a resolution of the City of Denton excusing the June 25, 2025, meeting absence of an Economic Development Partnership Board Member; and providing an effective date.

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: City Secretary's Office

CM: Sara Hensley

DATE: July 15, 2025

SUBJECT

Consider approval of a resolution of the City of Denton excusing the June 25, 2025 meeting absence of a Economic Development Partnership Board Board Member; and providing an effective date.

BACKGROUND

Section 2-83(c) of the Denton City Code mandates board, commission, or committee members who cannot attend a meeting must contact the chairperson or an appropriate staff liaison to report the absence before the start of the meeting and provide the reason. Absences can be excused by the City Secretary if the notification is received in advance of the meeting and if the absence is for the following reasons: personal or family illness, death of a family member, jury duty, service in the armed forces, testifying before the legislature, attending a seminar involving municipal matters of importance to the member's duties, or an absence necessary for the member's business or employment. All board, commission, and committee members are provided information on the attendance requirements.

Economic Development Partnership Board Board Member Ron Crockett reported the absence on June 25, 2025 was due to pre-planned travel. Denton City Code Section 2-83(c)(1)(b) provides that in the event an absence does not meet any of the above excused absence criteria, a member may submit a request to have the absence excused to the City Secretary's Office in writing no later than ten business days after the date the absence occurred, after which the City Secretary will place an item on the next available City Council agenda for consideration, in accordance with the Texas Open Meetings Act. Member Ron Crockett filed the request within the timeline required. The request is being formally presented to City Council.

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Resolution

Respectfully submitted:
Lauren Thoden
City Secretary

RESOLUTION NO. 25-1239

A RESOLUTION OF THE CITY OF DENTON EXCUSING THE JUNE 25, 2025, MEETING ABSENCE OF AN ECONOMIC DEVELOPMENT PARTNERSHIP BOARD MEMBER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Ordinance No. 19-2866, adopted January 28, 2020, outlines the attendance policy/requirements for members of certain board, commission, and committees; and

WHEREAS, at adoption, Ordinance No. 19-2866 amended Section 2-83(c)(1)(a) to provide that an absence shall be considered excused for the following reasons: personal or family illness, death of a family member, jury duty, service in the armed forces, testifying before the legislature, attending a seminar involving municipal matters of importance to the member's duties, or an absence necessary for the member's business or employment; and

WHEREAS, Section 2-83(c)(1)(b), provides "in the event an absence does not meet any of the above noted criteria for an excused absence, the member may submit a request to have the absence excused to the City Secretary's Office in writing no later than ten business days after the date the absence occurred, after which the City Secretary will then place an item on the next available city council agenda for their consideration, in accordance with the Texas Open Meetings Act."; and

WHEREAS, Economic Development Partnership Board Member Ron Crockett (Member) was absent from the June 25, 2025, meeting with the purpose of the absence not meeting the criteria for excused absences; and

WHEREAS, the Member has requested City Council excuse the absences from the June 25, 2025, meeting for the purpose as stated in Exhibit A; and,

WHEREAS, the City Secretary formally presents the Member's request for the excused absences to the City Council; NOW THEREFORE;

THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The reason for Member Ron Crockett's absence from the June 25, 2025, Economic Development Partnership Board meeting is sufficient to provide the absences be excused.

SECTION 2. The attendance record should reflect such absences as excused.

SECTION 3. This Resolution shall become effective immediately upon its passage and approval.

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

	Aye	Nay	Abstain	Absent
Gerard Hudspeth, Mayor:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

City of Denton

Board and Commission Notification of Absence Request

Economic Development Partnership Board

Absence Date: 06/25/25 **Submitted On**: 06/13/25 10:14 AM

Name:

Ron Crockett

Phone:

[redacted]

Email:

[redacted]

Reason for Absence:

scheduled vacation

File #: ID 25-1241, **Version:** 1

AGENDA CAPTION

Consider approval of a resolution of the City of Denton excusing the June 25, 2025, meeting absence of a Tax Increment Reinvestment Zone Number Two Board Member; and providing an effective date.

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: City Secretary's Office

CM: Sara Hensley

DATE: July 15, 2025

SUBJECT

Consider approval of a resolution of the City of Denton excusing the June 25, 2025 meeting absence of a Tax Increment Reinvestment Zone Number Two Board Board Member; and providing an effective date.

BACKGROUND

Section 2-83(c) of the Denton City Code mandates board, commission, or committee members who cannot attend a meeting must contact the chairperson or an appropriate staff liaison to report the absence before the start of the meeting and provide the reason. Absences can be excused by the City Secretary if the notification is received in advance of the meeting and if the absence is for the following reasons: personal or family illness, death of a family member, jury duty, service in the armed forces, testifying before the legislature, attending a seminar involving municipal matters of importance to the member's duties, or an absence necessary for the member's business or employment. All board, commission, and committee members are provided information on the attendance requirements.

Tax Increment Reinvestment Zone Number Two Board Board Member Ron Crockett reported the absence on June 25, 2025 was due to pre-planned travel. Denton City Code Section 2-83(c)(1)(b) provides that in the event an absence does not meet any of the above excused absence criteria, a member may submit a request to have the absence excused to the City Secretary's Office in writing no later than ten business days after the date the absence occurred, after which the City Secretary will place an item on the next available City Council agenda for consideration, in accordance with the Texas Open Meetings Act. Member Ron Crockett filed the request within the timeline required. The request is being formally presented to City Council.

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Resolution

Respectfully submitted:
Lauren Thoden
City Secretary

RESOLUTION NO. 25-1241

A RESOLUTION OF THE CITY OF DENTON EXCUSING THE JUNE 25, 2025, MEETING ABSENCE OF A TAX INCREMENT REINVESTMENT ZONE NUMBER TWO BOARD MEMBER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Ordinance No. 19-2866, adopted January 28, 2020, outlines the attendance policy/requirements for members of certain board, commission, and committees; and

WHEREAS, at adoption, Ordinance No. 19-2866 amended Section 2-83(c)(1)(a) to provide that an absence shall be considered excused for the following reasons: personal or family illness, death of a family member, jury duty, service in the armed forces, testifying before the legislature, attending a seminar involving municipal matters of importance to the member's duties, or an absence necessary for the member's business or employment; and

WHEREAS, Section 2-83(c)(1)(b), provides "in the event an absence does not meet any of the above noted criteria for an excused absence, the member may submit a request to have the absence excused to the City Secretary's Office in writing no later than ten business days after the date the absence occurred, after which the City Secretary will then place an item on the next available city council agenda for their consideration, in accordance with the Texas Open Meetings Act."; and

WHEREAS, Tax Increment Reinvestment Zone Number Two Board Member Ron Crockett (Member) was absent from the June 25, 2025, meeting with the purpose of the absence not meeting the criteria for excused absences; and

WHEREAS, the Member has requested City Council excuse the absences from the June 25, 2025, meeting for the purpose as stated in Exhibit A; and,

WHEREAS, the City Secretary formally presents the Member's request for the excused absences to the City Council; NOW THEREFORE;

THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The reason for Member Ron Crockett's absence from the June 25, 2025, Tax Increment Reinvestment Zone Number Two Board meeting is sufficient to provide the absences be excused.

SECTION 2. The attendance record should reflect such absences as excused.

SECTION 3. This Resolution shall become effective immediately upon its passage and approval.

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

	Aye	Nay	Abstain	Absent
Gerard Hudspeth, Mayor:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

City of Denton

Board and Commission Notification of Absence Request

Tax Increment Reinvestment Zone Number Two Board

Absence Date: 06/25/25 **Submitted On**: 06/13/25 10:10 AM

Name:

Ron Crockett

Phone:

[redacted]

Email:

[redacted]

Reason for Absence:

scheduled vacation

File #: ID 25-1135, **Version:** 1

AGENDA CAPTION

Consider adoption of an ordinance of the City of Denton authorizing the City Manager to execute an Interlocal Cooperation Contract in the form of a Memorandum of Understanding with the State of Texas, Texas Department of Public Safety, authorizing the Denton Police Department to perform Uniform Commercial Vehicle Weight Inspections and Enforcement; and providing an effective date.

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: **POLICE**

CM/ DCM/ ACM: **Sara Hensley, City Manager**

DATE: **July 15, 2025**

SUBJECT

Consider adoption of an ordinance of the City of Denton authorizing the City Manager to execute an Interlocal Cooperation Contract in the form of a Memorandum of Understanding with the State of Texas, Texas Department of Public Safety, authorizing the Denton Police Department to perform Uniform Commercial Vehicle Weight Inspections and Enforcement; and providing an effective date.

BACKGROUND

Since 2006, the Denton Police Department has worked cooperatively with the Texas Department of Public Safety (DPS) on commercial motor vehicle safety enforcement. The goal of Commercial Vehicle Enforcement is to reduce commercial motor vehicle accidents, fatalities, and injuries through consistent, uniform, and effective CMV safety programs. The CMV program detects, corrects or temporarily puts out of service commercial vehicles that exhibit safety defects, driver deficiencies, and unsafe motor carrier practices before they become contributing factors to crashes and a hazard to the citizens of Denton.

DPS provides training, testing and certification of officers within the Traffic Section of the police department who are assigned to commercial motor vehicle enforcement activities. These officers may conduct random, in-person observation of weight enforcement inspections to ensure adherence to the Department of Public Safety certification standards. In order to perform enforcement activities under Chapter 621, the Police Department is required to enter a Memorandum of Understanding (MOU) with the Department of Public Safety that specifies the roles and obligations of each agency. The Department agrees to certification training of their officers, purchase the approved scales to meet State standards and provide the required annual reports on enforcement activities. This agreement must be renewed every two (2) years and will be effective from August 1, 2025, to August 1, 2027.

RECOMMENDATION

Staff recommends Council approve this ordinance.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Council approved Ordinance 19-1916 on August 13, 2019, Ordinance 21-1446 on July 27, 2021, and Ordinance 23-1474 on August 15, 2023.

FISCAL INFORMATION

No cost to the City of Denton.

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Ordinance - MOU

Respectfully submitted:
Jessica Robledo
Chief of Police

Prepared by:
Karisa Richards
Senior Executive Assistant

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON AUTHORIZING THE CITY MANAGER TO EXECUTE AN INTERLOCAL COOPERATION CONTRACT IN THE FORM OF A MEMORANDUM OF UNDERSTANDING WITH THE STATE OF TEXAS, TEXAS DEPARTMENT OF PUBLIC SAFETY, AUTHORIZING THE DENTON POLICE DEPARTMENT TO PERFORM UNIFORM COMMERCIAL VEHICLE WEIGHT INSPECTIONS AND ENFORCEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Texas Government Code Chapter 791, Interlocal Cooperation Contracts, the City wishes to establish through a Memorandum of Understanding (MOU) with the State of Texas, Texas Department of Public Safety, the parameters for the enforcement of state laws on uniform commercial vehicle weight enforcement within the Texas Transportation Code Chapter 621, Subchapter F; and

WHEREAS, this MOU specifies responsibilities of the City and the Texas Department of Public Safety, including but not limited to approved state training, certification requirements, approved scale use, annual scale re-calibration, violation report requirements, and mandated reporting; and

WHEREAS, the City believes that this MOU is in the best interests for the safety of the citizens of the City of Denton, and that a valid government purpose is served by said designation; 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 City Manager, or their designee, is hereby authorized to execute the Memorandum of Understanding on behalf of the City of Denton with the State of Texas, Texas Department of Public Safety, authorizing the Denton Police Department to perform commercial motor vehicle inspections and enforcement, which is attached hereto as Exhibit "A," made a part hereof by reference and is hereby approved.

SECTION 3: That 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:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

"Exhibit A"

MEMORANDUM OF UNDERSTANDING

Between

DEPARTMENT OF PUBLIC SAFETY OF THE STATE OF TEXAS (DPS)

and

City of Denton (Allied Agency)

I. General Agreement

In accordance with Texas Transportation Code § 621.402, DPS has established parameters for approved Allied Agencies seeking to enforce Texas Transportation Code Chapter 621, Subchapter F. In order to maximize the uniform enforcement of statute, the parties enter into this Memorandum of Understanding (MOU) regarding training, approved scale use, annual scale re-calibration standards, violation report requirements, and mandated annual reporting.

II. DPS Responsibilities

In order to better implement and maintain the standards in this MOU, DPS will:

1. Train, retrain (as necessary or desirable), test, and certify the officers of any qualified Allied Agency.
2. Forward any weight enforcement complaints or challenges to the issuing Allied Agency.
3. Supply software necessary for the data entry of all inspection information on a cost recovery basis to Allied Agencies.

DPS may conduct random, in-person observation of weight enforcement inspections conducted by an Allied Agency in order to ensure that Allied Agency's officers are adhering to DPS certification standards.

III. Allied Agency Responsibilities

A. Certification Training

Allied Agency must enroll their commissioned, full-time officers in the 40 hour, Basic CVE course conducted at the direction of the DPS Motor Carrier Bureau. A commissioned officer must obtain 80% or better to become certified as a "weight enforcement officer." After initial certification, mandated re-certification training will take place following each legislative session. Weight enforcement officers must obtain 80% or better to maintain certification. DPS will immediately suspend any officer who fails to re-certify and Allied Agency must prohibit that officer from conducting or assisting with any weight enforcement activities.

Allied Agency may discontinue agency certification at any time by notifying DPS in writing. If a certified officer separates from an Allied Agency, Allied Agency must notify DPS within ten days.

B. Application of Statute and Allied Agency Requirements

1. During the course of duty, an Allied Agency weight enforcement officer must adhere to the "reasonable suspicion" requirements in weighing a commercial motor vehicle as inferred by Transportation Code § 621.402. There must be an articulable reason to detain a vehicle prior to utilizing any type of approved scale to determine actual weight. A fixed location signaling all commercial traffic to enter a weight

enforcement site is in direct conflict with this mandate.

2. Allied Agency will only conduct weight inspections while an officer is on-duty. Allied Agency may not perform inspections at any time for the specific purpose of benefitting a carrier, whether onsite or offsite (such as a roadside or at a principal place of business). Compensation for weight inspections of any kind is prohibited.
3. Officers sent for training by the Allied Agency must be full-time employees of the Allied Agency carrying their TCOLE commission. Officers will not serve as weight enforcement officers or carry out weight enforcement duties for any other agency or elected county official (other than the Sheriff of the Allied Agency, where applicable) during the time they are employed and commissioned by Allied Agency.

C. Approved Scales

Allied Agency must purchase and use scales from the approved Scale List found at the following URL: http://www.dps.texas.gov/cve/Publications/approvedScaleList.pdf. Allied Agency must re-calibrate the approved scales during each calendar year by a certified scale technician or vendor. Allied Agency must retain all individual scale calibration records for the current year plus the two previous years. These records are subject to review during contested judicial proceedings or any DPS audit.

D. Weight Inspection Reports & Upload

Allied Agency must purchase hardware and software to conduct weight inspections in order to upload the reports to DPS. Allied Agency may only issue DPS authorized weight inspection reports.

E. Annual Reporting Requirements

Allied Agency must submit an annual report of its weight enforcement activities for each calendar year to DPS. Allied Agency must send the report to the Motor Carrier Bureau in Austin, Texas by January 31 of each year for the prior year's enforcement activities. The annual reporting requirements under this Section will survive the termination date of this MOU.

F. Statutory Financial Reporting and Remittance Requirements

Allied Agency must comply with Transportation Code § 621.506(g) and report that data to DPS.

This includes: (1) sending the required 50 percent share to the State of Texas's Comptroller of

Public Accounts (CPA) if the fine meets the statutory criteria; and (2) only imposing the minimum

dollar fine unless the vehicle's weight was determined by a scale given or approved by DPS. DPS will confirm fiscal standing with CPA before renewing an MOU with Allied Agency.

IV. Termination of Certification

*** * * UNLESS RENEWED, THIS MOU WILL EXPIRE ON AUGUST 1, 2027 * * ***

To prevent a loss of authority to conduct weight enforcement inspections, please email DPS with your renewal request between the 60th and 30th day prior to the expiration of your current MOU. If the Allied Agency does not sign the renewal and mail it in to DPS before its current MOU expiration date, certified officers must cease performing all weight enforcement activities, until DPS receives the new fully executed MOU.

1. DPS may issue a warning to Allied Agency if Allied Agency fails to comply with MOU requirements in such a way that DPS deems that the weight enforcement action being taken is contrary to established training and statute. Failure to immediately correct any compliance issue or comply with the required remittance of assessed fines to the Comptroller of Public Accounts may result in the termination of the established MOU and the decertification of Allied Agency.
2. DPS may decertify the Allied Agency if the agency does not have a certified officer within one year of joining the MCSAP program and if an agency no longer has certified officers due to promotion, retirement, resignation or transfer they must certify an officer within one year of last officer's removal date.

V. Program Coordinators and Signatory Acceptance

Allied Agency's weight enforcement coordinators are responsible for all communications and contacts required to manage this MOU. The coordinators must provide any updates regarding contact information within 30 calendar days.

DPS Program Coordinator:
Captain Richard Reid
THP Motor Carrier Bureau
P.O. Box 4087
Austin, Texas 78773-0522
Phone: (512) 424-2053
Fax: (512) 424-5712
Richard.Reid@dps.texas.gov

Allied Agency Program Coordinator *(name and title here)* Jared Raya, Sgt	**Allied Agency Authorized Representative** *(name and title here)* Jessica Robledo Chief of Police
Insert address 4111 Vintage Blvd. Denton, TX 76226	**Signature of Authorized Representative**
Insert phone, fax, and email (940) 349-7992-ofc (940) 349-7966-fax Jared.Raya@cityofdenton.com	**Date:** 6.16.25

File #: ID 25-1136, **Version:** 1

AGENDA CAPTION

Consider adoption of an ordinance of the City of Denton authorizing the City Manager to execute an Interlocal Cooperation Contract in the form of a Memorandum of Understanding with the State of Texas, Texas Department of Public Safety, establishing responsibilities, policies, and guidelines for the Denton Police Department to conduct Federal Safety Regulation Inspections; and providing an effective date.

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: **POLICE**

CM/ DCM/ ACM: **Sara Hensley, City Manager**

DATE: **July 15, 2025**

SUBJECT

Consider adoption of an ordinance of the City of Denton authorizing the City Manager to execute an Interlocal Cooperation Contract in the form of a Memorandum of Understanding with the State of Texas, Texas Department of Public Safety, establishing responsibilities, policies, and guidelines for the Denton Police Department to conduct Federal Safety Regulation Inspections; and providing an effective date.

BACKGROUND

Since 2006, the Denton Police Department has worked cooperatively with the Texas Department of Public Safety (DPS) on Commercial Motor Vehicle Safety Enforcement (CMV). The goal of CMV safety enforcement is to reduce commercial motor vehicle accidents, fatalities, and injuries through consistent, uniform, and effective CMV safety programs. The CMV program detects, corrects or temporarily puts out of service commercial vehicles that exhibit safety defects, driver deficiencies, and unsafe motor carrier practices before they become contributing factors to crashes and a hazard to the citizens of Denton.

DPS provides training, testing and certification of officers within the Traffic Section of the police department who are assigned to commercial motor vehicle enforcement activities. These officers may conduct random, in-person observation of weight enforcement inspections to ensure adherence to the Department of Public Safety certification standards. In order to perform enforcement activities under Chapter 621, the Police Department is required to enter a Memorandum of Understanding (MOU) with the Department of Public Safety in order to ensure uniformity with state and federal enforcement guidelines. This agreement must be renewed every two (2) years and will be effective from August 1, 2025, to August 1, 2027.

RECOMMENDATION

Staff recommends Council approve this ordinance.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Council approved Ordinance 19-1917 on August 13, 2019, Ordinance 21-1447 on July 27, 2021, and Ordinance 23-1475 on August 15, 2023.

FISCAL INFORMATION

No cost to the City of Denton.

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Ordinance - MOU

Respectfully submitted:
Jessica Robledo
Chief of Police

Prepared by:
Karisa Richards
Senior Executive Assistant

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON AUTHORIZING THE CITY MANAGER TO EXECUTE AN INTERLOCAL COOPERATION CONTRACT IN THE FORM OF A MEMORANDUM OF UNDERSTANDING WITH THE STATE OF TEXAS, TEXAS DEPARTMENT OF PUBLIC SAFETY, ESTABLISHING RESPONSIBILITIES, POLICIES, AND GUIDELINES FOR THE DENTON POLICE DEPARTMENT TO CONDUCT FEDERAL SAFETY REGULATION INSPECTIONS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Texas Government Code Chapter 791, Interlocal Cooperation Contracts, the City wishes to establish through a Memorandum of Understanding ("MOU") with the State of Texas, Texas Department of Public Safety, the parameters for enforcing Federal safety regulations; and

WHEREAS, this MOU authorizes Denton Police officers to conduct Federal safety regulation inspections in accordance timeliness and accuracy standards imposed by the Federal Motor Carrier Safety Administration and through the implementation of procedures for compliance of the minimum standards outlined in the MOU, including minimum certification requirements in training programs and policies and guidelines for conducting Federal safety regulation inspections; and

WHEREAS, the City believes this MOU is in the best interests for the safety of the citizens of the City of Denton, and that a valid government purpose is served by said designation; 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 City Manager, or their designee, is hereby authorized to execute this MOU on behalf of the City of Denton with the Texas Department of Public Safety, establishing responsibilities, policies, and guidelines for the Denton Police Department to conduct Federal safety regulation inspections, which is attached hereto as Exhibit "A," and made a part hereof by reference and is hereby approved.

SECTION 3: That 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:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

"Exhibit A"

MEMORANDUM OF UNDERSTANDING

Between

DEPARTMENT OF PUBLIC SAFETY OF THE STATE OF TEXAS (DPS)

and

City of Denton (Allied Agency)

I. GENERAL AGREEMENT

A. Introduction and Statutory Authority

DPS and Allied Agency enter into this Memorandum of Understanding (MOU) in order to maximize the effective utilization of commercial motor vehicle, driver, and cargo inspection resources; to avoid duplication of effort, to expand the number of inspections performed; to advance uniformity of inspections; and to minimize delays in schedules incurred by the industry inherent to this type of enforcement activity.

1. Due to the need for a basic delineation of routine responsibilities for the federal, state, county, and municipal agencies, it is agreed:
   - DPS will inspect vehicles operating over public highways and at carrier terminal facilities.
   - Allied Agencies must, as a routine practice, confine inspection activities to vehicles operating over public highways and city streets in their jurisdictions with the exception of municipal police officers certified under Tex. Transp. Code § 644.101. These certified municipal police officers may conduct vehicle inspections at carrier terminal facilities.
2. The Federal Motor Carrier Safety Administration (FMCSA) has imposed timeliness and accuracy standards on DPS regarding interstate and intrastate motor carrier information. DPS, in turn, has established timeliness and accuracy standards for Allied Agencies engaged in the inspection of commercial motor vehicles (CMV).
3. Allied Agencies and their authorized inspection representatives (Program Coordinators) must implement procedures in accordance with the minimum standards in this MOU.
4. In order to advance uniformity in the inspection of CMV and their operators, Allied Agencies must adopt the Commercial Vehicle Safety Alliance's (CVSA) North American Standard Roadside Inspection Procedures and the North American Standard Out-of-Service Criteria as adopted by DPS under the following:

   - Tex. Transp. Code Ch. 644, located at http://www.statutes.legis.state.tx.us/;
   - 37 Tex. Admin. Code Chapter 4, Subchapter B; 37 Tex. Admin. Code Chapter 16, Subchapter A; and 37 Tex. Admin. Code Chapter 21 located at http://www.sos.texas.gov/tac/index.shtml; and
   - The most current version of the CMV Enforcement Guidance Documents provided by DPS to the Allied Agencies:

CVSA Levels of Inspection

- Level I North American Standard
- Level II Walk-a-round Inspection
- Level III Driver-Only Inspection
- Level IV Special Inspection
- Level V Vehicle-Only Inspection (Terminal)

The State of Texas has an inspection quality agreement with the FMCSA in its Commercial Vehicle Safety Plan. Inspections found to be non-compliant with this policy may be nullified by the DPS Motor Carrier Bureau (MCB) from the carrier's safety profile and from the inspector's certification record by the authority of the Assistant Division Director of the DPS Texas Highway Patrol (THP) or that person's designee.

If amendments to 37 Tex. Admin. Code Chapter 4, Subchapter B require amending this MOU, DPS will do so within a reasonable period of time. The date of any amendment under this paragraph will not affect the renewal date described in Section IV, unless otherwise indicated by DPS.

II. DPS RESPONSIBILITIES

DPS will:

A. Train, retrain (as necessary or desirable), test, and certify Allied Agency inspectors as per the agreement between DPS and the CVSA.
B. Approve inspection forms for all inspections conducted in conformance with this MOU.
C. Approve vehicle and driver out-of-service stickers.
D. Supply CVSA decals on a cost-recovery basis to Allied Agencies.
E. Supply software necessary for the data entry of all inspection information, on a cost recovery basis to Allied Agencies.
F. Supply Allied Agencies with inspection data, upon request.
G. Forward challenges of data in inspections or crash reports to Allied Agencies for their inspections.
H. Conduct random in-person observation of inspections conducted by Allied Agency in order to ensure Allied Agency's inspectors maintain practical proficiency in the program.

III. ALLIED AGENCY RESPONSIBILITIES

A. Certification Testing

Allied Agency must:

1. Enroll its commissioned, full-time officers who have not met the minimum certification requirements for enforcement of Tex. Transp. Code Ch. 644 in training programs required by 37 Tex. Admin. Code § 4.13(b) prior to using these officers as inspectors for commercial vehicle enforcement. Allied Agency must reimburse DPS for costs associated with any training provided by DPS under 37 Tex. Admin. Code § 4.13(b)(5).

2. Implement a program to ensure its officers perform the required number of inspections annually, as specified in 37 Tex. Admin. Code § 4.13(c), and successfully complete the required annual certification training to maintain certification. To further program goals and achieve the highest quality in inspections, Allied Agency must ensure its officers conduct more than the minimum number of inspections required annually to maintain certification and that inspections are evenly distributed throughout the year to maintain enforcement continuity.
3. Immediately suspend from performing CVSA enforcement and inspections, any officer who fails to maintain certification or who fails to perform the required number of inspections following CVSA's North American Standard Uniform Inspection Procedures and the North American Standard Out-of-Service Criteria guidelines.
4. Send a representative to the annual MCSAP meeting held by DPS to ensure familiarity with all updated policies and procedures.

B. Policies and Guidelines

Allied Agency must:

1. Conduct inspections only by using CVSA-certified officers.
2. Only conduct inspections on-duty. No inspections may be performed at any time for the specific purpose of benefitting a carrier's safety profile whether on-site or off-site (such as a roadside or at an inspection facility). Compensation for inspections of any kind by other entities (including carriers and carrier employees) is prohibited.
3. Not use inspection as a pretext to search commercial vehicles.
4. Ensure traffic stops performed on a commercial vehicle are made by either a CVSA certified inspector or by a peace officer using probable cause or reasonable suspicion guidelines. An absence of these requisites will be cause for inspection report invalidation and a program participation review.
5. Use the most current forms approved by DPS during the inspection process. Forms and software may not be altered without the prior, written approval of DPS.
6. Ensure that CVSA-certified inspectors have adequate tools and resources to conduct queries into motor carrier registration and operating authority while conducting roadside inspections.
7. Perform Level I, IV, and V inspections requiring undercarriage inspection and brake measurements utilizing an inspection pit or with a referring officer for safety.
8. Perform only Level V terminal inspections on motor coaches for certification purposes except for unusual circumstances (such as post-crash investigations). All other inspections must be conducted roadside. Level I, II, IV and V motor coach inspections must only be performed by Passenger Vehicle Inspection certified inspectors.
9. Forward inspection data electronically to DPS within seven calendar days following the date of inspection for processing and final compliance using the most recent version of reporting software.

10. Forward crash reports involving commercial motor vehicles to Texas Department of Transportation (TxDOT) no later than ten calendar days after the date of the crash investigation.
11. Allow DPS to conduct random in-person observation of inspections conducted by Allied Agency in order to ensure that Allied Agency's inspectors maintain practical proficiency in the program.
12. Not use its certification to enforce federal safety regulations as a primary method to generate program revenue through enforcement penalties, or to enhance criminal interdiction activities.
13. Not allow officers certified to enforce federal safety regulations to participate in secondary employment activities that present a conflict of interest related to their commercial vehicle enforcement duties. This prohibition includes Allied Agency officers trained by DPS that are no longer assigned to commercial vehicle enforcement units but remain employed by the Allied Agency.
14. Require all defects disclosed during the inspection process to be corrected.
15. Adopt the Recommended Out-of-Service Criteria and other defect repair verification procedures as developed by CVSA.
16. Honor CVSA inspection decals affixed to those vehicles by all authorized agencies. CVSA decals will be affixed to vehicles which pass the Level I or V CVSA inspection with no disqualifying violations under the North American Standard Roadside Inspection Procedures and the North American Standard Out-of-Service Criteria.
17. Maintain the official copy of all reports of inspections conducted by its CVSA certified inspectors for the current calendar year, plus two additional years. The official copy may be in paper or retrievable electronic form, and it must bear the signature of the commercial motor vehicles driver involved in the inspection. A copy must be provided to DPS upon DPS's request.
18. Conduct mock inspections and safety presentations as requested by the carrier and as approved by supervisors. Allied Agency may conduct safety presentations that include a mock (walk-around) inspection, but no documented inspection may be performed as part of a walk-around or safety presentation.
19. Note circumstances in the inspection report when more than two citations are issued during an inspection. An important aspect of the MCSAP is consistency in the inspection process and uniform enforcement. While it is recognized that uniform enforcement may include the issuance of a citation by the inspecting officer, it is also recognized that there may be exceptional occasions when the issuance of multiple citations may be warranted.
20. Document all violations (citations and warnings) discovered on the inspection report as violations, including violations of local ordinances. All CMV contacts must be recorded on the inspection report.

21. Investigate and determine whether a correction to data needs to be made when data in an inspection or crash report is challenged. Allied Agency must notify the motor carrier and DPS in writing of the results of the investigation within ten calendar days. If a correction is necessary, the Allied Agency must make the correction and forward the corrected reports to DPS immediately. Retaliatory actions against motor carriers who file data challenges are strictly prohibited
22. Must notify DPS in writing ten calendar days any time an officer's certification status changes (is certified, suspended, or decertified for different types of inspections, or transfers out of the CVSA inspection program). A cumulative list of officers whose status has changed must be sent to DPS by January 31 of each year.
23. Must comply with the annual fiscal requirements mandated by TRC 644.102 in reporting the total amount of fines collected, actual enforcement program expenses and the remittance of mandated funds to the Texas Comptroller of Public Accounts.

IV. TERMINATION OF CERTIFICATION

***** UNLESS RENEWED, THIS MOU WILL EXPIRE ON AUGUST 1, 2027.*****

A. Renewal of this MOU

To prevent a loss of authority to conduct CVSA inspections, please mail or FAX your renewal request to the Department no more than 60 nor less than 30 days prior to the expiration of this MOU. If the renewal has not been executed by the Allied Agency before the MOU expiration date, certified officers must cease performing all CVSA inspections, until the renewal has been fully executed.

B. Decertification

1. DPS may decertify Allied Agency, or individual officers conducting inspections for Allied Agency, for failure to demonstrate practical proficiency in the program during random in-person observations by DPS, or by audits of inspections submitted.
2. DPS may decertify Allied Agency, or individual officers conducting inspections for Allied Agency, for using the certification as a primary method of generating program revenue or enhancing criminal interdiction activities.
3. DPS may decertify Allied Agency, or individual officers conducting inspections for Allied Agency, if officers to engage in secondary employment activities that present a conflict of interest with their commercial vehicle enforcement duties.
4. DPS may decertify Allied Agency, or individual officers conducting inspections for Allied Agency, for failure to comply with the provisions of the MOU, training, officer certification, or data-sharing requirements, including the requirement that Allied Agency reimburse DPS for training expenses and the requirement that Allied Agency forward information and respond to requests in a timely manner, or any other provisions of 37 Tex. Admin. Code §§ 4.13 and 4.14. Reimbursement can be made by check or money order, payable to the Department of Public Safety of the State of Texas.

5. DPS may decertify Allied Agency for failure to comply with the annual fiscal requirements mandated by Tex. Transp. Code § 644.102. Allied Agency must properly report fines collected, actual expenses, and the amount of remittance sent to the State of Texas's Comptroller of Public Accounts.

C. Termination of Certification

1. Termination of certification, whether by decertification, request of Allied Agency, or by failure to renew, will result in the inability of Allied Agency, to retain expenses for any enforcement actions taken after the effective date of the termination of certification. All reporting requirements, including the list of officers suspended and no longer certified which is normally due by January 31 of each year, inspection data reports, and crash reports must be provided to DPS immediately upon discontinuation in the certification program.
2. Allied Agency may discontinue certification at any time by notifying DPS Program Coordinator in writing.
3. The CVSA and Federal Motor Carrier Safety Administration require officers to complete a minimum number of inspections annually in order for officers to renew their certifications. The purpose of this requirement is to ensure officers achieve and maintain practical proficiency in inspecting commercial motor vehicles. Therefore, DPS will decertify Allied Agency, or individual officers conducting inspections for Allied Agency, for failure to report any inspections to DPS within a six-month period or for failure to evenly space the required number of inspections throughout the year.
4. Any Termination of Certification terminates Allied Agency's authority to enforce federal safety regulations under Texas Transp. Code Ch. 644, and Allied Agency's eligibility for reimbursement of expenses from penalties assessed. DPS will notify the program coordinator for Allied Agency and the Comptroller of Public Accounts in writing of any Termination of Certification.
5. DPS may issue a warning to Allied Agency if Allied Agency fails to conduct any inspections within a three-month period. DPS may also issue a warning if Allied Agency fails to comply with MOU requirements in such a way that DPS deems the quality or timeliness of inspection data could be compromised, or certified officers would fail to maintain practical proficiency in the program. Failure to correct the compliance issues within three months, or such other period as DPS may specify, can result in termination of the MOU and decertification of Allied Agency.
6. DPS may decertify the Allied Agency if the agency does not have a certified officer within one year of joining the MCSAP program and if an agency no longer has certified officers due to promotion, retirement, resignation or transfer they must certify an officer within one year of last officer's removal date.

V. PROGRAM COORDINATORS

The parties' program coordinators are responsible for all communications and contacts *required to manage this MOU.* The parties must provide any updates regarding contact inform*ation within 30 calendar days.* The current program coordinators for this MOU are:

Allied Agency:	**Department:**
	DEPARTMENT OF PUBLIC SAFETY Texas Highway Patrol Motor Carrier Bureau
Sgt. Jared Raye Program Coordinator	Captain Richard Reid Manager Program Coordinator
4111 Vintage Blvd. Denton, TX 76226 Address	MCB, P.O. Box 4087 Austin Texas 78773-0522 Address
(940) 349-7992 Voice Phone Number	(512) 424-2053 Voice Phone Number
(940) 349-7966 Fax Number	(512) 424-5712 Fax Number
Jared.Raye@cityofdenton.com E-mail Address	richard.reid@dps.texas.gov E-mail Address

Evidence of Acceptance:

Signature of Authorized Official

Denton Police Department
Political Subdivision

Jessica Robledo
Name

Chief of Police
Title

6.16.25
Date

File #: ID 25-1176, **Version:** 1

AGENDA CAPTION

Consider adoption of an ordinance of the City of Denton granting a special permit to Sundt Construction, Inc. to allow for work hours outside those ordinarily allowed pursuant to Section 17-20 (c)(3)(f) of the City of Denton Code of Ordinances, with respect to hours of operation related to Bonnie Brae Phase 3 for the construction of Bonnie Brae Street and joining street connections, located between Airport Road/FM1515 and Roselawn Drive: providing for approval of a special permit for a variance in the hours of operation during weekdays and weekends; and providing an effective date.

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Capital Projects

ACM: Frank Dixon

DATE: July 15, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton granting a special permit to Sundt Construction, Inc. to allow for work hours outside those ordinarily allowed pursuant to Section 17-20 (c)(3)(f) of the City of Denton Code of Ordinances, with respect to hours of operation related to Bonnie Brae Phase 3 for the construction of Bonnie Brae Street and joining street connections, located between Airport Road/FM1515 and Roselawn Drive: providing for approval of a special permit for a variance in the hours of operation during weekdays and weekends; and providing an effective date.

BACKGROUND

Contractor Sundt Construction, Inc. ("Sundt"), requests an exception to Section 17-20(c)(3)(f) of the Code of Ordinances which limits the work hours for the construction of any building from 6:00 am to 8:30 am Monday through Friday from June 1 to September 30 and 7:00 a.m. to 8:30 p.m. Monday through Friday from October 1 to May 31; and between 8:00 a.m. and 8:30 p.m. on Saturday; and between 1:00 p.m. and 8:30 p.m. on Sunday. The purpose of this exception is to ensure concrete paving work can be performed in cooler, overnight temperatures, as the city specification for concrete paving restricts any concrete paving when the temperature exceeds 95 degrees.

Sundt requests paving related work be allowed, as needed, from approximately 8:30 p.m. to 6:00 a.m., during weekdays and weekends on the City's Bonnie Brae Phase 3 Capital Project that began construction in October 2023 and is expected to be complete in November 2026. Concrete paving activities began in March 2025 and are expected to be complete in August 2026 with the installation of the projects sidepath and sidewalk.

The City Council may issue special permits or exceptions for construction work at other hours in case of urgent necessity and in the interest of public safety and convenience. Granting this exception and the allowance of overnight work prevents the project from being delayed due to the temperature restriction and also avoids any delay claims from the contractor.

RECOMMENDATION

Staff recommends approval

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On Aug. 15, 2023 City Council authorized the construction contract with Sundt Construction Inc. (Ordinance 23-1524)

ESTIMATED SCHEDULE OF PROJECT

Sundt was issued a Notice to Proceed on Oct. 16, 2023. The project is estimated to be complete in November 2026.

FISCAL INFORMATION

Not Applicable

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Ordinance and Special Permit Documentation

Respectfully submitted:
Seth Garcia, PMP
Director of Capital Projects

For information concerning this agreement, contact Robin Davis, PMP, at 940-349-7713.

Legal point of contact: Marcella Lunn at 940-349-8333.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON GRANTING A SPECIAL PERMIT TO SUNDT CONSTRUCTION, INC. TO ALLOW FOR WORK HOURS OUTSIDE THOSE ORDINARILY ALLOWED PURSUANT TO SECTION 17-20 (C)(3)(F) OF THE CITY OF DENTON CODE OF ORDINANCES, WITH RESPECT TO HOURS OF OPERATION RELATED TO BONNIE BRAE PHASE 3 FOR THE CONSTRUCTION OF BONNIE BRAE STREET AND JOINING STREET CONNECTIONS, LOCATED BETWEEN AIRPORT ROAD/FM1515 AND ROSELAWN DRIVE: PROVIDING FOR APPROVAL OF A SPECIAL PERMIT FOR A VARIANCE IN THE HOURS OF OPERATION DURING WEEKDAYS AND WEEKENDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the hours for the erection, excavation, demolition, alteration, or repair work within the limits of the City of Denton are ordinarily limited to the hours between the hours of 6:00 a.m. and 8:30 p.m. Monday through Friday from June 1 to September 30; between 7:00 a.m. and 8:30 p.m. Monday through Friday from October 1 to May 31; between 8:00 a.m. and 8:30 p.m. on Saturday; and between 1:00 p.m. and 8:30 p.m. on Sunday, pursuant to Section 17-209(c)(3)(f) of the Code of Ordinances; and

WHEREAS, pursuant to this Code provision, the City Council may issue special permits or exceptions for construction work at other hours, in cases of urgent necessity and in the interest of public safety and convenience; and

WHEREAS, Sundt Construction, Inc., has requested a Special Permit, as shown in the attached Exhibit A, to allow work hours outside those ordinarily allowed for the months of July 2025 through project completion (estimated to be November 2026) to allow for the construction of Bonnie Brae Street and intersecting streets between Airport Road and Roselawn Drive, allowing for the continuous operations of concrete paving and associated work, authorizing unrestricted hours of operation; and

WHEREAS, the City's Criteria Manual – Construction Specifications prevent any concrete paving from occurring in temperatures 95 degrees and higher; and

WHEREAS, the Bonnie Brae Phase 3 project is being paved with concrete including concrete sidewalks/sidepaths; and

WHEREAS, the temperature during the summer months of June, July, August and sometimes September regularly exceed the temperature requirement during standard operating hours; and

WHEREAS, Staff has reviewed and recommends approval of the submitted Special Permit submitted by Sundt Construction Inc., as shown in Exhibit A; and

WHEREAS, the City Council finds that the extended hours of operation and/or Sundays for the construction requested is for a case of necessity and in the interest of public safety, due to the following reasons:

1. Temperature constraint of a maximum 95 degrees for concrete paving prevents paving activities from occurring during standard operating hours during the summer months.
2. Allowance of overnight work prevents the project from being delayed due to the temperature restriction and also avoids any delay claims from the contractor.

WHEREAS, the City Council further finds that granting a special permit for this construction project, limited to the extended hours requested, and limited to the restrictions contained herein, would serve the public interest; 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. Pursuant to Section 17-20(c)(3)(f) of the Code of Ordinances, Sundt Construction, Inc. is hereby granted approval for the Noise Ordinance Special Permit submitted and attached as Exhibit A, for the amplified sound prohibition subject to the following restrictions:

1. Special Permit issued pursuant to Section 17-20(C)(3)(f) of the Code of Ordinances of the City of Denton, is granted only in connection with the construction of Bonnie Brae Phase 3 and intersecting streets located between Airport Road/FM 1515 and Roselawn Drive, for the following the months of July 2024 through project completion (estimated November 2026) and only on days that meet the temperature constraint; and
2. Sundt Construction, Inc. 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 activity; and
3. 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; and
4. 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 connection with the construction activity, and hereby disclaims any promissory, or equitable estoppel which might in any way impede the pursuit of such remedies by any person.

SECTION 3. This Ordinance shall be effective immediately upon its passage and approval and shall expire upon the completion of the Bonnie Brae Phase 3 Project (November 2026), unless sooner repealed, modified, or rescinded.

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:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

By: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

By: _____

Scott Bray
Deputy City Attorney

EXHIBIT A

(NOISE ORDINANCE SPECIAL PERMIT)

SUNDT



June 4, 2025

Robin Davis PMP
Construction Projects Manager
City of Denton - Capital Projects/Engineering
401 N. Elm Street
Denton, TX 76201

RE: Bonnie Brae PH 3 Capital Improvement Project – Noise Ordinance Special Permit Request

Dear Robin,

This letter is to advise you in advance of essential construction activities for the Bonnie Brae Phase 3 Capital Improvement Project.

Sundt kindly requests the City of Denton's approval for the attached Noise Ordinance Special Permit to allow extended construction hours and days for pavement construction activities.

Section 17-20(c)(3)(f) of the Code of Ordinances limits the work hours for the construction of any building from 7:00 a.m. to 8:30 p.m. Monday through Friday from October 1 to May 31; from 6:00 a.m. to 8:30 p.m. Monday through Friday from June 1 to September 30; from 8:00 a.m. and 8:30 p.m. on Saturday; and between 1:00 p.m. and 8:30 p.m. on Sunday.

Sundt requests an exception from the allowed construction work hours for the construction of the City's Capital Project Bonnie Brae Phase 3 from June 2025 through August 2026 (when the project construction is estimated to be complete) to be allowed to work, as needed, with no time restrictions during weekdays and weekends, with pre-approval by the Capital Projects Manager.

The reason for the requested exception is to address the issues with pouring concrete in extremely hot weather. With the temperatures in Texas during the summer months, it is vital to pour concrete overnight when the temperatures are cooler. It is especially an issue with concrete paving as some pours can be up to 2000 CY and last 12 or more hours. Pouring concrete in the hot weather will cause the concrete to cure too quickly and result in a poor finish and poor product.

Please advise if this request is approved.

Thank you,

Chris Bailey,
Project Manager, Sundt Construction

CHECKLIST RESPONSES

1.1.i Provide the name of the development and address:

- Project Name: Bonnie Brae Phase 3 (City CSP 8094-1)
- Location: Bonnie Brae Street
- Contractor: Sundt Construction
  8445 Freeport Pkwy, Ste 240, Irving, TX, 75063
- City Project Manager: Robin Davis, PMP
- Sundt Project Manager: Chris Bailey
- Sundt Superintendent: Joshua McKinney/Jason Bryant

1.1ii. Description of construction activities being performed outside of allowed hours including the hours requested

Concrete paving, sidewalk, and shared use path concete pours.

1.1iii. State the date range or specific dates when the construction activities are planned to occur

June 2025 - August 2026

1.1iv. Describe the urgent necessity for the special permit request including what is unique about this project requiring construction work to be conducted outside of the hours stipulated in the Noise Ordinance

The necessity is to provide a quality product to the City of Denton based on the following reasoning:

- To address the issues with pouring concrete in extremely hot weather. With the temperatures in Texas during the summer months, it is vital to pour concrete overnight when temperatures are cooler. It is especially an issue with concrete paving as some pours can be up to 2000 CY and last 12 or more hours. Pouring concrete in the hot weather will cause the concrete to cure too quickly and result in a poor finish and poor product.

1.1v. Explain the plans to minimize the noise impact on the surrounding properties

The project is relatively remote and there are no residents within a 400-foot radius of the concrete batch plant. Minimizing noise impacts will not offer a significant benefit, if any.

1.1vi. State the proximity of the site to the nearest properties. Describe plans to notify and solicit feedback from surrounding property owners

The batch plant area is relatively remote (behind the City's Police Training - Substation on Vintage Blvd) and there are no residents within a 400-foot radius of the batch plant.
Paving activities will occur along Bonnie Brae between Airport Road/FM1515 and Roselawn.
UNT facilities make up the fronting properties from Airport Road to Willowwood.
At Willowwood, residential homes begin to front Bonnie Brae on either side ranging from 60 feet to 317 feet from the work area. (28 single family residences)
Door Hangers will be distributed to area residents along with the cities noise ordinance providing contact information for both Sundt and City Staff.

1.2 Provide an aerial map of the development area



1.3 Provide a construction sequence map depicting the specific constructed work and locations within the site that will be conducted during the requested special permit hours

The batch plant will produce concrete for the various pours and use dump trucks to haul the concrete to the project limits (Bonnie Brae street between Airport Road and Roselawn)





NOTICE OF NIGHT WORK

CAPITAL PROJECTS

Date: 07/16/2025

Project: **Bonnie Brae Phase 3**

Location: **Bonnie Brae from Roselawn to Airport Road/FM 1515**

Dear Resident/Property Owner:

As you may know, Sundt Construction has entered the paving phase of the Project. City specification restricts concrete paving when the ambient temperature is 95 and higher. To ensure paving efforts continue as planned, Sundt has requested to perform concrete paving work outside the city's normal working hours.

This request "Noise Ordinance – Special Permit" was considered and approved by City Council on July 15, 2025.

Section 17-20(c)(3)(f) of the Code of Ordinances which limits the work hours for the construction of any building/project from 6:00 am to 8:30am Monday through Friday from June 1 to September 30 and 7:00 a.m. to 8:30 p.m. Monday through Friday from October 1 to May 31; and between 8:00 a.m. and 8:30 p.m. on Saturday; and between 1:00 p.m. and 8:30 p.m. on Sunday. When temperatures warrant, Sundt may perform paving related work, as needed, from approximately 8:30 p.m. to 6:00 a.m., during weekdays and weekends.

If you have concerns regarding overnight work or other project related concerns, you may contact the following:

Project Manager: Robin Davis - 940.349.7713
Robin.davis@cityofdenton.com

Project Senior Inspector: Ryan Cuba – 940.349.8416
Ryan.Cuba@cityofdenton.com

Thank you for your patience while we complete improvements in the area.

Visit www.improvingdenton.com for more information, to stay updated on current and upcoming projects from the City, sign up for email notifications, and view construction maps.

NOTICE OF NIGHT WORK

CAPITAL PROJECTS

Date: 07/16/2025

Project: **Bonnie Brae Phase 3**

Location: **Bonnie Brae from Roselawn to Airport Road/FM 1515**

Dear Resident/Property Owner:

As you may know, Sundt Construction has entered the paving phase of the Project. City specification restricts concrete paving when the ambient temperature is 95 and higher. To ensure paving efforts continue as planned, Sundt has requested to perform concrete paving work outside the city's normal working hours.

This request "Noise Ordinance – Special Permit" was considered and approved by City Council on July 15, 2025.

Section 17-20(c)(3)(f) of the Code of Ordinances which limits the work hours for the construction of any building/project from 6:00 am to 8:30am Monday through Friday from June 1 to September 30 and 7:00 a.m. to 8:30 p.m. Monday through Friday from October 1 to May 31; and between 8:00 a.m. and 8:30 p.m. on Saturday; and between 1:00 p.m. and 8:30 p.m. on Sunday. When temperatures warrant, Sundt may perform paving related work, as needed, from approximately 8:30 p.m. to 6:00 a.m., during weekdays and weekends.

If you have concerns regarding overnight work or other project related concerns, you may contact the following:

Project Manager: Robin Davis - 940.349.7713
Robin.davis@cityofdenton.com

Project Senior Inspector: Ryan Cuba – 940.349.8416
Ryan.Cuba@cityofdenton.com

Thank you for your patience while we complete improvements in the area.

Visit www.improvingdenton.com for more information, to stay updated on current and upcoming projects from the City, sign up for email notifications, and view construction maps.

File #: ID 25-1030, **Version:** 1

AGENDA CAPTION

Consider adoption of an ordinance of the City of Denton granting the North Texas State Fair Association a three -year noise exception for the North Texas Fair and Rodeo which will be held August 15-24, 2025, August 14-23, 2026, and August 13-22, 2027, at 2217 N. Carroll Boulevard; and providing an effective date.

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Denton Parks and Recreation

ACM: Christine Taylor, Assistant City Manager

DATE: July 15, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton granting the North Texas State Fair Association a three-year noise exception for the North Texas Fair and Rodeo which will be held August 15-24, 2025, August 14-23, 2026, and August 13-22, 2027, at 2217 N. Carroll Boulevard; and providing an effective date.

BACKGROUND

The North Texas State Fair Association is a volunteer-supported, 501(c)(3) non-profit community organization that preserves and promotes western heritage and values. The North Texas Fair and Rodeo contributes to the quality of life in the City of Denton, Denton County, and throughout the North Texas area. This is done through a first-class nine-day Fair and Rodeo, year-round facilities, and various community and youth-oriented programs and events. The North Texas State Fair Association strives to preserve and promote an understanding of the agricultural industry. The North Texas State Fair Association is true and committed to its mission of supporting Youth, Agriculture, and the Community. All revenue generated is reinvested into various programs, scholarships, and facilities

The North Texas State Fair Association requests an exception to the noise ordinance in sound levels and variance in hours of operation for amplified sound levels on August 15-24, 2025, August 14-23, 2026, and August 13-22, 2027, Monday through Thursday from 10:00 p.m. to midnight; Friday and Saturday from 10:00 p.m. to 1:00 a.m.; and Sunday from 11:00 a.m. to 11:00 p.m. at 2217 N. Carroll Blvd.

RECOMMENDATION

Staff recommends approval.

PRIOR ACTION/REVIEW

On July 23, 2019, City Council approved a three-year exception to the noise ordinance for the North Texas Fair and Rodeo under Ordinance #19-1726.

On June 7, 2022, City Council approved a three-year exception to the noise ordinance for the North Texas Fair and Rodeo under Ordinance #22-1028

EXHIBITS

Exhibit 1- Agenda Information Sheet
Exhibit 2- Ordinance
Exhibit 3- Letter of Request

Respectfully submitted:
Gary Packan,
Director, Parks and Recreation

Prepared by:
Autumn Natalie, Program Area Manager

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON GRANTING THE NORTH TEXAS STATE FAIR ASSOCIATION A THREE-YEAR NOISE EXCEPTION FOR THE NORTH TEXAS FAIR AND RODEO WHICH WILL BE HELD AUGUST 15-24, 2025, AUGUST 14-23, 2026, AND AUGUST 13-22, 2027, AT 2217 N. CARROLL BOULEVARD; 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 North Texas State Fair Association has made an application to the City Council for a three-year exception to the provisions of Section 17-20 of the Code of Ordinances regarding sound levels and hours of operation, in connection with North Texas Fair and Rodeo annual event held at 2217 North Carroll Boulevard, with said request being for the following dates: August 15-24, 2025, August 14-23, 2026, and August 13-22, 2027; and

WHEREAS, upon prior application and approval by the City Council of the City of Denton, the North Texas State Fair Association has consistently demonstrated an ability to responsibly operate the North Texas Fair and Rodeo at 2217 N. Carroll Blvd, on days and hours of operation 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, based upon past history, the City Council of the City of Denton, finds that granting a noise exception for the North Texas State Fair and Rodeo 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 North Texas State Fair Association is hereby granted a three-year exception to said section's amplified sound and hours of operation provisions 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 North Texas Fair and Rodeo at 2217 N. Carroll Blvd., on August 15-24, 2025, August 14-23, 2026, and August 13-22, 2027.

2. North Texas State Fair Association 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. North Texas State Fair Association agrees to cease using amplified loudspeakers at midnight on Monday - Thursday, 1:00 a.m. Friday and Saturday, and 11:00 p.m. on Sunday.

4. Under no circumstances shall the North Texas State Fair Association employ the use of amplified loudspeakers past 12:00 a.m. Monday through Thursday; 1:00 a.m. on Friday and Saturday, or 11:00 p.m. on Sunday.

5. Under no circumstances shall the North Texas State Fair Association employ the use of amplified loudspeakers that exceeds 70 dba when measured from the perimeter of the source as measured by an approved measuring instrument.

6. 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.

7. 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 North Texas Fair and Rodeo on Sunday, August 22, 2027, 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:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

File #: ID 25-1182, **Version:** 1

AGENDA CAPTION

Consider approval of a resolution of the City of Denton accepting the donation of works of art, created by The Art Room, to be installed at the American Legion Hall Senior Center; and providing an effective date. The Public Art Committee voted to recommend approval (5-0).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Parks and Recreation

ACM: Christine Taylor, Assistant City Manager

DATE: July 15, 2025

SUBJECT
Consider approval of a resolution of the City of Denton accepting the donation of works of art, created by The Art Room, to be installed at the American Legion Hall Senior Center; and providing an effective date. The Public Art Committee voted to recommend approval (5-0).

BACKGROUND
In April, The Art Room reached out to City staff about the possibility of creating original art for installation at the ALH Senior Center as part of their annual community art project.

ALH Staff met with representatives from The Art Room and from those discussions three art works were proposed for donation: 1) a large (5ft x 10ft) mural featuring an artistic rendering of the original ALH building to be placed in the hallway, 2) a large fabric quilt (3-4 ft x 4-5 ft) featuring a Sankofa bird motif, and 3) an outdoor mosaic concrete bench featuring a Sankofa bird and American Flag to be placed between two unused planters.

The Art Room representatives also wanted to include mosaic Sankofa egg motifs on planters on either side of the mosaic bench, if resources allowed. Parks and Recreation staff and staff from The Art Room are working to finalize the exact details of the donated artwork. The mockups provide a sense of current proposals but are subject to change (see **Exhibit 2- Art Mockups from The Art Room)**.

RECOMMENDATION
Staff recommends accepting The Art Room's donation and recommends its installation at the ALH Senior Center.

PRIOR ACTION/REVIEW
The item was presented to the Public Art Committee on June 24, 2025, and was approved by a vote of 5-0.

FISCAL INFORMATION
Each element of The Art Room donation will have a maintenance component. For indoor items, maintenance should be minimal; however, some conservation work may be necessary during the artwork's lifetime. Exterior art will need to be cleaned regularly and inspected for damage. Currently, no funds are budgeted for art maintenance.

EXHIBITS
Exhibit 1- Agenda Information Sheet
Exhibit 2- Resolution
Exhibit 3- Mockups from The Art Room

Respectfully submitted:
Gary Packan, Parks and Recreation

Prepared by:
Omar Siddiqi, Parks and Recreation

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF DENTON ACCEPTING THE DONATION OF WORKS OF ART, CREATED BY THE ART ROOM, TO BE INSTALLED AT THE AMERICAN LEGION HALL SENIOR CENTER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Denton's Donations of Public Art policy outlines the City of Denton's policy guidelines for accepting art donations; and

WHEREAS, the City Council directed the Public Arts Committee to serve as the committee responsible for evaluation, discussion, and recommendations regarding donations with said recommendations submitted to the City Council for consideration and approval; and

WHEREAS, the City of Denton and Denton Parks and Recreation have established a commitment to sustainable reuse, of which this project is an emblematic representation; and

WHEREAS, the Public Arts Committee recommends acceptance of the donation of works of art, created by The Art Room, to be installed at the American Legion Hall Senior Center, in accordance with the policy guidelines; NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The findings set forth in the preamble of this Resolution are incorporated by reference into the body of this Resolution as if fully set forth herein.

SECTION 2. The City Manager, or designee, is authorized to accept the donation in conformity with this Resolution.

SECTION 3. This Resolution shall become effective immediately upon its passage and approval.

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

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

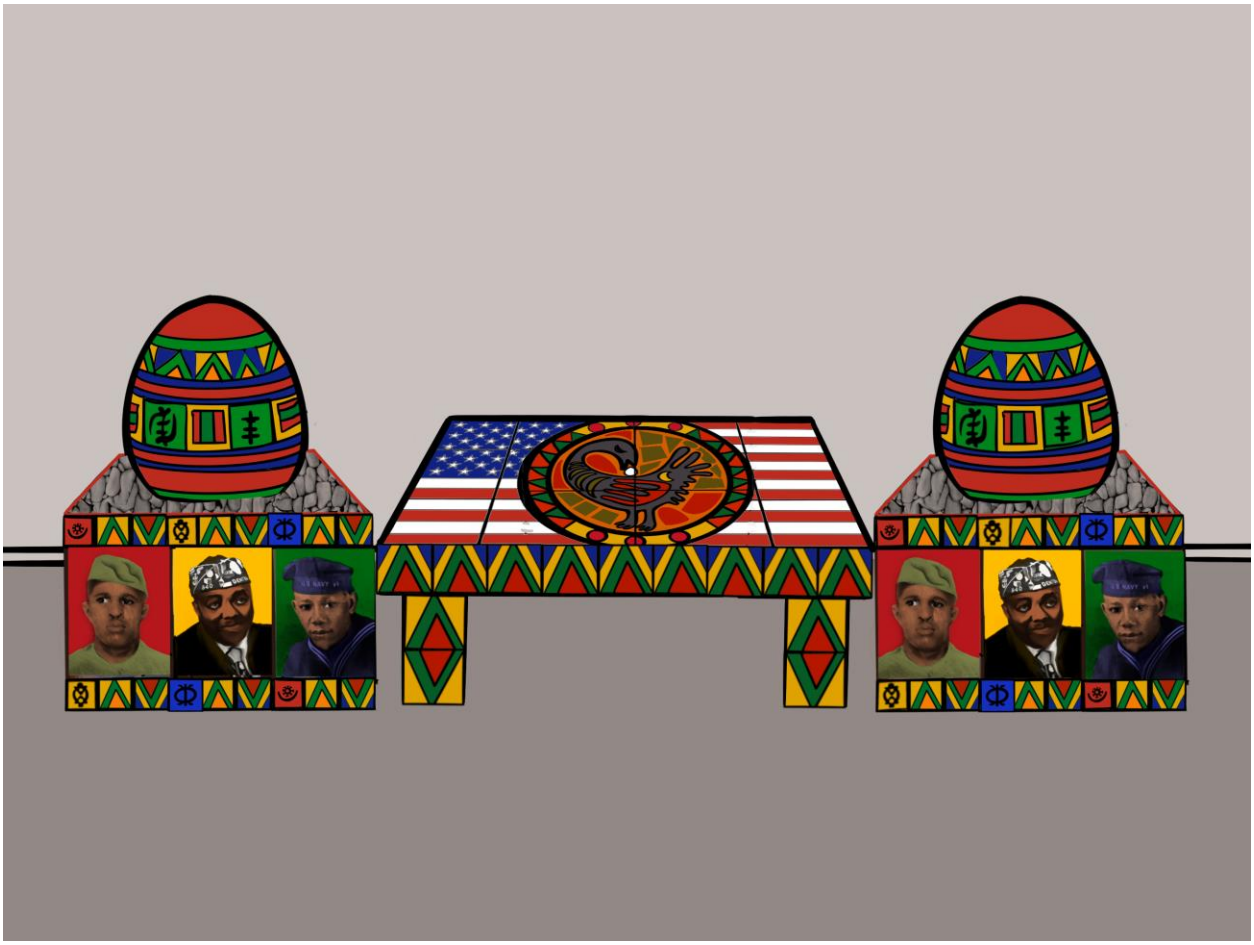


BY: _____

Quilt



Mosiac Bench



Mural

Final Image For Mural – to be painted on 72 individual 10”x10” panels and arranged in a single mosaic mural.





File #: ID 25-901, **Version:** 1

AGENDA CAPTION

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive proposals under RFP 8732 Radio Assessment and Support Services for the Technology Services Department; and providing an effective date (RFP 8732).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: July 15, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive proposals under RFP 8732 Radio Assessment and Support Services for the Technology Services Department; and providing an effective date (RFP 8732).

INFORMATION/BACKGROUND

The City of Denton conducted an RFP to request proposals from multiple vendors to perform a radio assessment on the City's current radio system, its hardware, and also to provide support services. During the budget process this spring, it was determined that this project could be paused and will be re-evaluated at a later date.

In accordance with Local Government Code 252.043, the City Council may reject any and all proposals.

RECOMMENDATION

Staff recommends the rejection of all proposals for Radio Assessment and Support Services for the Technology Services Department.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Leisha Meine, 940-349-7823.

Legal point of contact: Marcella Lunn at 940-349-8333.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, REJECTING ANY AND ALL COMPETITIVE PROPOSALS UNDER RFP 8732 RADIO ASSESSMENT AND SUPPORT SERVICES FOR THE TECHNOLOGY SERVICES DEPARTMENT; AND PROVIDING AN EFFECTIVE DATE (RFP 8732).

WHEREAS, the City has solicited, received, and tabulated competitive proposals to evaluate Radio Assessment and Support Services (RFP 8732) in accordance with the procedures of state laws and the City's ordinances; and

WHEREAS, the City staff recommends, and the City Council has determined, that it is in the best interest of the City that the herein described proposals should be rejected; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. All competitive proposals, as described in the "Request for Proposal", "Bid Proposals", or plans and specifications on file in the Office of the City's Purchasing Agent filed according to the bid number assigned herein (RFP 8732 – Radio Assessment and Support Services) are hereby rejected.

SECTION 2. The City Manager, or their designee, is hereby authorized to execute all necessary documents for the rejection of said proposals. The City Manager, or their designee, is hereby authorized, in their discretion, to re-advertise to receive competitive bids, or proceed otherwise, to procure goods and services described in RFP 8732.

SECTION 3. 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 the RFP 8732 to reject said proposals to the City Manager, or their designee.

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 _____. This ordinance was passed and approved by the following vote [___ - ___]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Marcella Lunn

File #: ID 25-1184, **Version:** 1

AGENDA CAPTION

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 between the City of Denton and SSP Innovations, LLC, through July 26, 2027, to continue the development of system integrations for Denton Municipal Electric; and declaring an effective date (File 7210 - extending a contract with SSP Innovations, LLC, to July 26, 2027). The Public Utilities Board recommends approval (5 - 0).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: July 15, 2025

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 extension between the City of Denton and SSP Innovations, LLC, through July 26, 2027, to continue the development of system integrations for Denton Municipal Electric; and declaring an effective date (File 7210 – extending a contract with SSP Innovations, LLC, to July 26, 2027). The Public Utilities Board recommends approval (5 - 0).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

INFORMATION/BACKGROUND

Denton Municipal Electric (DME) is implementing OSI's Advanced Distribution Management System (ADMS) and ESRI's Utility Network, aimed at replacing the existing Outage Management System (OMS) and Geographical Information Systems (GIS) to achieve greater grid resilience, real-time monitoring, and improved outage response capabilities. The project efforts have expanded due to the correlating projects for the new OMS/ADMS and GIS.

This change order requests additional efforts by SSP to develop system integrations with the new OMS/ADMS project. The project has an estimated date of completion by March 31, 2027.

Denton Municipal Electric has utilized SSP Innovations to deliver OMS/GIS services to the DME organization since 2016. Services are performed by SSP Professional Services staff who possess unique and extensive experience in the planning, development, and implementation of OMS and GIS products. SSP Innovations staff have an in-depth understanding of GIS and OMS product technology, access to the newest software developments, and visibility into future product directions. These tools are unique to SSP and provide insight into our system. SSP built the current integrations between OMS and the existing CIS, IVR, SCADA, and AMI to assist DME in better monitoring, analyzing, designing, and maintaining the transmission and distribution systems. Their experience and knowledge have been invaluable to DME. We would like to continue utilizing their business and technical guidance to ensure the projects remain successful.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On January 28, 2020, City Council approved a contract with SSP Innovations, LLC, in the not-to-exceed amount of $2,000,000 (Ordinance 20-112).

On June 23, 2025, the Public Utilities Board (PUB) recommended this item to the City Council for consideration.

RECOMMENDATION

Award a contract extension with SSP Innovations, LLC, to continue the development of system integrations for Denton Municipal Electric, to expire July 26, 2027.

PRINCIPAL PLACE OF BUSINESS

SSP Innovations, LLC
Centennial, CO

ESTIMATED SCHEDULE OF PROJECT

This contract will expire on July 26, 2027.

FISCAL INFORMATION

These items/services will be funded from Denton Municipal Electric Operational Technology Division CIP project funds. Requisitions will be entered on an as-needed basis. The budgeted amount for this item is $2,000,000.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Original Ordinance and Contract
Exhibit 3: Ordinance and Amendment 1

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Jerry Looper, 940-349-7676.

Legal point of contact: Marcella Lunn at 940-349-8333.

ORDINANCE NO. 20-112

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH SSP INNOVATIONS, LLC, FOR THE AID OF DENTON MUNICIPAL ELECTRIC (DME)'S OPERATION TECHNOLOGY AND RELATED SOFTWARE SYSTEMS, WHICH IS THE SOLE PROVIDER OF THIS SOFTWARE, IN ACCORDANCE WITH TEXAS LOCAL GOVERNMENT CODE 252.022, WHICH PROVIDES THAT PROCUREMENT OF COMMODITIES AND SERVICES THAT ARE AVAILABLE FROM ONE SOURCE ARE EXEMPT FROM COMPETITIVE BIDDING, AND IF OVER $50,000 SHALL BE AWARDED BY THE GOVERNING BODY; AND PROVIDING AN EFFECTIVE DATE (FILE 7210 – AWARDED TO SSP INNOVATIONS, LLC, IN THE FIVE (5) YEAR NOT-TO-EXCEED AMOUNT OF $2,000,000).

WHEREAS, Section 252.022 of the Local Government Code provides that procurement of items that are only available from one source, including; items that are only available from one source because of patents, copyrights, secret processes or natural monopolies; films, manuscripts or books; electricity, gas, water and other utility purchases; captive replacement parts or components for equipment; and library materials for a public library that are available only from the persons holding exclusive distribution rights to the materials; and need not be submitted to competitive bids; and

WHEREAS, the City Council wishes to procure one or more of the items mentioned in the above paragraph; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The following purchase of materials, equipment or supplies, as described in the "File" listed hereon, and on file in the office of the Purchasing Agent, and the license terms attached are hereby approved:

FILE NUMBER	VENDOR	AMOUNT
7210	SSP Innovations, LLC	$2,000,000

SECTION 2. The City Council hereby finds that this bid, and the award thereof, constitutes a procurement of items that are available from only one source, including, items that are only available from one source because of patents, copyrights, secret processes or natural monopolies; films, manuscripts or books; electricity, gas, water and other utility purchases; captive replacement parts or components for equipment; and library materials for a public library that are available only from the persons holding exclusive distribution rights to the materials; and need not be submitted to competitive bids.

SECTION 3. The acceptance and approval of the above items shall not constitute a contract between the City and the person submitting the quotation for such items until such person shall comply with all requirements specified by the Purchasing Department.

SECTION 4. The City Manager is hereby authorized to execute any contracts relating to the items specified in Section 1 and the expenditure of funds pursuant to said contracts is hereby authorized.

SECTION 5. 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 his designee.

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

The motion to approve this ordinance was made by PAUL MELTZER and seconded by KEELY BRIGGS, the ordinance was passed and approved by the following vote [6 - 0]:

	Aye	Nay	Abstain	Absent
Mayor Chris Watts:	✓			
Gerard Hudspeth, District 1:	✓			
Keely G. Briggs, District 2:	✓			
Jesse Davis, District 3:	✓			
John Ryan, District 4:				✓
Deb Armintor, At Large Place 5:	✓			
Paul Meltzer, At Large Place 6:	✓			

PASSED AND APPROVED this the 28th day of January, 2020.

CHRIS WATTS, MAYOR

ATTEST:
ROSA RIOS, CITY SECRETARY

BY:

CITY OF DENTON * DENTON, TEXAS *

APPROVED AS TO LEGAL FORM:
AARON LEAL, CITY ATTORNEY

BY:

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

Docusign City Council Transmittal Coversheet

FILE	7210
File Name	GIS and Facilities Management System - SSP
Purchasing Contact	Suzzen Stroman
City Council Target Date	January 28, 2020
Piggy Back Option	Not Applicable
Contract Expiration	January 28, 2025
Ordinance	20-112

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

CONTRACT BY AND BETWEEN
CITY OF DENTON, TEXAS AND SSP INNOVATIONS, LLC.
(CONTRACT 7210)

THIS CONTRACT is made and entered into this date 01/28/2020, by and between **SSP INNOVATIONS, LLC.,** a **COLORADO** Limited Liability Company, whose address is **6766 S. REVERE PARKWAY, SUITE 100, CENTENNIAL, CO 80112**, hereinafter referred to as "Contractor," and the **CITY OF DENTON, TEXAS**, a home rule municipal corporation, hereinafter referred to as "City," to be effective upon approval of the Denton City Council and 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

Supplier shall provide products and/or services in accordance with the City's document Contract **7210 - GEOGRAPHIC INFORMATION AND FACILITIES MANAGEMENT SYSTEM - SSP**, a copy of which is on file at the office of Purchasing Agent and incorporated herein for all purposes. 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 Standard Terms and Conditions **(Exhibit "B");**
(c) Insurance Requirements **(Exhibit "C");**
(d) Certificate of Interested Parties Electronic Filing **(Exhibit "D");**
(e) Contractor's Proposal **(Exhibit "E")**;
(f) Form CIQ – Conflict of Interest Questionnaire **(Exhibit "F");**

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 the written agreement then to the contract documents in the order in which they are listed above. These documents shall be referred to collectively as "Contract Documents."

Prohibition on Contracts with Companies Boycotting Israel
Supplier 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, Supplier certifies that Supplier's signature provides written verification to the City that Supplier: (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.

Prohibition On Contracts With Companies Doing Business with Iran, Sudan, or a Foreign Terrorist Organization
Contract # 7210

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

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, Supplier certifies that Supplier's signature provides written verification to the City that Supplier, 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.

IN WITNESS WHEREOF, the parties of these presents have executed this agreement in the year and day first above written.

CONTRACTOR

BY: DocuSigned by: Dean Perry B846FF8D960A478...
AUTHORIZED SIGNATURE

Date: 12/28/2019

Printed Name: Dean Perry

Title: Vice President, Sales & Marketing

720-229-0227
PHONE NUMBER

rick.frymyer@sspinnovations.com
EMAIL ADDRESS

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

DocuSigned by: Melissa Kraft 8407288232BE40E...
SIGNATURE

Melissa Kraft
PRINTED NAME

Chief Technology Officer
TITLE

Technology Services
DEPARTMENT

APPROVED AS TO LEGAL FORM:
AARON LEAL, CITY ATTORNEY

BY: DocuSigned by: Stephanie Neal 2A7F2E74EF244B6...

TEXAS ETHICS COMMISSION
CERTIFICATE NUMBER

ATTEST:
ROSA RIOS, CITY SECRETARY

BY: DocuSigned by: Rosa Rios 1C5CA8C5E175493...

CITY OF DENTON, TEXAS

BY: DocuSigned by: Todd Hileman B776C711BA0D454...
TODD HILEMAN
CITY MANAGER

Date: 1/28/2020

Contract # 7210

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

Exhibit A
Special Terms and Conditions

1. Total Contract Amount

The contract total for services shall not exceed **$2,000,000.** Pricing shall be per Exhibit E attached.

2. Contract Terms

The contract term will be five (5) years, effective from date of award or notice to proceed as determined by the City of Denton Purchasing Department. 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.

The Contract shall commence upon the issuance of a Notice to Proceed or Purchase Order by the City of Denton and shall automatically expire upon completion of the work or receipt of the materials, and acceptance by the City of Denton.

3. Price Escalation and De-escalation

The City will implement an escalation/de-escalation price adjustment quarterly. The escalation/de-escalation will be based upon manufacturer published pricing sheets to the vendor. The price will be increased or decreased based upon the quarterly percentage change in the manufacturer's price list. The price adjustment will be determined quarterly from the award date. Should the change exceed or decrease a minimum threshold value of +/-1%, then the stated eligible bid prices shall be adjusted in accordance with the published price change. It is the supplier or the Cities responsibility to request a price adjustment quarterly in writing. If no request is made, then it will be assumed that the bid price will be in effect. **The supplier must submit or make available the manufacturers pricing sheet used to calculate the bid proposal, to participate in the escalation/de-escalation clause.**

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

Exhibit B
Standard Purchase Terms and Conditions

These standard Terms and Conditions and the Terms and Conditions, Specifications, Drawings and other requirements included in the City of Denton's contract are applicable to contracts/purchase orders issued by the City of Denton hereinafter referred to as the City or Buyer and the Seller or respondent herein after referred to as Contractor or Supplier. Any deviations must be in writing and signed by a representative of the City's Procurement Department and the Supplier. No Terms and Conditions contained in the seller's proposal response, invoice or statement shall serve to modify the terms set forth herein. If there is a conflict between the provisions on the face of the contract/purchase order these written provisions will take precedence.

The Contractor agrees that the contract shall be governed by the following terms and conditions, unless exceptions are duly noted and fully negotiated. Unless otherwise specified in the contract, Sections 3, 4, 5, 6, 7, 8, 20, 21, and 36 shall apply only to a solicitation to purchase goods, and sections 9, 10, 11, 22 and 32 shall apply only to a solicitation to purchase services to be performed principally at the City's premises or on public rights-of-way.

1. **CONTRACTOR'S OBLIGATIONS**: The Contractor shall fully and timely provide all deliverables described in the Solicitation and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable Federal, State, and local laws, rules, and regulations.

2. **EFFECTIVE DATE/TERM**: Unless otherwise specified in the Solicitation, this Contract shall be effective as of the date the contract is signed by the City and shall continue in effect until all obligations are performed in accordance with the Contract.

3. **CONTRACTOR TO PACKAGE DELIVERABLES**: The Contractor will package deliverables in accordance with good commercial practice and shall include a packing list showing the description of each item, the quantity and unit price unless otherwise provided in the Specifications or Supplemental Terms and Conditions, each shipping container shall be clearly and permanently marked as follows: (a) The Contractor's name and address, (b) the City's name, address and purchase order or purchase release number and the price agreement number if applicable, (c) Container number and total number of containers, e.g. box 1 of 4 boxes, and (d) the number of the container bearing the packing list. The Contractor shall bear cost of packaging. Deliverables shall be suitably packed to secure lowest transportation costs and to conform to all the requirements of common carriers and any applicable specification. The City's count or weight shall be final and conclusive on shipments not accompanied by packing lists.

4. **SHIPMENT UNDER RESERVATION PROHIBITED**: The Contractor is not authorized to ship the deliverables under reservation and no tender of a bill of lading will operate as a tender of deliverables.

5. **TITLE & RISK OF LOSS**: Title to and risk of loss of the deliverables shall pass to the City only when the City actually receives and accepts the deliverables.

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

6. **DELIVERY TERMS AND TRANSPORTATION CHARGES**: Deliverables shall be shipped F.O.B. point of delivery unless otherwise specified in the Supplemental Terms and Conditions. Unless otherwise stated in the Offer, the Contractor's price shall be deemed to include all delivery and transportation charges. The City shall have the right to designate what method of transportation shall be used to ship the deliverables. The place of delivery shall be that set forth the purchase order.

7. **RIGHT OF INSPECTION AND REJECTION**: The City expressly reserves all rights under law, including, but not limited to the Uniform Commercial Code, to inspect the deliverables at delivery before accepting them, and to reject defective or non-conforming deliverables. If the City has the right to inspect the Contractor's, or the Contractor's Subcontractor's, facilities, or the deliverables at the Contractor's, or the Contractor's Subcontractor's, premises, the Contractor shall furnish, or cause to be furnished, without additional charge, all reasonable facilities and assistance to the City to facilitate such inspection.

8. **NO REPLACEMENT OF DEFECTIVE TENDER**: Every tender or delivery of deliverables must fully comply with all provisions of the Contract as to time of delivery, quality, and quantity. Any non-complying tender shall constitute a breach and the Contractor shall not have the right to substitute a conforming tender; provided, where the time for performance has not yet expired, the Contractor may notify the City of the intention to cure and may then make a conforming tender within the time allotted in the contract.

9. **PLACE AND CONDITION OF WORK**: The City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner, in accordance with and subject to the applicable security laws, rules, and regulations. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the contract. The Contractor hereby releases and holds the City harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.
The contractor shall, at all times, exercise reasonable precautions for the safety of their employees, City Staff, participants and others on or near the City's facilities.

10. **WORKFORCE**
A. The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.
B. The Contractor, its employees, subcontractors, and subcontractor's employees may not while engaged in participating or responding to a solicitation or while in the course and scope of delivering goods or services under a City of Denton contract or on the City's property.

i. use or possess a firearm, including a concealed handgun that is licensed under state law, except as required by the terms of the contract; or

ii. use or possess alcoholic or other intoxicating beverages, illegal drugs or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs, on the job.

C. If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

any firearms, or has possessed or was under the influence of alcohol or drugs on the job, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

Immigration: The Contractor represents and warrants that it shall comply with the requirements of the Immigration Reform and Control Act of 1986 and 1990 regarding employment verification and retention of verification forms for any individuals hired on or after November 6, 1986, who will perform any labor or services under the Contract and the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 ("IIRIRA) enacted on September 30, 1996.

11. **COMPLIANCE WITH HEALTH, SAFETY, AND ENVIRONMENTAL REGULATIONS**: The Contractor, it's Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. The Contractor shall indemnify and hold the City harmless from and against all claims, demands, suits, actions, judgments, fines, penalties and liability of every kind arising from the breach of the Contractor's obligations under this paragraph.

Environmental Protection: The Respondent shall be in compliance with all applicable standards, orders, or regulations issued pursuant to the mandates of the Clean Air Act (42 U.S.C. §7401 *et seq*.) and the Federal Water Pollution Control Act, as amended, (33 U.S.C. §1251 *et seq*.).

12. **INVOICES**:

A. The Contractor shall submit separate invoices in duplicate on each purchase order or purchase release after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.

B. **Proper Invoices must include a unique invoice number, the purchase order or delivery order number and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department**. Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. The Contractor's name, remittance address and, if applicable, the tax identification number on the invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice.

C. Invoices for labor shall include a copy of all time-sheets with trade labor rate and deliverables order number clearly identified. Invoices shall also include a tabulation of work-hours at the appropriate rates and grouped by work order number. Time billed for labor shall be limited to hours actually worked at the work site.

D. Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.

E. Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount.

The City will furnish a tax exemption certificate upon request.

13. **PAYMENT**:

A. All proper invoices need to be sent to Accounts Payable. Approved invoices will be paid within thirty (30) calendar days of the City's receipt of the deliverables or of the invoice being received in Accounts Payable, whichever is later.

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

B. **If payment is not timely made, (per paragraph A); interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.**

C. If partial shipments or deliveries are authorized by the City, the Contractor will be paid for the partial shipment or delivery, as stated above, provided that the invoice matches the shipment or delivery.

D. The City may withhold or set off the entire payment or part of any payment otherwise due the Contractor to such extent as may be necessary on account of:

i. delivery of defective or non-conforming deliverables by the Contractor;

ii. third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;

iii. failure of the Contractor to pay Subcontractors, or for labor, materials or equipment;

iv. damage to the property of the City or the City's agents, employees or contractors, which is not covered by insurance required to be provided by the Contractor;

v. reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or damages for the anticipated delay;

vi. failure of the Contractor to submit proper invoices with purchase order number, with all required attachments and supporting documentation; or

vii. failure of the Contractor to comply with any material provision of the Contract Documents.

E. Notice is hereby given that any awarded firm who is in arrears to the City of Denton for delinquent taxes, the City may offset indebtedness owed the City through payment withholding.

F. Payment will be made by check unless the parties mutually agree to payment by credit card or electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic funds transfer.

G. The awarding or continuation of this contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds Appropriated and available for this contract. The absence of Appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not Appropriated or available and any deliverables delivered but unpaid shall be returned to the Contractor. The City shall provide the Contractor written notice of the failure of the City to make an adequate Appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any Appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of none or inadequate appropriation of funds, there will be no penalty nor removal fees charged to the City.

14. **TRAVEL EXPENSES**: All travel, lodging and per diem expenses in connection with the Contract shall be paid by the Contractor, unless otherwise stated in the contract terms. During the term of this contract, the contractor shall bill and the City shall reimburse contractor for all reasonable and approved out of pocket expenses which are incurred in the connection with the performance of duties hereunder. Notwithstanding the foregoing, expenses for the time spent by the contractor in traveling to and from City facilities shall not be reimbursed, unless otherwise negotiated.

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

15. **FINAL PAYMENT AND CLOSE-OUT**:
A. If a DBE/MBE/WBE Program Plan is agreed to and the Contractor has identified Subcontractors, the Contractor is required to submit a Contract Close-Out MBE/WBE Compliance Report to the Purchasing Manager no later than the 15th calendar day after completion of all work under the contract. Final payment, retainage, or both may be withheld if the Contractor is not in compliance with the requirements as accepted by the City.
B. The making and acceptance of final payment will constitute:
i. a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and ii. a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

16. **SPECIAL TOOLS & TEST EQUIPMENT**: If the price stated on the Offer includes the cost of any special tooling or special test equipment fabricated or required by the Contractor for the purpose of filling this order, such special tooling equipment and any process sheets related thereto shall become the property of the City and shall be identified by the Contractor as such.

17. **RIGHT TO AUDIT**:
A. The City shall have the right to audit and make copies of the books, records and computations pertaining to the Contract. The Contractor shall retain such books, records, documents and other evidence pertaining to 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 ten (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 the Contract, and to allow the City 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 City 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 (5) business days of receipt of an invoice.
B. Failure to comply with the provisions of this section shall be a material breach of the Contract and shall constitute, in the City'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.

18. **SUBCONTRACTORS**:
A. If the Contractor identified Subcontractors in a DBE/MBE/WBE agreed to Plan, the Contractor shall comply with all requirements approved by the City. The Contractor shall not initially employ any Subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing. No acceptance by the City of any Subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

Awards and Expenditures Report to the Procurement Manager, no later than the tenth calendar day of each month.

B. Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the

Contract, and shall contain provisions that:

i. require that all deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract;

ii. prohibit the Subcontractor from further subcontracting any portion of the Contract without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;

iii. require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;

iv. require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and

v. require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.

C. The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.

D. The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than thirty (30) calendar days after receipt of payment from the City.

19. **WARRANTY-PRICE**:

A. The Contractor warrants the prices quoted in the Offer are no higher than the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.

B. The Contractor certifies that the prices in the Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.

C. In addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.

20. **WARRANTY – TITLE**: The Contractor warrants that it has good and indefeasible title to all deliverables furnished under the Contract, and that the deliverables are free and clear of all liens, claims, security interests and encumbrances. The Contractor shall indemnify and hold the City harmless from and against all adverse title claims to the deliverables.

21. **WARRANTY – DELIVERABLES**: The Contractor warrants and represents that all deliverables sold the City under the Contract, prior to the City’s acceptance, shall be free from defects in design, workmanship or manufacture, and conform in all material respects to the

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

specifications, drawings, and descriptions in the Solicitation, to any samples furnished by the Contractor, to the terms, covenants and conditions of the Contract, and to all applicable State, Federal or local laws, rules, and regulations, and industry codes and standards. Unless otherwise stated in the Solicitation, the deliverables shall be new or recycled merchandise, and not used or reconditioned.

A. Recycled deliverables shall be clearly identified as such.

B. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law; and any attempt to do so shall be without force or effect.

C. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the date of acceptance of the deliverables or from the date of acceptance of any replacement deliverables. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand either repair the non-conforming deliverables, or replace the non-conforming deliverables with fully conforming deliverables, at the City's option and at no additional cost to the City. All costs incidental to such repair or replacement, including but not limited to, any packaging and shipping costs shall be borne exclusively by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach of warranty, but failure to give timely notice shall not impair the City's rights under this section.

D. If the Contractor is unable or unwilling to repair or replace defective or non-conforming deliverables as required by the City, then in addition to any other available remedy, the City may reduce the quantity of deliverables it may be required to purchase under the Contract from the Contractor and purchase conforming deliverables from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such deliverables from another source.

E. If the Contractor is not the manufacturer, and the deliverables are covered by a separate manufacturer's warranty, the Contractor shall transfer and assign such manufacturer's warranty to the City. If for any reason the manufacturer's warranty cannot be fully transferred to the City, the Contractor shall assist and cooperate with the City to the fullest extent to enforce such manufacturer's warranty for the benefit of the City.

22. **WARRANTY – SERVICES**: The Contractor warrants and represents that all services to be provided the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable Federal, State and local laws, rules or regulations.

A. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect.

B. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the Acceptance Date. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the City's rights under this section.

C. If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be required to purchase under the Contract from the

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

Contractor and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.

23. **ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES**: If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

24. **RIGHT TO ASSURANCE**: Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

25. **STOP WORK NOTICE**: The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of Federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.

26. **DEFAULT**: The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under Paragraph 24, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by the Contractor to the City.

27. **TERMINATION FOR CAUSE:** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs, losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. Additionally, in the event of a default by the Contractor, the City may remove the Contractor from the City's vendor list for three (3) years and any Offer submitted by the Contractor may be disqualified for up to three (3) years. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law.

28. **TERMINATION WITHOUT CAUSE**: The City shall have the right to terminate the Contract, in whole or in part, without cause any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds Appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof.

29. **FRAUD**: Fraudulent statements by the Contractor on any Offer or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.

30. **DELAYS**:
A. The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified in paragraph 49. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.
B. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such Party. In the event of default or delay in contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

31. **INDEMNITY**:
A. Definitions:

i. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments and liability of every character, type or description, including all reasonable costs and expenses of litigation, mediation or other alternate dispute resolution mechanism, including attorney and other professional fees for: (1) damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and subcontractors; the officers, agents, and employees of such subcontractors; and third parties); and/or (2) death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor’s subcontractors, and third parties), ii. "Fault" shall include the sale of defective or non-conforming deliverables, negligence, willful misconduct or a breach of any legally imposed strict liability standard.

B. **THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM NEGLIGENCE OR WILLFUL MISCONDUCT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR**

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.

32. **INSURANCE**: The following insurance requirements are applicable, in addition to the specific insurance requirements detailed in **Appendix A** for services only**.** The successful firm shall procure and maintain insurance of the types and in the minimum amounts acceptable to the City of Denton. The insurance shall be written by a company licensed to do business in the State of Texas and satisfactory to the City of Denton.

A. General Requirements:

i. The Contractor shall at a minimum carry insurance in the types and amounts indicated and agreed to, as submitted to the City and approved by the City within the procurement process, for the duration of the Contract, including extension options and hold over periods, and during any warranty period.

ii. The Contractor shall provide Certificates of Insurance with the coverage's and endorsements required to the City as verification of coverage prior to contract execution and within fourteen (14) calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or hold over period is exercised, as verification of continuing coverage.

iii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.

iv. The Contractor must submit certificates of insurance to the City for all subcontractors prior to the subcontractors commencing work on the project.

v. The Contractor's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of **A- VII or better**. The City will accept workers' compensation coverage written by the Texas Workers' Compensation Insurance Fund.

vi. All endorsements naming the City as additional insured, waivers, and notices of cancellation endorsements as well as the Certificate of Insurance shall contain the solicitation number and the following information:

City of Denton
Materials Management Department
901B Texas Street
Denton, Texas 76209

vii. The "other" insurance clause shall not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in the Contract, covering both the City and the Contractor, shall be considered primary coverage as applicable.

viii. If insurance policies are not written for amounts agreed to with the City, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified.

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.

ix. The City shall be entitled, upon request, at an agreed upon location, and without expense, to review certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.

x. The City reserves the right to review the insurance requirements set forth during the effective period of the Contract and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor.

xi. The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract.

xii. The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. All deductibles or self-insured retentions shall be disclosed on the Certificate of Insurance.

xiii. The Contractor shall endeavor to provide the City thirty (30) calendar days' written notice of erosion of the aggregate limits below occurrence limits for all applicable coverages indicated within the Contract.

xiv. The insurance coverages specified in within the solicitation and requirements are required minimums and are not intended to limit the responsibility or liability of the Contractor.

B. Specific Coverage Requirements: Specific insurance requirements are contained in the solicitation instrument.

33. **CLAIMS**: If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse effect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Denton City Attorney. Personal delivery to the City Attorney shall be to City Hall, 215 East McKinney Street, Denton, Texas 76201.

34. **NOTICES**: Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the Contractor shall be sent to the address specified in the Contractor's Offer, or at such other address as a party may notify the other in writing. Notices to the City shall be addressed to the City at 901B Texas Street, Denton, Texas 76209 and marked to the attention of the Purchasing Manager.

35. **RIGHTS TO BID, PROPOSAL AND CONTRACTUAL MATERIAL**: All material submitted by the Contractor to the City shall become property of the City upon receipt. Any

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, and Texas Government Code.

36. **NO WARRANTY BY CITY AGAINST INFRINGEMENTS**: The Contractor represents and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the deliverables and (ii) the deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the deliverables and the Contractor does not know of any valid basis for any such claims. The Contractor shall, at its sole expense, defend, indemnify, and hold the City harmless from and against all liability, damages, and costs (including court costs and reasonable fees of attorneys and other professionals) arising out of or resulting from: (i) any claim that the City's exercise anywhere in the world of the rights associated with the City's' ownership, and if applicable, license rights, and its use of the deliverables infringes the intellectual property rights of any third party; or (ii) the Contractor's breach of any of Contractor's representations or warranties stated in this Contract. In the event of any such claim, the City shall have the right to monitor such claim or at its option engage its own separate counsel to act as co-counsel on the City's behalf. Further, Contractor agrees that the City's specifications regarding the deliverables shall in no way diminish Contractor's warranties or obligations under this paragraph and the City makes no warranty that the production, development, or delivery of such deliverables will not impact such warranties of Contractor.

37. MUTUAL **CONFIDENTIALITY**: In order to provide the deliverables to the City, both parties may require access to certain of the other party's confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which either party considers confidential) (collectively, "Confidential Information"). Both parties acknowledge and agree that the Confidential Information is the valuable property and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City, its licensors, and/or the Contractor. Both parties (including its employees, subcontractors, agents, or representatives) agree that they will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, or recreate the Confidential Information without the prior written consent of the disclosing party or in a manner not expressly permitted under this Agreement, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the receiving party promptly notifies the disclosing party before disclosing such information so as to permit the disclosing party reasonable time to seek an appropriate protective order. Both parties agree to use protective measures no less stringent than each uses within their own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.

38. **OWNERSHIP AND USE OF DELIVERABLES**: The City shall own all rights, titles, and interests throughout the world in and to the deliverables.

A. Patents. As to any patentable subject matter contained in the deliverables, the Contractor agrees to disclose such patentable subject matter to the City. Further, if requested by the City, the Contractor agrees to assign and, if necessary, cause each of its employees to assign the entire right,

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

title, and interest to specific inventions under such patentable subject matter to the City and to execute, acknowledge, and deliver and, if necessary, cause each of its employees to execute, acknowledge, and deliver an assignment of letters patent, in a form to be reasonably approved by the City, to the City upon request by the City.

B. Copyrights. As to any deliverables containing copyrightable subject matter, the Contractor agrees that upon their creation, such deliverables shall be considered as work made-for-hire by the Contractor for the City and the City shall own all copyrights in and to such deliverables, provided however, that nothing in this Paragraph 38 shall negate the City's sole or joint ownership of any such deliverables arising by virtue of the City's sole or joint authorship of such deliverables. Should by operation of law, such deliverables not be considered works made-for-hire, the Contractor hereby assigns to the City (and agrees to cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver an assignment to the City of) all worldwide right, title, and interest in and to such deliverables. With respect to such work made-for-hire, the Contractor agrees to execute, acknowledge, and deliver and cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver a work-made-for-hire agreement, in a form to be reasonably approved by the City, to the City upon delivery of such deliverables to the City or at such other time as the City may request.

C. Additional Assignments. The Contractor further agrees to, and if applicable, cause each of its employees to, execute, acknowledge, and deliver all applications, specifications, oaths, assignments, and all other instruments which the City might reasonably deem necessary in order to apply for and obtain copyright protection, mask work registration, trademark registration and/or protection, letters patent, or any similar rights in any and all countries and in order to assign and convey to the City, its successors, assigns and nominees, the sole and exclusive right, title, and interest in and to the deliverables. The Contractor's obligations to execute, acknowledge, and deliver (or cause to be executed, acknowledged, and delivered) instruments or papers such as those described in this Paragraph 38 a., b., and c. shall continue after the termination of this Contract with respect to such deliverables. In the event the City should not seek to obtain copyright protection, mask work registration or patent protection for any of the deliverables, but should desire to keep the same secret, the Contractor agrees to treat the same as Confidential Information under the terms of Paragraph 37 above.

39. **PUBLICATIONS**: All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.

40. **ADVERTISING**: The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent required by law.

41. **NO CONTINGENT FEES**: The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

42. **GRATUITIES**: The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Denton with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.

43. **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. 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 Contractor shall complete and submit the City's Conflict of Interest Questionnaire.

44. **INDEPENDENT CONTRACTOR**: The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City of Denton, Texas for the purposes of income tax, withholding, social security taxes, vacation or sick leave benefits, worker's compensation, or any other City employee benefit. The City shall not have supervision and control of the Contractor or any employee of the Contractor, and it is expressly understood that Contractor shall perform the services hereunder according to the attached specifications at the general direction of the City Manager of the City of Denton, Texas, or his designee under this agreement. The contractor is expressly free to advertise and perform services for other parties while performing services for the City.

45. **ASSIGNMENT-DELEGATION**: The Contract shall be binding upon and ensure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City (not to be unreasonably withheld); provided, however, Contractor may assign this Agreement in its entirety (including all Order Forms), without the City's consent to its Affiliate or in connection with a merger, acquisition, corporate reorganization, or sale of all or substantially all of its assets with sixty (60) day written notice prior to same. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there are no third party beneficiaries to the Contract.

46. **WAIVER**: No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as,

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character.

47. **MODIFICATIONS**: The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document shall have any force or effect to change the terms, covenants, and conditions of the Contract.

48. **INTERPRETATION**: The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

49. **DISPUTE RESOLUTION**:
A. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.
B. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option; the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Denton County Alternative Dispute Resolution Program (DCAP). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.

50. **JURISDICTION AND VENUE**: The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

Contract shall be resolved in the courts of Denton County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.

51. **INVALIDITY**: The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

52. **HOLIDAYS:** The following holidays are observed by the City:

New Year's Day (observed)
MLK Day
Memorial Day
4th of July
Labor Day
Thanksgiving Day
Day After Thanksgiving
Christmas Eve (observed)
Christmas Day (observed)
New Year's Day (observed)

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday. Normal hours of operation shall be between 8:00 am and 4:00 pm, Monday through Friday, excluding City of Denton Holidays. Any scheduled deliveries or work performance not within the normal hours of operation **must be approved** by the City Manager of Denton, Texas or his authorized designee.

53. **SURVIVABILITY OF OBLIGATIONS:** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract.

54. **NON-SUSPENSION OR DEBARMENT CERTIFICATION:**
The City of Denton is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Denton Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Denton.

55. **EQUAL OPPORTUNITY**
A. **Equal Employment Opportunity:** No Offeror, or Offeror's agent, shall engage in any discriminatory employment practice. No person shall, on the grounds of race, sex, sexual orientation, age, disability, creed, color, genetic testing, or national origin, be refused the benefits of,
Contract # 7210

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

or be otherwise subjected to discrimination under any activities resulting from this RFQ.
B. **Americans with Disabilities Act (ADA) Compliance:** No Offeror, or Offeror's agent, shall engage in any discriminatory employment practice against individuals with disabilities as defined in the ADA.

56. **BUY AMERICAN ACT-SUPPLIES (Applicable to certain federally funded requirements)**
The following federally funded requirements are applicable. A. Definitions. As used in this paragraph –
i. "Component" means an article, material, or supply incorporated directly into an end product.
ii. "Cost of components" means -
(1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or
(2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the end product.
iii. "Domestic end product" means-
(1) An unmanufactured end product mined or produced in the United States; or
(2) An end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as those that the agency determines are not mined, produced, or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality are treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic.
iv. "End product" means those articles, materials, and supplies to be acquired under the contract for public use.
v. "Foreign end product" means an end product other than a domestic end product.
vi. "United States" means the 50 States, the District of Columbia, and outlying areas.
B. The Buy American Act (41 U.S.C. 10a - 10d) provides a preference for domestic end products for supplies acquired for use in the United States.
C. The City does not maintain a list of foreign articles that will be treated as domestic for this Contract; but will consider for approval foreign articles as domestic for this product if the articles are on a list approved by another Governmental Agency. The Offeror shall submit documentation with their Offer demonstrating that the article is on an approved Governmental list.
D. The Contractor shall deliver only domestic end products except to the extent that it specified delivery of foreign end products in the provision of the Solicitation entitled "Buy American Act Certificate".

57. **RIGHT TO INFORMATION:** The City of Denton reserves the right to use any and all information presented in any response to this contract, whether amended or not, except as prohibited by law. Selection of rejection of the submittal does not affect this right.

58. **LICENSE FEES OR TAXES:** Provided the solicitation requires an awarded contractor or supplier to be licensed by the State of Texas, any and all fees and taxes are the responsibility of the respondent.

59. **PREVAILING WAGE RATES:** The contractor shall comply with prevailing wage rates as Contract # 7210

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

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).

60. **COMPLIANCE WITH ALL STATE, FEDERAL, AND LOCAL LAWS:** The contractor or supplier shall comply with all State, Federal, and Local laws and requirements. The Respondent must comply with all applicable laws at all times, including, without limitation, the following: (i) §36.02 of the Texas Penal Code, which prohibits bribery; (ii) §36.09 of the Texas Penal Code, which prohibits the offering or conferring of benefits to public servants. The Respondent shall give all notices and comply with all laws and regulations applicable to furnishing and performance of the Contract.

61. **FEDERAL, STATE, AND LOCAL REQUIREMENTS:** Respondent shall demonstrate on-site compliance with the Federal Tax Reform Act of 1986, Section 1706, amending Section 530 of the Revenue Act of 1978, dealing with issuance of Form W-2's to common law employees. Respondent is responsible for both federal and State unemployment insurance coverage and standard Workers' Compensation insurance coverage. Respondent shall ensure compliance with all federal and State tax laws and withholding requirements. The City of Denton shall not be liable to Respondent or its employees for any Unemployment or Workers' Compensation coverage, or federal or State withholding requirements. Contractor shall indemnify the City of Denton and shall pay all costs, penalties, or losses resulting from Respondent's omission or breach of this Section.

62. **DRUG FREE WORKPLACE:** The contractor shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (Public Law 100-690, Title V, Subtitle D; 41 U.S.C. 701 ET SEQ.) and maintain a drug-free work environment; and the final rule, government-wide requirements for drug-free work place (grants), issued by the Office of Management and Budget and the Department of Defense (32 CFR Part 280, Subpart F) to implement the provisions of the Drug-Free Work Place Act of 1988 is incorporated by reference and the contractor shall comply with the relevant provisions thereof, including any amendments to the final rule that may hereafter be issued.

63. **RESPONDENT LIABILITY FOR DAMAGE TO GOVERNMENT PROPERTY:** The Respondent shall be liable for all damages to government-owned, leased, or occupied property and equipment caused by the Respondent and its employees, agents, subcontractors, and suppliers, including any delivery or cartage company, in connection with any performance pursuant to the Contract. The Respondent shall notify the City of Denton Procurement Manager in writing of any such damage within one (1) calendar day.

64. **FORCE MAJEURE:** The City of Denton, any Customer, and the Respondent shall not be responsible for performance under the Contract should it be prevented from performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributable to the fault or negligence of the City of Denton. In the event of an occurrence under this Section, the Respondent will be excused from any further performance or observance of the requirements so affected for as long as such circumstances prevail and the Respondent continues to use commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay. The Respondent shall immediately notify the City of Denton Procurement Manager by telephone (to be confirmed in writing within five (5) calendar days of the inception of such occurrence) and describe at a reasonable level of detail the

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

circumstances causing the non-performance or delay in performance.

65. **NON-WAIVER OF RIGHTS:** Failure of a Party to require performance by another Party under the Contract will not affect the right of such Party to require performance in the future. No delay, failure, or waiver of either Party's exercise or partial exercise of any right or remedy under the Contract shall operate to limit, impair, preclude, cancel, waive or otherwise affect such right or remedy. A waiver by a Party of any breach of any term of the Contract will not be construed as a waiver of any continuing or succeeding breach.

66. **NO WAIVER OF SOVEREIGN IMMUNITY:** The Parties expressly agree that no provision of the Contract is in any way intended to constitute a waiver by the City of Denton of any immunities from suit or from liability that the City of Denton may have by operation of law.

67. **RECORDS RETENTION:** The Respondent shall retain all financial records, supporting documents, statistical records, and any other records or books relating to the performances called for in the Contract. The Respondent shall retain all such records for a period of four (4) years after the expiration of the Contract, or until the CPA or State Auditor's Office is satisfied that all audit and litigation matters are resolved, whichever period is longer. The Respondent shall grant access to all books, records and documents pertinent to the Contract to the CPA, the State Auditor of Texas, and any federal governmental entity that has authority to review records due to federal funds being spent under the Contract.

Should a conflict arise between any of the contract documents, it shall be resolved with the following order of precedence (if applicable). In any event, the final negotiated contract shall take precedence over any and all contract documents to the extent of such conflict.

1. **Final negotiated contract**
2. **RFP/Bid documents**
3. **City's standard terms and conditions**
4. **Purchase order**
5. **Supplier terms and conditions**

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

Exhibit C

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.

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

- ***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:

- 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.

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

- Broad form contractual liability (preferably by endorsement) covering this contract, personal injury liability and broad form property damage liability.

[ ] **Automobile Liability Insurance:**

Contractor shall provide Commercial Automobile Liability insurance with Combined Single Limits (CSL) of not less than **$500,000** 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 ownedhired 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).

[ ] **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 **$500,000.00** combined bodily injury and property damage per occurrence with a **$1,000,000.00** aggregate.

[ ] **Fire Damage Legal Liability Insurance**

Coverage is required if Broad form General Liability is not provided or is unavailable to 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.

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

[ ] **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.

[ ] **Environmental Liability Insurance**

Environmental liability insurance for $1,000,000 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.

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

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

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

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

2. no later than seven 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

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

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 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.

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

Exhibit D
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.

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

Ballpark Estimate

Miscellaneous Requirements

Version 1.7

Prepared For:

CITY OF DENTON

July 19, 2019

Work to be performed by

ssp innovations

esri Partner Network Platinum

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

Table of Contents

1 Overview 3

2 Ballpark Estimates by Requirement 4

2.1 Implementation of Graphic Work Design & Work Order Management System Integration 4

2.1.1 Anticipated Task List 4

2.2 Improvement of Public Facing Outage Map 4

2.2.1 Anticipated Task List 5

2.3 Enhance ArcGIS Online Public Streetlight Reporting Application 5

2.3.1 Anticipated Task List 5

2.4 Implementation of GIS Management Dashboard 6

2.4.1 Anticipated Task List 6

2.5 Implementation of New DME Web-Based GIS Solution 7

2.5.1 Anticipated Task List 7

2.6 Web Electric Tracing capability. 7

2.6.1 Anticipated Task List 8

2.7 Web search function 8

2.7.1 Anticipated Task List 8

2.8 Develop AVL integration to Responder 8

2.8.1 Anticipated Task List 8

2.9 GIS Health Check-up 9

2.9.1 Anticipated Task List 9

2.10 GIS-Related Project for Distribution Automation 10

2.10.1 Anticipated Task List 10

2.11 GIS-Related Project for Unmanned Aerial Vehicle Systems 10

2.11.1 Anticipated Task List 10

2.12 GIS Support and Additional Projects 11

2.12.1 Anticipated Task List 11

2.13 Utility Network Implementation 12

2.13.1 Anticipated Task List 12

2.14 SSP Maintenance 13

2.14.1 Anticipated Task List 13

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

1 Overview

Denton Municipal Electric ("DME") has provided an extensive list of various requirements to SSP Innovations ("SSP") around enhancing and/or improving the functionality of and around its GIS. In response to the list, this document provides rough order of magnitude cost estimates, and line-item task detail where possible, as to the work likely required to resolve each requirement.

All depictions of levels of effort, durations and/or costs within this document shall be considered non-binding ballpark estimates for rough budgeting purposes only. SSP does not guarantee the success of any of the below solutions at the stated price.

In order to obtain a committed SOW with subtask-level detail, schedule and fixed costs, a scoping conversation would be required between the two entities for the corresponding requirement.

Prices included are using SSP rates and projected costs for projects signed in calendar year 2018. These rates are subject to change.

*A portion of the services described herein requires SSP's access to DME's Schneider Electric ArcFM Suite licensing. Per updated SSP internal technology policy, in order for SSP to utilize DME's Schneider Electric licensing for development and/or testing purposes, SSP will require DME to accommodate one of two activities for SSP's proper access:

1. If permitted within its software license agreements and preferable to DME, DME will provide SSP the required Schneider Electric software installers via FTP or Sharefile for SSP's use on development machines. DME provides access to its network via VPN along with the IP address and machine name of its license server. SSP will reference the license server for the term of testing any code / processes only. The network access will support allowing SSP machines onto the DME network to reference the server.
2. Alternatively, DME will provide a desktop or server that SSP is provided login rights to, on DME's network. SSP will deploy our software development tools to this machine and use it to develop and test all new functionality. SSP will remote desktop to this environment to perform this work. This machine can be either physical or virtual. If virtual is preferred, SSP can provide the machine to DME. SSP's TFS source control can and will still be used for code control.

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

2 Ballpark Estimates by Requirement

2.1 Implementation of Graphic Work Design & Work Order Management System Integration

SSP has worked with DME to document DME's workflow processes and potential system interfaces surrounding work order management and design. DME will utilize this project as an input into the decision-making process around a future purchase and installation of both a capital work order management system as well as a graphic work design tool.

Depending on the systems DME chooses for installation, SSP will handle the installation, configuration, and any customization of the applications to meet DME's requirements. A financial ballpark previously provided to DME has been included in this document as a placeholder for this work. A revised and detailed task order and project plan will be created and agreed upon with DME before any work commences.

Cost Estimate: $600,000.00

2.1.1 Anticipated Task List

Not available at this time – scoping calls required.

2.2 Improvement of Public Facing Outage Map

This implementation will utilize the ArcGIS Online components that were installed via the previously scoped project *Installation of ArcGIS Online Public Streetlight Reporting Application* (SSP SOW #16-2-11) to provide secure access to GIS data via the internet. This will allow for the Responder data to be viewed via the public facing DME website.

DME has already experimented with creating an outage map, but the current map shows the individual responder incident locations (exact location of outage), which is not a recommended pattern.

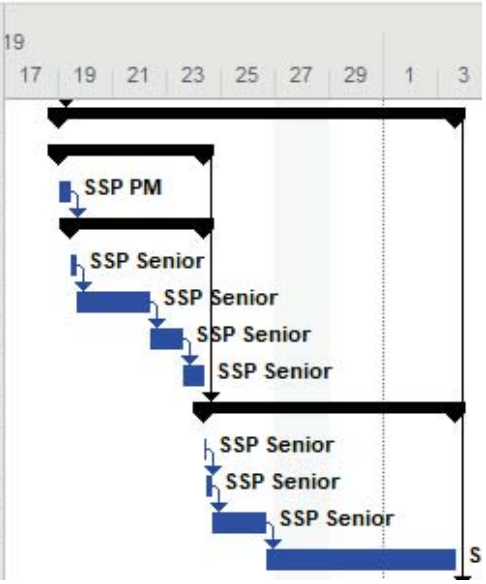
SSP recommends usage of our standard approach for public facing responder outage maps. This approach utilizes an aggregation of the Responder incident data to various polygons covering the service territory. This data is then made available to a web map template provided by Esri specifically for public facing outages. This template will be installed and configured alongside the SSP NBS application for Responder aggregation.

Cost Estimate: $16,800.00

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

2.2.1 Anticipated Task List

	Task Name	Start	Finish
100	(6) Improve Public Facing Outage Map	Fri 4/19/19	Fri 5/3/19
101	Development	Fri 4/19/19	Wed 4/24/19
102	Remote - Kickoff	Fri 4/19/19	Fri 4/19/19
103	NBS Application	Fri 4/19/19	Wed 4/24/19
104	Architect Solution	Fri 4/19/19	Fri 4/19/19
105	Create New Polygon Feature Class Based on Book	Fri 4/19/19	Mon 4/22/19
106	Code NBS App for Aggregation	Mon 4/22/19	Tue 4/23/19
107	Unit Test with Responder @ SSP	Tue 4/23/19	Wed 4/24/19
108	Deployment	Wed 4/24/19	Fri 5/3/19
109	Install and Configure NBS Update Application	Wed 4/24/19	Wed 4/24/19
110	Create Two ArcGIS Online WebMaps (Public and Edita	Wed 4/24/19	Wed 4/24/19
111	Test & Validate Solution	Wed 4/24/19	Fri 4/26/19
112	Remote Support	Fri 4/26/19	Fri 5/3/19



2.3 Enhance ArcGIS Online Public Streetlight Reporting Application

DME has asked for some changes to be made to the existing Public Streetlight Reporting Application.

The requirements for these application changes are unknown at this time so a simple placeholder for 7 days of work has been included in this document, to provide a general ballpark.

Cost Estimate: $11,760.00

This item will need to be estimated once requirements are known.

2.3.1 Anticipated Task List

Not available at this time – scoping call required.

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

2.4 Implementation of GIS Management Dashboard

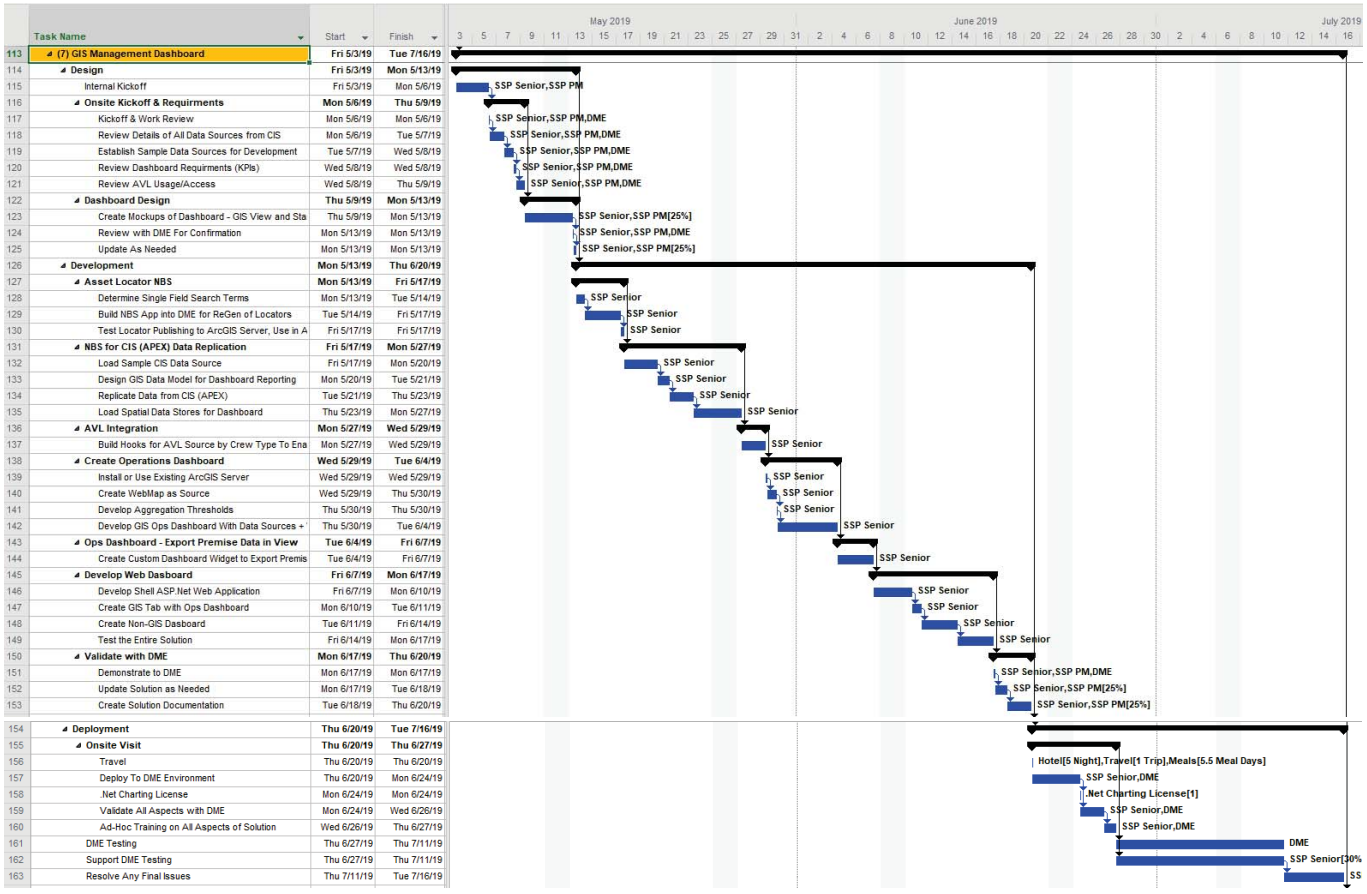
DME would like to build a GIS dashboard that includes both statistical information extracted from GIS (e.g., miles of line for distribution primary overhead and underground, etc.), as well as general mapping tools for managing day-to-day operations. SSP is currently working on a similar project at another utility and has used this project to ballpark this effort at DME.

SSP would propose to create a standard ASP.Net website that is driven by two major functional tabs. The first (default) tab will contain the statistical key performance indicators (KPIs) that are extracted from the underlying data. Presentation of this data may include charts and graphs as needed. The second major tab will include an embedded web view of a configured Esri Operations Dashboard which will provide a mapping-based approach to locating specific assets, events, or work. Operations dashboard provides additional functionality for adding graphs and charts tied directly to the data on the map.

The combination of the statistical and map-based dashboard will provide DME with maximum flexibility for providing information to managers throughout the utility.

Cost Estimate: $103,185.00

2.4.1 Anticipated Task List



	Task Name	Start	Finish
113	(7) GIS Management Dashboard	Fri 5/3/19	Tue 7/16/19
114	Design	Fri 5/3/19	Mon 5/13/19
115	Internal Kickoff	Fri 5/3/19	Mon 5/6/19
116	Onsite Kickoff & Requirments	Mon 5/6/19	Thu 5/9/19
117	Kickoff & Work Review	Mon 5/6/19	Mon 5/6/19
118	Review Details of All Data Sources from CIS	Mon 5/6/19	Tue 5/7/19
119	Establish Sample Data Sources for Development	Tue 5/7/19	Wed 5/8/19
120	Review Dashboard Requirments (KPIs)	Wed 5/8/19	Wed 5/8/19
121	Review AVL Usage/Access	Wed 5/8/19	Thu 5/9/19
122	Dashboard Design	Thu 5/9/19	Mon 5/13/19
123	Create Mockups of Dashboard - GIS View and Sta	Thu 5/9/19	Mon 5/13/19
124	Review with DME For Confirmation	Mon 5/13/19	Mon 5/13/19
125	Update As Needed	Mon 5/13/19	Mon 5/13/19
126	Development	Mon 5/13/19	Thu 6/20/19
127	Asset Locator NBS	Mon 5/13/19	Fri 5/17/19
128	Determine Single Field Search Terms	Mon 5/13/19	Tue 5/14/19
129	Build NBS App into DME for ReGen of Locators	Tue 5/14/19	Fri 5/17/19
130	Test Locator Publishing to ArcGIS Server, Use in A	Fri 5/17/19	Fri 5/17/19
131	NBS for CIS (APEX) Data Replication	Fri 5/17/19	Mon 5/27/19
132	Load Sample CIS Data Source	Fri 5/17/19	Mon 5/20/19
133	Design GIS Data Model for Dashboard Reporting	Mon 5/20/19	Tue 5/21/19
134	Replicate Data from CIS (APEX)	Tue 5/21/19	Thu 5/23/19
135	Load Spatial Data Stores for Dashboard	Thu 5/23/19	Mon 5/27/19
136	AVL Integration	Mon 5/27/19	Wed 5/29/19
137	Build Hooks for AVL Source by Crew Type To Ena	Mon 5/27/19	Wed 5/29/19
138	Create Operations Dashboard	Wed 5/29/19	Tue 6/4/19
139	Install or Use Existing ArcGIS Server	Wed 5/29/19	Wed 5/29/19
140	Create WebMap as Source	Wed 5/29/19	Thu 5/30/19
141	Develop Aggregation Thresholds	Thu 5/30/19	Thu 5/30/19
142	Develop GIS Ops Dashboard With Data Sources +	Thu 5/30/19	Tue 6/4/19
143	Ops Dashboard - Export Premise Data in View	Tue 6/4/19	Fri 6/7/19
144	Create Custom Dashboard Widget to Export Premis	Tue 6/4/19	Fri 6/7/19
145	Develop Web Dasboard	Fri 6/7/19	Mon 6/17/19
146	Develop Shell ASP.Net Web Application	Fri 6/7/19	Mon 6/10/19
147	Create GIS Tab with Ops Dashboard	Mon 6/10/19	Tue 6/11/19
148	Create Non-GIS Dasboard	Tue 6/11/19	Fri 6/14/19
149	Test the Entire Solution	Fri 6/14/19	Mon 6/17/19
150	Validate with DME	Mon 6/17/19	Thu 6/20/19
151	Demonstrate to DME	Mon 6/17/19	Mon 6/17/19
152	Update Solution as Needed	Mon 6/17/19	Tue 6/18/19
153	Create Solution Documentation	Tue 6/18/19	Thu 6/20/19
154	Deployment	Thu 6/20/19	Tue 7/16/19
155	Onsite Visit	Thu 6/20/19	Thu 6/27/19
156	Travel	Thu 6/20/19	Thu 6/20/19
157	Deploy To DME Environment	Thu 6/20/19	Mon 6/24/19
158	.Net Charting License	Mon 6/24/19	Mon 6/24/19
159	Validate All Aspects with DME	Mon 6/24/19	Wed 6/26/19
160	Ad-Hoc Training on All Aspects of Solution	Wed 6/26/19	Thu 6/27/19
161	DME Testing	Thu 6/27/19	Thu 7/11/19
162	Support DME Testing	Thu 6/27/19	Thu 7/11/19
163	Resolve Any Final Issues	Thu 7/11/19	Tue 7/16/19

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

2.5 Implementation of New DME Web-Based GIS Solution

This implementation will utilize the ArcGIS Online components that were installed via the previously scoped project *Installation of ArcGIS Online Public Streetlight Reporting Application* (SSP SOW #16-2-11).

DME desires to move off of the legacy ArcFM Silverlight Viewer that is in use today to a newer HTML5 / JavaScript API viewer. Based on conversations with DME, SSP is recommending moving to an ArcGIS Online-based map viewer. This will provide DME with an industry-standard viewer without any customization required. The one key item that is not readily available in ArcGIS Online is ArcFM tracing, however DME has indicated that this functionality is not heavily used, and is therefore not imperative.

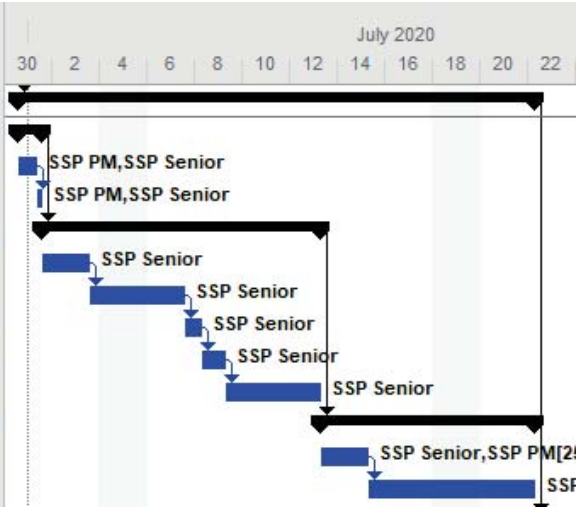
As part of this effort, SSP will also work with DME to replace their current ArcGIS Engine Inspector usage with an ArcGIS Online Collector installation. This will include configuring collection templates for field users to capture inspections including attribute data, GPS location, and optionally pictures. This data will then be available in the back office.

SSP has also included some (TBD) NBS automation to utilize the inspection data to drive notifications or other related reporting. SSP has included a ballpark for this work.

Cost Estimate: $26,145.00

2.5.1 Anticipated Task List

	Task Name	Start	Finish
321	(12) New DME Web Based GIS Solution	Tue 6/30/20	Wed 7/22/20
322	Design	Tue 6/30/20	Wed 7/1/20
323	Remote Session To Understand Needs	Tue 6/30/20	Wed 7/1/20
324	Determine Collector Needs	Wed 7/1/20	Wed 7/1/20
325	Development	Wed 7/1/20	Mon 7/13/20
326	Develop AGOL Map Products	Wed 7/1/20	Fri 7/3/20
327	Configure Collector Pattern(s)	Fri 7/3/20	Tue 7/7/20
328	Review with DME	Tue 7/7/20	Wed 7/8/20
329	Update as Needed	Wed 7/8/20	Thu 7/9/20
330	NBS Automation TBD	Thu 7/9/20	Mon 7/13/20
331	Deploy	Mon 7/13/20	Wed 7/22/20
332	Install into Production	Mon 7/13/20	Wed 7/15/20
333	Offsite Support	Wed 7/15/20	Wed 7/22/20



2.6 Web Electric Tracing capability.

DME would like to explore the possibility of including electric tracing capability in the new Web based GIS application.

The requirements for these systems are unknown at this time so a simple placeholder for 7 days of work has been included in this document, to provide a general ballpark.

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

Cost Estimate: $11,760.00

This item will need to be estimated once requirements are known.

2.6.1 Anticipated Task List

Not available at this time – scoping call required.

2.7 Web search function

DME has requested assistance with a future GIS-related project for improving the searching capabilities in the new Web Based GIS Solution.

The requirements for these systems are unknown at this time so a simple placeholder for 5 days of work has been included in this document, to provide a general ballpark.

Cost Estimate: $8,400.00

This item will need to be estimated once requirements are known.

2.7.1 Anticipated Task List

Not available at this time – scoping call required.

2.8 Develop AVL integration to Responder

DME has requested assistance with a future GIS-related project for the integration of their AVL system to Responder OMS.

The requirements for this integration are unknown at this time so a simple placeholder for 22 days of work has been included in this document, to provide a general ballpark.

Cost Estimate: $36,000.00

This item will need to be estimated once requirements are known.

2.8.1 Anticipated Task List

Not available at this time – scoping call required.

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

2.9 GIS Health Check-up

DME has requested a health check-up for all GIS systems that DME uses. This will cover an entire review of all core GIS, GIS customizations, and integrations in place.

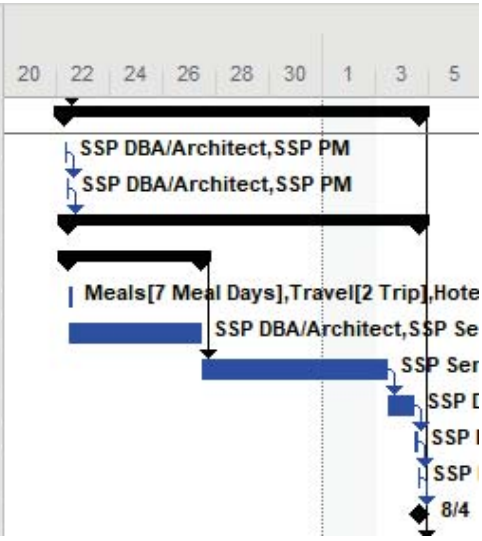
SSP will send both an enterprise architect and a senior consultant onsite to work with DME to review usage of the various systems. The architect will focus on usage of the database and hardware sizing, while the senior consultant will review the software, customization, and integration usage. The senior consultant will include a review all custom code to ensure it is operating correctly and efficiently.

The senior consultant and the architect will work together to create a recommendations guide covering all aspects of the GIS implementation. This document will be presented to DME, updated and finalized. It should be noted that this effort does not include the *implementation* of any recommendations. SSP has included a ballpark for this effort which may be revised closer to the project.

Cost Estimate: $32,240.00

2.9.1 Anticipated Task List

	Task Name	Start	Finish
334	**(13) Health Check**	**Wed 7/22/20**	**Tue 8/4/20**
335	Internal Kickoff	Wed 7/22/20	Wed 7/22/20
336	Kickoff with DME	Wed 7/22/20	Wed 7/22/20
337	**Design**	**Wed 7/22/20**	**Tue 8/4/20**
338	**Onsite Consult**	**Wed 7/22/20**	**Mon 7/27/20**
339	Travel	Wed 7/22/20	Wed 7/22/20
340	Onsite Consultation	Wed 7/22/20	Mon 7/27/20
341	Review All Code	Mon 7/27/20	Mon 8/3/20
342	Draft Recommendations Documentation	Mon 8/3/20	Tue 8/4/20
343	Review with DME	Tue 8/4/20	Tue 8/4/20
344	Update as Needed	Tue 8/4/20	Tue 8/4/20
345	Design Accepted	Tue 8/4/20	Tue 8/4/20



DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

2.10 GIS-Related Project for Distribution Automation

DME has requested assistance with a future GIS-related project for the integration and development needed for implementation of Distribution Automation systems.

The requirements for these systems are unknown at this time so a simple placeholder for 65 days of work has been included in this document, to provide a general ballpark.

Cost Estimate: $136,500.00

This item will need to be estimated once requirements are known.

2.10.1 Anticipated Task List

Not available at this time – scoping call required.

2.11 GIS-Related Project for Unmanned Aerial Vehicle Systems

DME has requested assistance with a future GIS-related project for implementation of an Unmanned Aerial Vehicle system.

The requirements for these systems are unknown at this time so a simple placeholder for 65 days of work has been included in this document, to provide a general ballpark.

This item will need to be estimated once requirements are known.

Cost Estimate: $136,500.00

2.11.1 Anticipated Task List

Not available at this time – scoping call required.

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

2.12 GIS Support and Additional Projects

DME desires a contractual mechanism to request ad hoc services for small jobs and/or issue/bug resolution from a qualified GIS consultant over the course of this PSA.

This will be a time & materials (T&M) rate for custom support on all GIS, OMS, and related custom components owned by DME. This includes all existing asset management auto-updaters, inspector auto-updaters and Responder custom pieces & integrations. This also includes any other GIS related projects or integrations that are identified including further customizations for any GIS products or integrations to other systems at DME. This could also include development of any applications needed for the DME GIS group.

In order to project a not-to-exceed cost for this task order, SSP has provided an estimate of 12% of a full time consultant to help with these miscellaneous activities over the course of a three-year time period. This work will be invoiced every thirty days ONLY for the work completed in the previous thirty days. SSP tracks T&M work down to the quarter-hour and provides timesheet log-level detail for all time worked under a T&M agreement. Any approved expenses would be reimbursed by DME.

The not-to-exceed cost and level of effort for this estimate can be increased or decreased by DME prior contracting for the work, based on DME's needs. SSP will work at the direction of DME until the allotted funds are exhausted, at which time a change order will be required to allocate additional funds. SSP has included a value that represents the remaining dollar balance from the original two million dollar PSA budget after all the other projects have been accounted for with ballpark project estimates.

Cost Estimate: Not-to-Exceed $193,460.00

Hourly Rate: $210.00

****In the event SSP must travel to DME to provide support services, all pre-approved travel expenses will be reimbursed by DME at cost.***

2.12.1 Anticipated Task List

As-needed support and services for duration of PSA.

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

2.13 Utility Network Implementation

DME has requested the implementation of Esri Utility Network Extension for ArcGIS Enterprise. This will include the setup and data migration for all GIS Electric data that DME uses. This includes UN data model configuration, ArcGIS Pro configuration, Implementation of SSP Sync and Productivity, and the Sync and Productivity software licenses, assuming 10 edit users. The cost estimate includes all components in 2.9.1.x below.

This item will need to be estimated once requirements are known. Project duration is estimated at 222 days.

Cost Estimate: $391,000.00

2.13.1 Anticipated Task List

Not available at this time – scoping calls required.

2.13.1.1 SSP Sync Software

The Sync software is a perpetual license. The pricing included is for initial license fee as a site license with 20% maintenance optional in year 2.

Cost Estimate: Not-to-Exceed $10,000.00

2.13.1.2 SSP Sync Implementation Services

The services to implement Sync are included as a line item in the full UN migration from GN.

Cost Estimate: Not-to-Exceed $130,000.00

2.13.1.3 SSP Productivity Software

Based on 10 concurrent users. This is annual license fee that includes support and maintenance.

Cost Estimate: $6,000.00/year

2.13.1.4 SSP Productivity Implementation Services

This is to configure the tools for tracing, editing and session workflow posting.

Cost Estimate: $10,000.00

2.13.1.5 ArcGIS Pro Configuration

Based on understanding for configurations with the UN extension and work for Productivity.

Cost Estimate: $3,000.00

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

2.14 SSP Maintenance

This is a project ware implementation for the SSP Maintenance application framework and modules for managing geodatabase administration. The batch framework will streamline the administrative processes for sustaining optimal geodatabase performance. DME will need to refine the modules in order to define the full extent of this effort. Cost estimate assumes all modules.

Cost Estimate: $15,000.00

2.14.1 Anticipated Task List

Not available at this time – scoping call required.

2.15 SSP Lifecycle/JD Edwards Integration Services

DME has requested assistance with a future GIS-related project for the development and integration of SSP Lifecycle to their JD Edwards accounting system.

Cost Estimate: $100,000.00

2.15.1 Anticipated Task List

Not available at this time – scoping call required This item will need to be estimated once requirements are known.

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

6766 S. Revere Parkway , Suite C-100
Centennial, CO 80112
Phone: 720-279-9894

Invoice

Invoice Number: 18500-42

Date: 31-Aug-19

To:
City of Denton
Accounts Payable
901B Texas Street
Denton, TX 76209

Make check payable to SSP Innovations, LLC

Remit to:
SSP Innovations, LLC
6766 S. Revere Parkway
Suite C-100
Centennial, CO 80112

For ACH Payment Use:
Account # 4000808630
Routing # 111916326

Terms: Net 30 days

Description:
Support Regular Defects
Per Statement of Work 19-04-21
Invoice covers Aug 2019 (7/28/2019 - 8/31/2019)

Consulting Services:

	Hours	Rate	Total
Brice Childers	23.50	$ 210.00	$ 4,935.00
Colton Frazier	17.00	$ 210.00	$ 3,570.00
Corey Tokunaga	46.75	$ 210.00	$ 9,817.50
Greg Garner	7.00	$ 210.00	$ 1,470.00
Justin Rowsell	11.25	$ 210.00	$ 2,362.50
	105.50		$ 22,155.00

Expenses:

N/A	$ -
	$ -

Invoice Total **$ 22,155.00**

For questions, please contact SSP Finance at finance@sspinnovations.com or 720-279-9894

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

SSP Timetracking Project Log

Client: City of Denton

Project: Denton_Support Support Regular Defects

Name	Date	Activity (Subproject)	Hours	Description
Brice Childers				
	8/1/2019	Support Regular Defects	4	Meeting, Looking into webmap issue more, reviewing previous documentation
	8/5/2019	Support Regular Defects	2	Looking into issues with Light feature service, creating new service to add to test web map
	8/8/2019	Support Regular Defects	0.5	meeting
	8/12/2019	Support Regular Defects	4	Trying to deploy, troubleshooting, streetlight map
	8/15/2019	Support Regular Defects	0.5	meeting
	8/16/2019	Support Regular Defects	2	Figuring out issue with streetlight map
	8/21/2019	Support Regular Defects	3	Meeting with Kenn about Service Account issue, looking into sql scripts
	8/22/2019	Support Regular Defects	3.5	meeting, looking into streetlight map and service accounts table
	8/23/2019	Support Regular Defects	4	Making Streetlight App, looking into Service Account scripts
		Total Hours:	**23.5**	
Colton Frazier				
	8/20/2019	Support Regular Defects	2	Communication with team on new bugnet defect and getting set up for remote access to environment.
	8/21/2019	Support Regular Defects	7	Taking a call with the team to work through the issues in Prod and determine what needs to be changes for meterping
	8/29/2019	Support Regular Defects	6	Working on Bugnet 5291 and working on changing the code to support the new API calls and structure for the API calls.
	8/30/2019	Support Regular Defects	2	Working on Bugnet 5291 and working on changing the code to support the new API calls and structure for the API calls.
		Total Hours:	**17**	
Corey Tokunaga				
	8/1/2019	Support Regular Defects	0.5	Meeting with client to discuss open issues.
	8/2/2019	Support Regular Defects	3	Looking into issue with some Device_OIDs not updating with CIS scripts
	8/5/2019	Support Regular Defects	6	Looking into issue with some Device_OIDs not updating with CIS scripts. Testing out different queries to get Device_OID values. Looking into whether Facility ID needs to be updated. Updating stored procs with new query
	8/6/2019	Support Regular Defects	6	Running tests with new queries. Looking into permissions issues with writing to output log files. Testing permissions changes to get script to log properly.
	8/7/2019	Support Regular Defects	4.25	Looking into permissions issues with output logs. Testing permissions changes

Client: City of Denton

Project: Denton_Support Support Regular Defects

Name	Date	Activity (Subproject)	Hours	Description
	8/8/2019	Support Regular Defects	5	Testing permissions issues by using a powershell script. Looking into missing service account records, and updating scripts to accommodate date created and date modified fields being null. Testing parts of the scripts to see why certain parts don't seem to be getting updated.
	8/13/2019	Support Regular Defects	5.5	Looking into issue with RX_Customer view table having the same records for awhile despite RX_Customer table updating. Continuing to look into service account records not lining up with RX_Customers records
	8/14/2019	Support Regular Defects	4.5	Updating PROD scripts with changes made to TEST for CIS scripts. Looking into record mismatches between tables.
	8/15/2019	Support Regular Defects	8	Making changes to scripts to try and fix issue with service account and customer records not lining up. Testing changes to scripts.
	8/16/2019	Support Regular Defects	4	Looking into potential issues with formatting of CSV file and whether this could cause problems with CIS script.
		Total Hours:	**46.75**	
Greg Garner				
	7/29/2019	Support Regular Defects	0.5	PM
	8/1/2019	Support Regular Defects	0.5	Weekly status meeting
	8/8/2019	Support Regular Defects	1	PM review of issues 1/2 hour weekly status
	8/15/2019	Support Regular Defects	1	PM and status meeting
	8/19/2019	Support Regular Defects	1	PM - resource replacement for Corey TR, resource for Responder request from DME
	8/20/2019	Support Regular Defects	1	PM - finding replacement for Corey TR and supplying Responder resource for Denton support request
	8/22/2019	Support Regular Defects	1	PM
	8/29/2019	Support Regular Defects	1	PM Denton issues Weekly status meeting
		Total Hours:	**7**	
Justin Rowsell				
	7/29/2019	Support Regular Defects	0.25	Bugnet 5263
	8/1/2019	Support Regular Defects	0.25	lc bugnet
	8/2/2019	Support Regular Defects	0.25	5263
	8/5/2019	Support Regular Defects	1.25	bugnet 5263
	8/6/2019	Support Regular Defects	0.25	bugnet 5263
	8/7/2019	Support Regular Defects	0.75	bugnet 5263
	8/16/2019	Support Regular Defects	3.5	5263
	8/19/2019	Support Regular Defects	0.75	bugnet 5263
	8/22/2019	Support Regular Defects	0.5	status meeting

Client: City of Denton

Project: Denton_Support Support Regular Defects

Name	Date	Activity (Subproject)	Hours	Description
	8/28/2019	Support Regular Defects	3	talking trilliant with colton and 5263
	8/29/2019	Support Regular Defects	0.5	5263 and status
		Total Hours:	**11.25**	

DocuSign Envelope ID: 3D8CEF5D-766F-440E-B8E8-B1FE2297B839

Exhibit Exhibit F

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.** SSP Innovations, 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.

N/A

4 ☒ **I have no Conflict of Interest to disclose.**

5 DocuSigned by: Dean Perry B846FF8D960A478... oing business with the governmental entity

12/28/2019

Date

Certificate Of Completion

Envelope Id: 3D8CEF5D766F440EB8E8B1FE2297B839
Status: Completed
Subject: Please DocuSign: City Council Contract 7210 - GIS and Facilities Management System - SSP
Source Envelope:
Document Pages: 49
Signatures: 6
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Suzzen Stroman
901B Texas Street
Denton, TX 76209
suzzen.stroman@cityofdenton.com
IP Address: 129.120.6.150

Record Tracking

Status: Original
12/13/2019 3:17:58 PM
Holder: Suzzen Stroman
suzzen.stroman@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Suzzen Stroman suzzen.stroman@cityofdenton.com Buyer City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	**Completed** Using IP Address: 129.120.6.150	Sent: 12/17/2019 11:53:52 AM Viewed: 12/17/2019 11:54:03 AM Signed: 12/17/2019 11:54:08 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	DS LH Signature Adoption: Pre-selected Style Using IP Address: 129.120.6.150	Sent: 12/17/2019 11:54:10 AM Viewed: 12/17/2019 1:27:15 PM Signed: 12/17/2019 1:31:26 PM
Stephanie Neal Stephanie.Neal@cityofdenton.com Neal City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	DocuSigned by: Stephanie Neal 2A7F2E74EF244B6... Signature Adoption: Pre-selected Style Using IP Address: 47.190.47.120	Sent: 12/17/2019 1:31:29 PM Resent: 12/19/2019 10:23:16 AM Resent: 12/19/2019 3:17:31 PM Viewed: 12/26/2019 2:55:36 PM Signed: 12/26/2019 3:09:13 PM
Dean Perry rick.frymyer@sspinnovations.com Vice President, Sales & Marketing Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 12/27/2019 7:18:33 AM ID: 27ebd124-88ba-4e63-aa35-1cc961558868	DocuSigned by: Dean Perry B846FF8D960A478... Signature Adoption: Pre-selected Style Using IP Address: 173.174.68.81	Sent: 12/26/2019 3:09:16 PM Resent: 12/27/2019 2:16:52 PM Viewed: 12/27/2019 2:17:46 PM Signed: 12/28/2019 1:15:19 PM

Signer Events	Signature	Timestamp
Melissa Kraft Melissa.Kraft@cityofdenton.com Chief Technology Officer City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	DocuSigned by: Melissa Kraft 8407288232BE40E... Signature Adoption: Pre-selected Style Using IP Address: 104.190.159.195 Signed using mobile	Sent: 12/28/2019 1:15:23 PM Viewed: 12/28/2019 1:58:37 PM Signed: 12/28/2019 1:58:54 PM
Cheyenne Defee cheyenne.defee@cityofdenton.com Contract Administrator City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	**Completed** Using IP Address: 129.120.6.150	Sent: 12/28/2019 1:58:57 PM Viewed: 1/28/2020 3:51:16 PM Signed: 1/28/2020 3:51:54 PM
Todd Hileman Todd.Hileman@cityofdenton.com City Manager City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 7/25/2017 11:02:14 AM ID: 57619fbf-2aec-4b1f-805d-6bd7d9966f21	DocuSigned by: Todd Hileman B776C711BA0D454... Signature Adoption: Pre-selected Style Using IP Address: 107.77.197.132 Signed using mobile	Sent: 1/28/2020 3:51:58 PM Viewed: 1/28/2020 4:23:21 PM Signed: 1/28/2020 4:23:26 PM
Rosa Rios rosa.rios@cityofdenton.com City Secretary Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 1/28/2020 4:37:43 PM ID: 9f56e259-c44e-46fd-8210-664c1855427c	DocuSigned by: Rosa Rios 1C5CA8C5E175493... Signature Adoption: Pre-selected Style Using IP Address: 129.120.6.150	Sent: 1/28/2020 4:23:29 PM Viewed: 1/28/2020 4:37:43 PM Signed: 1/28/2020 4:38:20 PM
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 Contract Administrator City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 12/17/2019 11:54:10 AM

Car□on Cop□ Events	Status	Timestamp
Sherri Thurman sherri.thurman@cityofdenton.com City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 12/28/2019 1:58:57 PM
Jane Richardson jane.richardson@cityofdenton.com Assistant City Secretary City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 1/28/2020 3:51:58 PM Viewed: 1/28/2020 4:07:43 PM
Zolaina Parker Zolaina.Parker@cityofdenton.com City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 1/28/2020 3:51:58 PM
Sandra Allsup sandra.allsup@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 1/28/2020 4:38:23 PM

□ itness Events	Signature	Timestamp

□otar□ Events	Signature	Timestamp

Envelope Summar□ Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	1/28/2020 4:38:23 PM
Certified Delivered	Security Checked	1/28/2020 4:38:23 PM
Signing Complete	Security Checked	1/28/2020 4:38:23 PM
Completed	Security Checked	1/28/2020 4:38:23 PM

□a□ment 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.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT EXTENSION BETWEEN THE CITY OF DENTON AND SSP INNOVATIONS, LLC, THROUGH JULY 26, 2027, TO CONTINUE THE DEVELOPMENT OF SYSTEM INTEGRATIONS FOR DENTON MUNICIPAL ELECTRIC; AND DECLARING AN EFFECTIVE DATE (FILE 7210 – EXTENDING A CONTRACT WITH SSP INNOVATIONS, LLC, TO JULY 26, 2027).

WHEREAS, Ordinance 20-112 authorized a contract to SSP Innovations, LLC, which is on file in the office of the Purchasing Agent; and

WHEREAS, the staff having recommended, and the City Manager having recommended to the City Council that an extension to the existing purchasing authority approved by Ordinance 20-112 be authorized between the City and SSP Innovations, LLC, to expire on July 26, 2027; and

WHEREAS, this procurement was undertaken as part of the City's governmental function; and

WHEREAS, the City Council finds that the action taken herein is in the public interest; 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 authority to receive services from SSP Innovations, LLC, authorized by Ordinance 20-112, is hereby extended under File 7210 to July 26, 2027.

SECTION 3. The City Council delegates the authority to the City Manager to take any actions that may be required or permitted to be performed by the City of Denton under File 7210 to the City Manager or their designee.

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 _____. This ordinance was passed and approved by the following vote [___ - ___]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Marcella Lunn

Docusign Envelope ID: F2E88E73-3497-4123-A754-D6BCC14910D5

Docusign City Council Transmittal Coversheet

FILE	7210
File Name	GIS & Fac Mgmt. System 2 Yr. Extension
Purchasing Contact	Christa Christian
City Council Target Date	
Piggy Back Option	Not Applicable
Contract Expiration	
Ordinance	

Docusign Envelope ID: F2E88E73-3497-4123-A754-D6BCC14910D5

THE STATE OF TEXAS §
§
COUNTY OF DENTON §

FIRST AMENDMENT TO CONTRACT
BY AND BETWEEN THE CITY OF DENTON, TEXAS
AND **SSP INNOVATIONS, LLC**

THIS FIRST AMENDMENT TO CONTRACT 7210 (this "Amendment") by and between the City of Denton, Texas ("City") and **SSP INNOVATIONS, LLC** ("Contractor") to that certain contract executed on January 28, 2020, in the original not-to-exceed amount of $2,000,000 (the "Agreement"); for services related to the development of System Integrations for DME Technology Operations.

WHEREAS, the City deems it necessary extend the contract provided by Contractor to the City pursuant to the terms of the Agreement, for a two (2) year term; and

WHEREAS, this amendment incorporates any previously executed documents between the parties including but not limited to pricing adjustments.

WHEREAS, the City deems it necessary to further expand the goods/services provided by Contractor to the City; and

WHEREAS, the original not-to-exceed amount may not be increased by more than 25.0% as provided in Texas Local Government Code Sec. 252.048; and

NOW THEREFORE, the City and Contractor (hereafter collectively referred to as the "Parties"), in consideration of their mutual promises and covenants, as well as for other good and valuable considerations, do hereby AGREE to the following First Amendment, which amends the following terms and conditions of the said Agreement, to wit:

1. This Amendment modifies the Agreement amount to provide an additional two (2) year term for additional services and materials to be provided in accordance with the terms of the Agreement.

The Parties hereto agree, that except as specifically provided for by this Amendment, that all of the terms, covenants, conditions, agreements, rights, responsibilities, and obligations of the Parties, set forth in the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the City and the Contractor, have each executed this Amendment, by and through their respective duly authorized representatives and officers on this date_____.

Docusign Envelope ID: F2E88E73-3497-4123-A754-D6BCC14910D5

"CONTRACTOR"
SSP INNOVATIONS, LLC

By: Signed by: Dean Perry 5B719A3F6F8C48D... Chief Bus. Dev. Officer
AUTHORIZED SIGNATURE, TITLE

"CITY"
CITY OF DENTON, TEXAS
A Texas Municipal Corporation

By: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

By: DocuSigned by: Marcella Lunn 4B070831B4AA438...

ATTEST:
LAUREN THODEN, CITY SECRETARY

By: _____

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational
obligations and business terms.

Signed by: Antonio Puente E3760944C2BF4B5... Antonio Puente
SIGNATURE PRINTED NAME

DME General Manager
TITLE

Electric
DEPARTMENT

Docusign Envelope ID: F2E88E73-3497-4123-A754-D6BCC14910D5

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) and by City of Denton Ethics Code, Ordinance 18-757.
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.**

SSP INNOVATIONS, 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.**

_____
Name of Officer

Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government 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 Signed by: Dean Perry 5B719A3F6F8C48D...

Signature of vendor doing business with the governmental entity

2/21/2025
Date

Docusign Envelope ID: F2E88E73-3497-4123-A754-D6BCC14910D5

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/ Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(A) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

City of Denton Ethics Code Ordinance Number 18-757

Definitions:

Relative: a family member related to a City Official within the third 3rd degree of affinity (marriage) or consanguinity (blood or adoption)

City Official: for purpose of this article, the term consists of the Council Members, Department Heads, or member of the Board of Ethics, Planning and zoning Commission Members, Board of Adjustment, Historic Landmark Commission, or Public Utilities Board

Vendor: a person who provides or seeks to provide goods, services, and/or real property to the City in exchange for compensation. This definition does not include those property owners from whom the City acquires public right-of-way or other real property interests for public use.

Per the City of Denton Ethics Code, Section 2-273. – Prohibitions

(3) It shall be a violation of this Article for a Vendor to offer or give a Gift to City Official exceeding fifty dollars ($50.00) per gift, or multiple gifts cumulatively valued at more than two hundred dollars ($200.00) per a single fiscal year.

Per the City of Denton Ethics Code, Section 2-282. – Disposition (b), (5) Ineligibility

If the Board of Ethics finds that a Vendor has violated this Article, the Board may recommend to the City Manager that the Vendor be deemed ineligible to enter into a City contract or other arrangement for goods, services, or real property, for a period of one (1) year.

Certificate Of Completion

Envelope Id: F2E88E73-3497-4123-A754-D6BCC14910D5
Status: Sent
Subject: Please DocuSign: City Council Contract 7210 - GIS & Fac Mgmt. System 2 Yr. Extension
Source Envelope:
Document Pages: 5
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Christa Christian
901B Texas Street
Denton, TX 76209
Christa.Christian@cityofdenton.com
IP Address: 198.49.140.10

Record Tracking

Status: Original
2/13/2025 3:35:42 PM
Holder: Christa Christian
Christa.Christian@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Christa Christian christa.christian@cityofdenton.com Purchasing Supervisor 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: 2/13/2025 3:40:54 PM Viewed: 2/13/2025 3:41:03 PM Signed: 2/13/2025 3:41:13 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	DS LH Signature Adoption: Pre-selected Style Using IP Address: 47.184.122.38	Sent: 2/13/2025 3:41:15 PM Viewed: 2/14/2025 7:23:04 AM Signed: 2/14/2025 7:23:24 AM
Marcella Lunn marcella.lunn@cityofdenton.com Senior Deputy City Attorney City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	DocuSigned by: Marcella Lunn 4B070831B4AA438... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 2/14/2025 7:23:27 AM Viewed: 2/17/2025 5:28:40 PM Signed: 2/17/2025 5:29:30 PM
Dean Perry Dean.perry@sspinnovations.com Chief Bus. Dev. Officer SSP Innovations, LLC Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/18/2025 2:43:12 PM ID: 2d12bdab-5b5f-4285-9aa2-547b7dacab59	Signed by: Dean Perry 5B719A3F6F8C48D... Signature Adoption: Pre-selected Style Using IP Address: 173.174.94.28	Sent: 2/17/2025 5:29:33 PM Viewed: 2/18/2025 2:43:12 PM Signed: 2/21/2025 2:24:53 PM

Signer Events	Signature	Timestamp
Antonio Puente Antonio.Puente@cityofdenton.com DME General Manager Denton Municipal Electric Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/21/2025 2:26:29 PM ID: 3e21eaaa-56d0-48d3-a478-ca32f3419233	Signed by:  E3760944C2BF4B5... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 2/21/2025 2:24:56 PM Viewed: 2/21/2025 2:26:29 PM Signed: 2/21/2025 2:26:42 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: 2/21/2025 2:26:45 PM
Sara Hensley sara.hensley@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign		
Lauren Thoden lauren.thoden@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: 2/13/2025 3:41:15 PM
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None)	COPIED	Sent: 2/21/2025 2:26:45 PM Viewed: 2/24/2025 1:58:34 PM

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		
Jerry Looper jerry.looper@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/24/2025 7:31:30 AM ID: f9976464-d53e-43e7-9ba6-9a8bb0ed9a3e		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	2/13/2025 3:40:54 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.

File #: ID 25-1186, **Version:** 1

AGENDA CAPTION

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 DKJ Concrete Construction, Inc., amending the contract approved by City Council on September 20, 2022, in the not-to-exceed amount of $5,250,000.00; said first amendment to continue to provide utility cut restoration services for the Water Utilities Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8046 - providing for an additional first amendment expenditure amount not-to-exceed $1,312,500.00, with the total contract amount not-to-exceed $6,562,500.00). The Public Utilities Board recommends approval (5 - 0).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: July 15, 2025

SUBJECT

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 DKJ Concrete Construction, Inc., amending the contract approved by City Council on September 20, 2022, in the not-to-exceed amount of $5,250,000.00; said first amendment to continue to provide utility cut restoration services for the Water Utilities Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8046 – providing for an additional first amendment expenditure amount not-to-exceed $1,312,500.00, with the total contract amount not-to-exceed $6,562,500.00). The Public Utilities Board recommends approval (5 - 0).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

INFORMATION/BACKGROUND

This proposed amendment increases funding for an existing contract for utility cut restoration services. The contract supports the timely restoration of utility cuts, helping utility departments avoid late permit fees and improving service to the community through quicker roadway repairs.

Since the contract's start, the City has experienced unexpected increases in restoration costs and a higher volume of utility cuts than anticipated. The Procurement Department approved the first price increase on September 27, 2022. More recently, on March 3, 2025, Procurement approved an increase to the pricing sheet to reflect updated market rates for labor and materials. Despite these adjustments, the increased demand has caused available funds to be expended faster than projected.

In April 2022, the Internal Audit Department completed a review identifying delays in closing work orders due to outstanding utility cut restorations. Over 30% of work orders remained open for 100 days or more, far exceeding the City's 30-day target. Timely restorations are essential to closing work orders, maintaining permit compliance, and reducing roadway disruptions for the community. Increasing the contract funding will ensure the vendor can continue supporting efficient service delivery and meet the City's restoration timelines.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On September 20, 2022, City Council approved a contract with DJK Concrete Construction, Inc., in the not-to-exceed amount of $5,250,000 (Ordinance 22-1809).

On June 23, 2025, the Public Utilities Board (PUB) recommended this item to the City Council for consideration.

RECOMMENDATION

Award Amendment No. 1 with DJK Concrete Construction, Inc., to continue to provide utility cut restoration services for the Water Utilities Department, in a not-to-exceed amount of $1,312,500, for a total amended contract amount of $6,562,500.

PRINCIPAL PLACE OF BUSINESS

DKJ Concrete Construction, Inc.
Pilot Point, TX

ESTIMATED SCHEDULE OF PROJECT

This contract expires on September 19, 2027. A future solicitation for a new contract for the utility cut restoration for the Water Utilities Department will be in place before the end of fiscal year 2025/2026.

FISCAL INFORMATION

These products and services will be funded through the using department's budget on an as-needed basis. The budgeted amount for this item is $6,562,500. The City will only pay for services rendered and is not obligated to pay the full contract amount unless needed.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Original Ordinance and Contract
Exhibit 3: Ordinance and Amendment 1

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Casey Bowles, 940-349-8489.

Legal point of contact: Marcella Lunn at 940-349-8333.

ORDINANCE NO. 22-1809

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH DKJ CONCRETE CONSTRUCTION, INC., AS THE PRIMARY CONTRACTOR, AND JKK CONCRETE CONSTRUCTION, LLC, AS THE SECONDARY CONTRACTOR, FOR UTILITY CUT RESTORATION FOR THE WATER UTILITIES DEPARTMENT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFP 8046 – AWARDED TO DKJ CONCRETE CONSTRUCTION, INC., THE PRIMARY CONTRACTOR, AND JKK CONCRETE CONSTRUCTION, LLC, THE SECONDARY CONTRACTOR, 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 $5,250,000.00).

WHEREAS, the City has solicited, received, and evaluated competitive proposals for utility cut restoration for the Water Utilities Department; and

WHEREAS, the City Manager, or a designated employee, has received and 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, 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	AWARD
8046	DKJ Concrete Construction, Inc.	Primary
8046	JKK Concrete Construction, LLC	Secondary

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 and of the submitted proposals 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 Alison Maguire and seconded by Brian Beck. This ordinance was passed and approved by the following vote [6 - 0]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	✓			
Vicki Byrd, District 1:	✓			
Brian Beck, District 2:	✓			
Jesse Davis, District 3:				✓
Alison Maguire, District 4:	✓			
Brandon Chase McGee, At Large Place 5:	✓			
Chris Watts, At Large Place 6:	✓			

PASSED AND APPROVED this the 20th day of September, 2022.

GERARD HUDSPETH, MAYOR

ATTEST:
ROSA RIOS, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

Digitally signed by Marcella Lunn
DN: cn=Marcella Lunn, o, ou=City of Denton, email=marcella.lunn@cityofdenton.com, c=US
Date: 2022.08.26 15:43:25 -05'00'

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

Docusign City Council Transmittal Coversheet

RFP	8046
File Name	UTILITY CUT RESTORATION--DKJ CONCRETE CONSTRUCTION
Purchasing Contact	Crystal Westbrook
City Council Target Date	SEPTEMBER 20, 2022
Piggy Back Option	Yes
Contract Expiration	SEPTEMBER 20, 2027
Ordinance	22-1809

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

CONTRACT BY AND BETWEEN
CITY OF DENTON, TEXAS AND DKJ CONCRETE CONSTRUCTION, INC.
(CONTRACT #8046)

THIS CONTRACT is made and entered into this date 09/20/2022, by and between **DKJ Concrete Construction, Inc.,** a Texas corporation, whose address is 9417 Vail Eton Drive, Pilot Point, TX 76258 hereinafter referred to as "Contractor," and the **CITY OF DENTON, TEXAS**, a home rule municipal corporation, hereinafter referred to as "City," to be effective upon approval of the Denton City Council and 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 products and/or services in accordance with the City's document RFP #8046 – Utility Cut Restoration, a copy of which is on file at the office of Purchasing Agent and incorporated herein for all purposes. 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's RFP 8046 **(Exhibit "B" on File at the Office of the Purchasing Agent);**
(c) City of Denton Standard Terms and Conditions **(Exhibit "C");**
(d) Insurance Requirements **(Exhibit "D");**
(e) Certificate of Interested Parties Electronic Filing **(Exhibit "E");**
(f) Contractor's Proposal (**Exhibit "F"**);
(g) Form CIQ – Conflict of Interest Questionnaire **(Exhibit "G");**

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 the written agreement then to the contract documents in the 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 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.

Prohibition on Contracts with Companies Boycotting Certain Energy Companies
Contractor acknowledges that in accordance with Chapter 2274 of the Texas Government Code, City is

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

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.

Prohibition on Contracts with Companies Boycotting Certain Firearm Entities and Firearm Trade Associations

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.

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.

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.

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 WHEREOF, the parties of these presents have executed this agreement in the year and day first above written.

Contract # 8046

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

CONTRACTOR

DocuSigned by:
BY: C36FFEBA30AE495...
AUTHORIZED SIGNATURE

Printed Name: William Douglas Kruger

Title: President

817-925-6712
PHONE NUMBER

dkjking@aol.com
EMAIL ADDRESS

2022-92540
TEXAS ETHICS COMMISSION
1295 CERTIFICATE NUMBER

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational obligations
and business terms.

DocuSigned by:
Stephen D. Gay
9EBFF5658E56492...
SIGNATURE

Stephen D. Gay
PRINTED NAME

Director
TITLE

Water Utilities
DEPARTMENT

CITY OF DENTON, TEXAS

DocuSigned by:
BY: Sara Hensley
5236DB296270423...

ATTEST:
ROSA RIOS, CITY SECRETARY

DocuSigned by:
BY: Rosa Rios
1C5CA8C5E175493...

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

DocuSigned by:
BY: Marcella Lunn
4B070831B4AA438...

Contract # 8046

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

Exhibit A
Special Terms and Conditions

1. Total Contract Amount

DKJ Concrete Construction, Inc. is awarded as the primary contractor for all Lines and pricing is shall be per Exhibit F attached. The secondary contractor services in a backup capacity only and calling upon the secondary contractor does not affect the contract of any other awarded vendor. The cumulative contract for primary and secondary contractors for the contract 8046 shall not exceed $5,250,000.00.

If the primary contractor is not able to provide the requested commodities or services, then the secondary contract will be contacted.

2. The Quantities

The quantities indicated on Exhibit F are estimates based upon the best available information. The City reserves the right to increase or decrease the quantities to meet its actual needs without any adjustments in the bid price. Individual purchase orders will be issued on an as needed basis.

3. Contract Terms

The contract term will be one (1) year, 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.

4. 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.

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

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 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.

5. Performance Liquidated Damages

The Contractor shall incur contractual payment losses, as initiated by the City for performance that falls short of specified performance standards as outlined below:

- Delivery beyond contracted lead times
- Performance below contracted levels (services only)

The Contractor shall be assessed a one (1%) percent fee each month when any one of the performance standards outlined above are not met in full. The Contractor shall be assessed a two (2%) percent profit fee each month when any two (2) or more performance standards outlined above are not met in full. At the end of each month, the City will review the monthly reports and determine the percentage of penalty to be assessed to the Contractor's monthly profit margin.

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

Exhibit C
Standard Purchase Terms and Conditions

These standard Terms and Conditions and the Terms and Conditions, Specifications, Drawings and other requirements included in the City of Denton's contract are applicable to contracts/purchase orders issued by the City of Denton hereinafter referred to as the City or Buyer and the Seller or respondent herein after referred to as Contractor or Supplier. Any deviations must be in writing and signed by a representative of the City's Procurement Department and the Supplier. No Terms and Conditions contained in the seller's proposal response, invoice or statement shall serve to modify the terms set forth herein. If there is a conflict between the provisions on the face of the contract/purchase order these written provisions will take precedence.

The Contractor agrees that the contract shall be governed by the following terms and conditions, unless exceptions are duly noted and fully negotiated. Unless otherwise specified in the contract, Sections 3, 4, 5, 6, 7, 8, 20, 21, and 36 shall apply only to a solicitation to purchase goods, and sections 9, 10, 11, 22 and 32 shall apply only to a solicitation to purchase services to be performed principally at the City's premises or on public rights-of-way.

1. **CONTRACTOR'S OBLIGATIONS**. The Contractor shall fully and timely provide all deliverables described in the Solicitation and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable Federal, State, and local laws, rules, and regulations.

2. **EFFECTIVE DATE/TERM**. Unless otherwise specified in the Solicitation, this Contract shall be effective as of the date the contract is signed by the City, and shall continue in effect until all obligations are performed in accordance with the Contract.

3. **CONTRACTOR TO PACKAGE DELIVERABLES**: The Contractor will package deliverables in accordance with good commercial practice and shall include a packing list showing the description of each item, the quantity and unit price unless otherwise provided in the Specifications or Supplemental Terms and Conditions, each shipping container shall be clearly and permanently marked as follows: (a) The Contractor's name and address, (b) the City's name, address and purchase order or purchase release number and the price agreement number if applicable, (c) Container number and total number of containers, e.g. box 1 of 4 boxes, and (d) the number of the container bearing the packing list. The Contractor shall bear cost of packaging. Deliverables shall be suitably packed to secure lowest transportation costs and to conform to all the requirements of common carriers and any applicable specification. The City's count or weight shall be final and conclusive on shipments not accompanied by packing lists.

4. **SHIPMENT UNDER RESERVATION PROHIBITED**: The Contractor is not authorized to ship the deliverables under reservation and no tender of a bill of lading will operate as a tender of deliverables.

5. **TITLE & RISK OF LOSS**: Title to and risk of loss of the deliverables shall pass to the City only when the City actually receives and accepts the deliverables.

6. **DELIVERY TERMS AND TRANSPORTATION CHARGES**: Deliverables shall be

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

shipped F.O.B. point of delivery unless otherwise specified in the Supplemental Terms and Conditions. Unless otherwise stated in the Offer, the Contractor's price shall be deemed to include all delivery and transportation charges. The City shall have the right to designate what method of transportation shall be used to ship the deliverables. The place of delivery shall be that set forth the purchase order.

7. **RIGHT OF INSPECTION AND REJECTION**: The City expressly reserves all rights under law, including, but not limited to the Uniform Commercial Code, to inspect the deliverables at delivery before accepting them, and to reject defective or non-conforming deliverables. If the City has the right to inspect the Contractor's, or the Contractor's Subcontractor's, facilities, or the deliverables at the Contractor's, or the Contractor's Subcontractor's, premises, the Contractor shall furnish, or cause to be furnished, without additional charge, all reasonable facilities and assistance to the City to facilitate such inspection.

8. **NO REPLACEMENT OF DEFECTIVE TENDER**: Every tender or delivery of deliverables must fully comply with all provisions of the Contract as to time of delivery, quality, and quantity. Any non-complying tender shall constitute a breach and the Contractor shall not have the right to substitute a conforming tender; provided, where the time for performance has not yet expired, the Contractor may notify the City of the intention to cure and may then make a conforming tender within the time allotted in the contract.

9. **PLACE AND CONDITION OF WORK**: The City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner, in accordance with and subject to the applicable security laws, rules, and regulations. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the contract. The Contractor hereby releases and holds the City harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.

The contractor shall, at all times, exercise reasonable precautions for the safety of their employees, City Staff, participants and others on or near the City's facilities.

10. **WORKFORCE**

A. The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.

B. The Contractor, its employees, subcontractors, and subcontractor's employees may not while engaged in participating or responding to a solicitation or while in the course and scope of delivering goods or services under a City of Denton contract or on the City's property .

i. use or possess a firearm, including a concealed handgun that is licensed under state law, except as required by the terms of the contract; or

ii. use or possess alcoholic or other intoxicating beverages, illegal drugs or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs, on the job.

C. If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

any firearms, or has possessed or was under the influence of alcohol or drugs on the job, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

Immigration: The Contractor represents and warrants that it shall comply with the requirements of the Immigration Reform and Control Act of 1986 and 1990 regarding employment verification and retention of verification forms for any individuals hired on or after November 6, 1986, who will perform any labor or services under the Contract and the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 ("IIRIRA) enacted on September 30, 1996.

11. **COMPLIANCE WITH HEALTH, SAFETY, AND ENVIRONMENTAL REGULATIONS**: The Contractor, it's Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. The Contractor shall indemnify and hold the City harmless from and against all claims, demands, suits, actions, judgments, fines, penalties and liability of every kind arising from the breach of the Contractor's obligations under this paragraph.

Environmental Protection: The Respondent shall be in compliance with all applicable standards, orders, or regulations issued pursuant to the mandates of the Clean Air Act (42 U.S.C. §7401 *et seq*.) and the Federal Water Pollution Control Act, as amended, (33 U.S.C. §1251 *et seq*.).

12. **INVOICES**:

A. The Contractor shall submit separate invoices in duplicate on each purchase order or purchase release after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.

B. **Proper Invoices must include a unique invoice number, the purchase order or delivery order number and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department**. Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. The Contractor's name, remittance address and, if applicable, the tax identification number on the invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice.

C. Invoices for labor shall include a copy of all time-sheets with trade labor rate and deliverables order number clearly identified. Invoices shall also include a tabulation of work-hours at the appropriate rates and grouped by work order number. Time billed for labor shall be limited to hours actually worked at the work site.

D. Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.

E. Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount.

The City will furnish a tax exemption certificate upon request.

13. **PAYMENT**:

A. All proper invoices need to be sent to Accounts Payable. Approved invoices will be paid within thirty (30) calendar days of the City's receipt of the deliverables or of the invoice being received

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

in Accounts Payable, whichever is later.

B. **If payment is not timely made, (per paragraph A); interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.**

C. If partial shipments or deliveries are authorized by the City, the Contractor will be paid for the partial shipment or delivery, as stated above, provided that the invoice matches the shipment or delivery.

D. The City may withhold or set off the entire payment or part of any payment otherwise due the Contractor to such extent as may be necessary on account of:

i. delivery of defective or non-conforming deliverables by the Contractor;

ii. third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;

iii. failure of the Contractor to pay Subcontractors, or for labor, materials or equipment;

iv. damage to the property of the City or the City's agents, employees or contractors, which is not covered by insurance required to be provided by the Contractor;

v. reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or damages for the anticipated delay;

vi. failure of the Contractor to submit proper invoices with purchase order number, with all required attachments and supporting documentation; or

vii. failure of the Contractor to comply with any material provision of the Contract Documents.

E. Notice is hereby given that any awarded firm who is in arrears to the City of Denton for delinquent taxes, the City may offset indebtedness owed the City through payment withholding.

F. Payment will be made by check unless the parties mutually agree to payment by credit card or electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic funds transfer.

G. The awarding or continuation of this contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds Appropriated and available for this contract. The absence of Appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not Appropriated or available and any deliverables delivered but unpaid shall be returned to the Contractor. The City shall provide the Contractor written notice of the failure of the City to make an adequate Appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any Appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of none or inadequate appropriation of funds, there will be no penalty nor removal fees charged to the City.

14. **TRAVEL EXPENSES**: All travel, lodging and per diem expenses in connection with the Contract shall be paid by the Contractor, unless otherwise stated in the contract terms. During the term of this contract, the contractor shall bill and the City shall reimburse contractor for all reasonable and approved out of pocket expenses which are incurred in the connection with the performance of duties hereunder. Notwithstanding the foregoing, expenses for the time spent by the contractor in traveling to and from City facilities shall not be reimbursed, unless otherwise negotiated.

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

15. **FINAL PAYMENT AND CLOSE-OUT**:
A. If a DBE/MBE/WBE Program Plan is agreed to and the Contractor has identified Subcontractors, the Contractor is required to submit a Contract Close-Out MBE/WBE Compliance Report to the Purchasing Manager no later than the 15th calendar day after completion of all work under the contract. Final payment, retainage, or both may be withheld if the Contractor is not in compliance with the requirements as accepted by the City.
B. The making and acceptance of final payment will constitute:
i. a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and ii. a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

16. **SPECIAL TOOLS & TEST EQUIPMENT**: If the price stated on the Offer includes the cost of any special tooling or special test equipment fabricated or required by the Contractor for the purpose of filling this order, such special tooling equipment and any process sheets related thereto shall become the property of the City and shall be identified by the Contractor as such.

17. **RIGHT TO AUDIT**:
A. The City shall have the right to audit and make copies of the books, records and computations pertaining to the Contract. The Contractor shall retain such books, records, documents and other evidence pertaining to 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 ten (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 the Contract, and to allow the City 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 City 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 (5) business days of receipt of an invoice.
B. Failure to comply with the provisions of this section shall be a material breach of the Contract and shall constitute, in the City'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.

18. **SUBCONTRACTORS**:
A. If the Contractor identified Subcontractors in a DBE/MBE/WBE agreed to Plan, the Contractor shall comply with all requirements approved by the City. The Contractor shall not initially employ any Subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing. No acceptance by the City of any Subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

Awards and Expenditures Report to the Procurement Manager, no later than the tenth calendar day of each month.

B. Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the

Contract, and shall contain provisions that:

i. require that all deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract;

ii. prohibit the Subcontractor from further subcontracting any portion of the Contract without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;

iii. require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;

iv. require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and

v. require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.

C. The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.

D. The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten (10) calendar days after receipt of payment from the City.

19. **WARRANTY-PRICE**:

A. The Contractor warrants the prices quoted in the Offer are no higher than the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.

B. The Contractor certifies that the prices in the Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.

C. In addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.

20. **WARRANTY – TITLE**: The Contractor warrants that it has good and indefeasible title to all deliverables furnished under the Contract, and that the deliverables are free and clear of all liens, claims, security interests and encumbrances. The Contractor shall indemnify and hold the City harmless from and against all adverse title claims to the deliverables.

21. **WARRANTY – DELIVERABLES**: The Contractor warrants and represents that all deliverables sold the City under the Contract shall be free from defects in design, workmanship or manufacture, and conform in all material respects to the specifications, drawings, and descriptions in the Solicitation, to any samples furnished by the Contractor, to the terms, covenants and

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

conditions of the Contract, and to all applicable State, Federal or local laws, rules, and regulations, and industry codes and standards. Unless otherwise stated in the Solicitation, the deliverables shall be new or recycled merchandise, and not used or reconditioned.

A. Recycled deliverables shall be clearly identified as such.

B. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law; and any attempt to do so shall be without force or effect.

C. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the date of acceptance of the deliverables or from the date of acceptance of any replacement deliverables. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand either repair the non-conforming deliverables, or replace the non-conforming deliverables with fully conforming deliverables, at the City's option and at no additional cost to the City. All costs incidental to such repair or replacement, including but not limited to, any packaging and shipping costs shall be borne exclusively by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach of warranty, but failure to give timely notice shall not impair the City's rights under this section.

D. If the Contractor is unable or unwilling to repair or replace defective or non-conforming deliverables as required by the City, then in addition to any other available remedy, the City may reduce the quantity of deliverables it may be required to purchase under the Contract from the Contractor, and purchase conforming deliverables from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such deliverables from another source.

E. If the Contractor is not the manufacturer, and the deliverables are covered by a separate manufacturer's warranty, the Contractor shall transfer and assign such manufacturer's warranty to the City. If for any reason the manufacturer's warranty cannot be fully transferred to the City, the Contractor shall assist and cooperate with the City to the fullest extent to enforce such manufacturer's warranty for the benefit of the City.

22. **WARRANTY – SERVICES**: The Contractor warrants and represents that all services to be provided the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable Federal, State and local laws, rules or regulations.

A. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect.

B. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the Acceptance Date. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the City's rights under this section.

C. If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

services from another source.

23. **ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES**: If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

24. **RIGHT TO ASSURANCE**: Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

25. **STOP WORK NOTICE**: The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of Federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.

26. **DEFAULT**: The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under Paragraph 24, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by the Contractor to the City.

27. **TERMINATION FOR CAUSE:** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs, losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. Additionally, in the event of a default by the Contractor, the City may remove the Contractor from the City's vendor list for three (3) years and any Offer submitted by the Contractor may be disqualified for up to three (3) years. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law.

28. **TERMINATION WITHOUT CAUSE**: The City shall have the right to terminate the Contract, in whole or in part, without cause any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds Appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

the date of termination in accordance with the terms hereof.

29. **FRAUD**: Fraudulent statements by the Contractor on any Offer or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.

30. **DELAYS**:
A. The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified in paragraph 49. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.
B. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such Party. In the event of default or delay in contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

31. **INDEMNITY**:
A. Definitions:

i. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments and liability of every character, type or description, including all reasonable costs and expenses of litigation, mediation or other alternate dispute resolution mechanism, including attorney and other professional fees for: (1) damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and subcontractors; the officers, agents, and employees of such subcontractors; and third parties); and/or (2) death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's subcontractors, and third parties), ii. "Fault" shall include the sale of defective or non-conforming deliverables, negligence, willful misconduct or a breach of any legally imposed strict liability standard.

B. **THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE**

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.

32. **INSURANCE**: The following insurance requirements are applicable, in addition to the specific insurance requirements detailed in **Appendix A** for services only**.** The successful firm shall procure and maintain insurance of the types and in the minimum amounts acceptable to the City of Denton. The insurance shall be written by a company licensed to do business in the State of Texas and satisfactory to the City of Denton.

A. General Requirements:

i. The Contractor shall at a minimum carry insurance in the types and amounts indicated and agreed to, as submitted to the City and approved by the City within the procurement process, for the duration of the Contract, including extension options and hold over periods, and during any warranty period.

ii. The Contractor shall provide Certificates of Insurance with the coverage's and endorsements required to the City as verification of coverage prior to contract execution and within fourteen (14) calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or hold over period is exercised, as verification of continuing coverage.

iii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.

iv. The Contractor must submit certificates of insurance to the City for all subcontractors prior to the subcontractors commencing work on the project.

v. The Contractor's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of **A- VII or better**. The City will accept workers' compensation coverage written by the Texas Workers' Compensation Insurance Fund.

vi. All endorsements naming the City as additional insured, waivers, and notices of cancellation endorsements as well as the Certificate of Insurance shall contain the solicitation number and the following information:

City of Denton
Materials Management Department
901B Texas Street
Denton, Texas 76209

vii. The "other" insurance clause shall not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in the Contract, covering both the City and the Contractor, shall be considered primary coverage as applicable.

viii. If insurance policies are not written for amounts agreed to with the City, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.

ix. The City shall be entitled, upon request, at an agreed upon location, and without expense, to review certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

or regulations binding upon either of the parties hereto or the underwriter on any such policies.

x. The City reserves the right to review the insurance requirements set forth during the effective period of the Contract and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor.

xi. The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract.

xii. The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. All deductibles or self-insured retentions shall be disclosed on the Certificate of Insurance.

xiii. The Contractor shall endeavor to provide the City thirty (30) calendar days' written notice of erosion of the aggregate limits below occurrence limits for all applicable coverage's indicated within the Contract.

xiv. The insurance coverage's specified in within the solicitation and requirements are required minimums and are not intended to limit the responsibility or liability of the Contractor.

B. Specific Coverage Requirements: Specific insurance requirements are contained in the solicitation instrument.

33. **CLAIMS**: If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse effect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Denton City Attorney. Personal delivery to the City Attorney shall be to City Hall, 215 East McKinney Street, Denton, Texas 76201.

34. **NOTICES**: Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the Contractor shall be sent to the address specified in the Contractor's Offer, or at such other address as a party may notify the other in writing. Notices to the City shall be addressed to the City at 901B Texas Street, Denton, Texas 76209 and marked to the attention of the Purchasing Manager.

35. **RIGHTS TO BID, PROPOSAL AND CONTRACTUAL MATERIAL**: All material submitted by the Contractor to the City shall become property of the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, and Texas Government Code.

36. **NO WARRANTY BY CITY AGAINST INFRINGEMENTS**: The Contractor represents

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the deliverables and (ii) the deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the deliverables and the Contractor does not know of any valid basis for any such claims. The Contractor shall, at its sole expense, defend, indemnify, and hold the City harmless from and against all liability, damages, and costs (including court costs and reasonable fees of attorneys and other professionals) arising out of or resulting from: (i) any claim that the City's exercise anywhere in the world of the rights associated with the City's' ownership, and if applicable, license rights, and its use of the deliverables infringes the intellectual property rights of any third party; or (ii) the Contractor's breach of any of Contractor's representations or warranties stated in this Contract. In the event of any such claim, the City shall have the right to monitor such claim or at its option engage its own separate counsel to act as co-counsel on the City's behalf. Further, Contractor agrees that the City's specifications regarding the deliverables shall in no way diminish Contractor's warranties or obligations under this paragraph and the City makes no warranty that the production, development, or delivery of such deliverables will not impact such warranties of Contractor.

37. **CONFIDENTIALITY**: In order to provide the deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Agreement, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.

38. **OWNERSHIP AND USE OF DELIVERABLES**: The City shall own all rights, titles, and interests throughout the world in and to the deliverables.

A. Patents. As to any patentable subject matter contained in the deliverables, the Contractor agrees to disclose such patentable subject matter to the City. Further, if requested by the City, the Contractor agrees to assign and, if necessary, cause each of its employees to assign the entire right, title, and interest to specific inventions under such patentable subject matter to the City and to execute, acknowledge, and deliver and, if necessary, cause each of its employees to execute, acknowledge, and deliver an assignment of letters patent, in a form to be reasonably approved by the City, to the City upon request by the City.

B. Copyrights. As to any deliverables containing copyrightable subject matter, the Contractor

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

agrees that upon their creation, such deliverables shall be considered as work made-for-hire by the Contractor for the City and the City shall own all copyrights in and to such deliverables, provided however, that nothing in this Paragraph 38 shall negate the City's sole or joint ownership of any such deliverables arising by virtue of the City's sole or joint authorship of such deliverables. Should by operation of law, such deliverables not be considered works made-for-hire, the Contractor hereby assigns to the City (and agrees to cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver an assignment to the City of) all worldwide right, title, and interest in and to such deliverables. With respect to such work made-for-hire, the Contractor agrees to execute, acknowledge, and deliver and cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver a work-made-for-hire agreement, in a form to be reasonably approved by the City, to the City upon delivery of such deliverables to the City or at such other time as the City may request.

C. Additional Assignments. The Contractor further agrees to, and if applicable, cause each of its employees to, execute, acknowledge, and deliver all applications, specifications, oaths, assignments, and all other instruments which the City might reasonably deem necessary in order to apply for and obtain copyright protection, mask work registration, trademark registration and/or protection, letters patent, or any similar rights in any and all countries and in order to assign and convey to the City, its successors, assigns and nominees, the sole and exclusive right, title, and interest in and to the deliverables. The Contractor's obligations to execute, acknowledge, and deliver (or cause to be executed, acknowledged, and delivered) instruments or papers such as those described in this Paragraph 38 a., b., and c. shall continue after the termination of this Contract with respect to such deliverables. In the event the City should not seek to obtain copyright protection, mask work registration or patent protection for any of the deliverables, but should desire to keep the same secret, the Contractor agrees to treat the same as Confidential Information under the terms of Paragraph 37 above.

39. **PUBLICATIONS**: All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.

40. **ADVERTISING**: The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent required by law.

41. **NO CONTINGENT FEES**: The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

42. **GRATUITIES**: The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Denton with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract.

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.

43. **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 solicitation as defined in the City's Ethic Ordinance 18-757 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 Contractor shall complete and submit the City's Conflict of Interest Questionnaire.

44. **INDEPENDENT CONTRACTOR**: The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City of Denton, Texas for the purposes of income tax, withholding, social security taxes, vacation or sick leave benefits, worker's compensation, or any other City employee benefit. The City shall not have supervision and control of the Contractor or any employee of the Contractor, and it is expressly understood that Contractor shall perform the services hereunder according to the attached specifications at the general direction of the City Manager of the City of Denton, Texas, or his designee under this agreement. The contractor is expressly free to advertise and perform services for other parties while performing services for the City.

45. **ASSIGNMENT-DELEGATION**: The Contract shall be binding upon and ensure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there are no third party beneficiaries to the Contract.
The Vendor shall notify the City's Purchasing Manager, in writing, of a company name, ownership, or address change for the purpose of maintaining updated City records. The president of the company or authorized official must sign the letter. A letter indicating changes in a company name or ownership must be accompanied with supporting legal documentation such as an updated W-9, documents filed with the state indicating such change, copy of the board of director's resolution approving the action, or an executed merger or acquisition agreement. Failure to do so may adversely impact future invoice payments.

46. **WAIVER**: No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as,

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character.

47. **MODIFICATIONS**: The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document shall have any force or effect to change the terms, covenants, and conditions of the Contract.

48. **INTERPRETATION**: The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

49. **DISPUTE RESOLUTION**:
A. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.
B. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option; the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Denton County Alternative Dispute Resolution Program (DCAP). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.

50. **JURISDICTION AND VENUE**: The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

Contract shall be resolved in the courts of Denton County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.

51. **INVALIDITY**: The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

52. **HOLIDAYS:** The following holidays are observed by the City:

New Year's Day (observed)
Martin Luther King, Jr. Day
Memorial Day
Juneteenth
Independence Day
Labor Day
Veterans Day
Thanksgiving
Friday After Thanksgiving
Christmas Eve (observed)
Christmas Day (observed)

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday. Normal hours of operation shall be between 8:00 am and 4:00 pm, Monday through Friday, excluding City of Denton Holidays. Any scheduled deliveries or work performance not within the normal hours of operation **must be approved** by the City Manager of Denton, Texas or his authorized designee.

53. **SURVIVABILITY OF OBLIGATIONS:** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract.

54. **NON-SUSPENSION OR DEBARMENT CERTIFICATION:**
The City of Denton is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Denton Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Denton.

55. **EQUAL OPPORTUNITY**
A. **Equal Employment Opportunity:** No Offeror, or Offeror's agent, shall engage in any discriminatory employment practice. No person shall, on the grounds of race, sex, sexual

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

orientation, age, disability, creed, color, genetic testing, or national origin, be refused the benefits of, or be otherwise subjected to discrimination under any activities resulting from this RFQ.
B. **Americans with Disabilities Act (ADA) Compliance:** No Offeror, or Offeror's agent, shall engage in any discriminatory employment practice against individuals with disabilities as defined in the ADA.

56. **BUY AMERICAN ACT-SUPPLIES (Applicable to certain federally funded requirements)**
The following federally funded requirements are applicable. A. Definitions. As used in this paragraph –
i. "Component" means an article, material, or supply incorporated directly into an end product.
ii. "Cost of components" means -
(1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or
(2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the end product.
iii. "Domestic end product" means-
(1) An unmanufactured end product mined or produced in the United States; or
(2) An end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as those that the agency determines are not mined, produced, or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality are treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic.
iv. "End product" means those articles, materials, and supplies to be acquired under the contract for public use.
v. "Foreign end product" means an end product other than a domestic end product.
vi. "United States" means the 50 States, the District of Columbia, and outlying areas.
B. The Buy American Act (41 U.S.C. 10a - 10d) provides a preference for domestic end products for supplies acquired for use in the United States.
C. The City does not maintain a list of foreign articles that will be treated as domestic for this Contract; but will consider for approval foreign articles as domestic for this product if the articles are on a list approved by another Governmental Agency. The Offeror shall submit documentation with their Offer demonstrating that the article is on an approved Governmental list.
D. The Contractor shall deliver only domestic end products except to the extent that it specified delivery of foreign end products in the provision of the Solicitation entitled "Buy American Act Certificate".

57. **RIGHT TO INFORMATION:** The City of Denton reserves the right to use any and all information presented in any response to this contract, whether amended or not, except as prohibited by law. Selection of rejection of the submittal does not affect this right.

58. **LICENSE FEES OR TAXES:** Provided the solicitation requires an awarded contractor or supplier to be licensed by the State of Texas, any and all fees and taxes are the responsibility of the respondent.

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

59. **PREVAILING WAGE RATES:** The 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).

60. **COMPLIANCE WITH ALL STATE, FEDERAL, AND LOCAL LAWS:** The contractor or supplier shall comply with all State, Federal, and Local laws and requirements. The Respondent must comply with all applicable laws at all times, including, without limitation, the following: (i) §36.02 of the Texas Penal Code, which prohibits bribery; (ii) §36.09 of the Texas Penal Code, which prohibits the offering or conferring of benefits to public servants. The Respondent shall give all notices and comply with all laws and regulations applicable to furnishing and performance of the Contract.

61. **FEDERAL, STATE, AND LOCAL REQUIREMENTS:** Respondent shall demonstrate on-site compliance with the Federal Tax Reform Act of 1986, Section 1706, amending Section 530 of the Revenue Act of 1978, dealing with issuance of Form W-2's to common law employees. Respondent is responsible for both federal and State unemployment insurance coverage and standard Workers' Compensation insurance coverage. Respondent shall ensure compliance with all federal and State tax laws and withholding requirements. The City of Denton shall not be liable to Respondent or its employees for any Unemployment or Workers' Compensation coverage, or federal or State withholding requirements. Contractor shall indemnify the City of Denton and shall pay all costs, penalties, or losses resulting from Respondent's omission or breach of this Section.

62. **DRUG FREE WORKPLACE:** The contractor shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (Public Law 100-690, Title V, Subtitle D; 41 U.S.C. 701 ET SEQ.) and maintain a drug-free work environment; and the final rule, government-wide requirements for drug-free work place (grants), issued by the Office of Management and Budget and the Department of Defense (32 CFR Part 280, Subpart F) to implement the provisions of the Drug-Free Work Place Act of 1988 is incorporated by reference and the contractor shall comply with the relevant provisions thereof, including any amendments to the final rule that may hereafter be issued.

63. **RESPONDENT LIABILITY FOR DAMAGE TO GOVERNMENT PROPERTY:** The Respondent shall be liable for all damages to government-owned, leased, or occupied property and equipment caused by the Respondent and its employees, agents, subcontractors, and suppliers, including any delivery or cartage company, in connection with any performance pursuant to the Contract. The Respondent shall notify the City of Denton Procurement Manager in writing of any such damage within one (1) calendar day.

64. **FORCE MAJEURE:** The City of Denton, any Customer, and the Respondent shall not be responsible for performance under the Contract should it be prevented from performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributable to the fault or negligence of the City of Denton. In the event of an occurrence under this Section, the Respondent will be excused from any further performance or observance of the requirements so affected for as long as such circumstances prevail and the Respondent continues to use commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay. The Respondent shall immediately notify the City of Denton Procurement Manager by telephone (to be confirmed in writing within five (5) calendar

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

days of the inception of such occurrence) and describe at a reasonable level of detail the circumstances causing the non-performance or delay in performance.

65. **NON-WAIVER OF RIGHTS:** Failure of a Party to require performance by another Party under the Contract will not affect the right of such Party to require performance in the future. No delay, failure, or waiver of either Party's exercise or partial exercise of any right or remedy under the Contract shall operate to limit, impair, preclude, cancel, waive or otherwise affect such right or remedy. A waiver by a Party of any breach of any term of the Contract will not be construed as a waiver of any continuing or succeeding breach.

66. **NO WAIVER OF SOVEREIGN IMMUNITY:** The Parties expressly agree that no provision of the Contract is in any way intended to constitute a waiver by the City of Denton of any immunities from suit or from liability that the City of Denton may have by operation of law.

67. **RECORDS RETENTION:** The Respondent shall retain all financial records, supporting documents, statistical records, and any other records or books relating to the performances called for in the Contract. The Respondent shall retain all such records for a period of four (4) years after the expiration of the Contract, or until the CPA or State Auditor's Office is satisfied that all audit and litigation matters are resolved, whichever period is longer. The Respondent shall grant access to all books, records and documents pertinent to the Contract to the CPA, the State Auditor of Texas, and any federal governmental entity that has authority to review records due to federal funds being spent under the Contract.

Should a conflict arise between any of the contract documents, it shall be resolved with the following order of precedence (if applicable). In any event, the final negotiated contract shall take precedence over any and all contract documents to the extent of such conflict.

1. **Final negotiated contract**
2. **RFP/Bid documents**
3. **City's standard terms and conditions**
4. **Purchase order**
5. **Supplier terms and conditions**

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

Exhibit D
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.

- ***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.***

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

- 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:

- 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.

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

[X] **Automobile Liability Insurance:**

Contractor shall provide Commercial Automobile Liability insurance with Combined Single Limits (CSL) of not less than **$500,000** 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).

[ ] **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 **$500,000.00** combined bodily injury and property damage per occurrence with a **$1,000,000.00** aggregate.

[ ] **Fire Damage Legal Liability Insurance**

Coverage is required if Broad form General Liability is not provided or is unavailable to 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.

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

[ ] **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.

[ ] **Environmental Liability Insurance**

Environmental liability insurance for $1,000,000 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.

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

ATTACHMENT 1

[ ] **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

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

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

2. no later than seven 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

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

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 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.

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

Exhibit E
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/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.
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.

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

EXHIBIT F

	**Primary Vendor			DKJ Concrete Construction, Inc.
Line #	**Description**	**QTY**	**UOM**	**Unit**
	ASPHALT/CONCRETE-PRICING MUST INCLUDE MATERIAL, EQUIPMENT AND LABOR COST			
2	2" TO 4" ASPHALT PAVE (TYPE D PATCH MATERIAL) - NON EMERGENCY HOURS	60	SY	$45.53
3	4" TO 6" ASPHALT PAVE (TYPE D PATCH MATERIAL) - NON EMERGENCY HOURS	120	SY	$54.53
4	6" TO 8" ASPHALT PAVE (TYPE D PATCH MATERIAL) - NON EMERGENCY HOURS	100	SY	$60.68
5	CONCRETE PAVEMENT 6" PAVEMENT - NON EMERGENCY HOURS	30	SY	$64.09
6	CONCRETE PAVEMENT 8" PAVEMENT - NON EMERGENCY HOURS	15	SY	$74.43
7	CONCRETE PAVEMENT 10" PAVEMENT - NON EMERGENCY HOURS	10	SY	$85.46
8	CONCRETE PAVEMENT 12" PAVEMENT - NON EMERGENCY HOURS	10	SY	$91.03
9	6" CONCRETE SIDEWALK REPLACEMENT - NON EMERGENCY HOURS	40	SY	$61.59
10	5" CONCRETE SIDEWALK REPLACEMENT - NON EMERGENCY HOURS	20	SY	$61.05
11	COMPACTED FILL/EMBANKMENT - NON EMERGENCY HOURS	10	CY	$43.44
12	SAW CUT ASPHALT / CONCRETE - NON EMERGENCY HOURS	280	LF	$4.75
13	REMOVE CONCRETE PAVEMENT - NON EMERGENCY HOURS	65	SY	$44.52
14	REMOVE ASPHALT PAVEMENT - NON EMERGENCY HOURS	280	SY	$43.52
15	REMOVE CURB AND GUTTER - NON EMERGENCY HOURS	60	SY	$12.46
16	REMOVE APPROACH - NON EMERGENCY HOURS	30	SY	$40.06
17	HIGH EARLY MIX/ EXPOSED AGGREGATE/ SPECIALTY CONCRETE - NON EMERGENCY HOURS	20	SY	$115.41
18	CURB AND GUTTER REPLACEMENT - NON EMERGENCY HOURS	60	LF	$29.62
	SOD-PRICING MUST INCLUDE MATERIAL, EQUIPMENT AND LABOR COST			
20	BERMUDA SOD	80	SY	$8.75
21	ST AUGUSTINE SOD	80	SY	$8.75
	MISC.			
23	Traffic Control	345	Per Project	$350.00
24	ADA COMPLIANT RAMP	5	Per Ramp	$2,575.00

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

EXHIBIT G

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) and by City of Denton Ethics Code, Ordinance 18-757.
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.**

DKJ CONCRETE CONSTRUCTION, INC.

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.**

_____
Name of Officer

Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relations hip with the local government 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 DocuSigned by:

C36FFEBA30AE495...
Signature of vendor doing business with the governmental entity

8/23/2022
Date

DocuSign Envelope ID: F0B322FB-4601-4396-9BB0-4B48BCD8E866

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/ Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(A) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

City of Denton Ethics Code Ordinance Number 18-757

Definitions:

Relative: a family member related to a City Official within the third 3rd degree of affinity (marriage) or consanguinity (blood or adoption)

City Official: for purpose of this article, the term consists of the Council Members, Department Heads, or member of the Board of Ethics, Planning and zoning Commission Members, Board of Adjustment, Historic Landmark Commission, or Public Utilities Board

Vendor: a person who provides or seeks to provide goods, services, and/or real property to the City in exchange for compensation. This definition does not include those property owners from whom the City acquires public right-of-way or other real property interests for public use.

Per the City of Denton Ethics Code, Section 2-273. – Prohibitions

(3) It shall be a violation of this Article for a Vendor to offer or give a Gift to City Official exceeding fifty dollars ($50.00) per gift, or multiple gifts cumulatively valued at more than two hundred dollars ($200.00) per a single fiscal year.

Per the City of Denton Ethics Code, Section 2-282. – Disposition (b), (5) Ineligibility

If the Board of Ethics finds that a Vendor has violated this Article, the Board may recommend to the City Manager that the Vendor be deemed ineligible to enter into a City contract or other arrangement for goods, services, or real property, for a period of one (1) year.

DocuSign

Certificate Of Completion

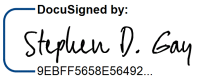
Envelope Id: F0B322FB460143969BB04B48BCD8E866
Status: Completed
Subject: Please DocuSign: City Council Contract 8046-Utility Cut Restoration--DKJ Concrete Construction
Source Envelope:
Document Pages: 36
Signatures: 6
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time 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
8/11/2022 3:20:58 PM
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: 8/11/2022 3:28:48 PM Viewed: 8/11/2022 4:10:50 PM Signed: 8/11/2022 4:12:28 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	DS LH Signature Adoption: Pre-selected Style Using IP Address: 12.105.149.83	Sent: 8/11/2022 4:12:30 PM Viewed: 8/12/2022 8:54:14 AM Signed: 8/12/2022 8:55:04 AM
Marcella Lunn marcella.lunn@cityofdenton.com Deputy City Attorney City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	DocuSigned by: Marcella Lunn 4B070831B4AA438... Signature Adoption: Pre-selected Style Using IP Address: 47.24.6.135 Signed using mobile	Sent: 8/12/2022 8:55:07 AM Viewed: 8/16/2022 6:15:35 PM Signed: 8/16/2022 6:20:50 PM
William Douglas Kruger dkjking@aol.com President Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 8/17/2022 7:13:16 AM ID: 088cadd2-4111-40f5-9c46-47da49f732f7	DocuSigned by: C36FFEBA30AE495... Signature Adoption: Drawn on Device Using IP Address: 52.128.53.22	Sent: 8/16/2022 6:20:53 PM Resent: 8/22/2022 10:21:32 PM Viewed: 8/23/2022 10:25:53 AM Signed: 8/23/2022 11:09:00 AM

Signer Events	Signature	Timestamp
Stephen D. Gay stephen.gay@cityofdenton.com Director Security Level: Email, Account Authentication (None)	DocuSigned by:  9EBFF5658E56492... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 8/23/2022 11:09:03 AM Viewed: 8/23/2022 4:01:26 PM Signed: 8/23/2022 4:06:57 PM
Electronic Record and Signature Disclosure: Accepted: 8/23/2022 4:01:26 PM ID: 9b90f346-b1cc-4eba-bb18-1cd8261b8107		
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None)	**Completed** Using IP Address: 198.49.140.104	Sent: 8/23/2022 4:07:00 PM Viewed: 9/21/2022 7:01:26 AM Signed: 9/21/2022 7:01:39 AM
Electronic Record and Signature Disclosure: Not Offered via DocuSign		
Sara Hensley sara.hensley@cityofdenton.com City Manager City of Denton Security Level: Email, Account Authentication (None)	DocuSigned by:  5236DB296270423... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 9/21/2022 7:01:43 AM Viewed: 9/21/2022 7:45:05 AM Signed: 9/21/2022 7:45:13 AM
Electronic Record and Signature Disclosure: Not Offered via DocuSign		
Rosa Rios rosa.rios@cityofdenton.com City Secretary Security Level: Email, Account Authentication (None)	DocuSigned by:  1C5CA8C5E175493... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 9/21/2022 7:45:18 AM Viewed: 9/21/2022 8:49:45 AM Signed: 9/21/2022 8:50:01 AM
Electronic Record and Signature Disclosure: Accepted: 9/21/2022 8:49:45 AM ID: fd320387-4dbb-443f-aeaf-20d0787f247e		

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)	COPIED	Sent: 8/11/2022 4:12:30 PM
Electronic Record and Signature Disclosure: Not Offered via DocuSign		

Carbon Copy Events	Status	Timestamp
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 8/23/2022 4:07:00 PM Viewed: 8/25/2022 9:21:51 AM
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 9/21/2022 8:50:05 AM Viewed: 9/21/2022 9:42:04 AM
Casey Bowles casey.bowles@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 9/14/2022 1:22:40 PM ID: 9a63d805-e63b-4684-8b4b-272d98b2895a	COPIED	Sent: 9/21/2022 8:50:07 AM

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	8/11/2022 3:28:48 PM
Certified Delivered	Security Checked	9/21/2022 8:49:45 AM
Signing Complete	Security Checked	9/21/2022 8:50:01 AM
Completed	Security Checked	9/21/2022 8:50:07 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.

ORDINANCE NO. _____

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 DKJ CONCRETE CONSTRUCTION, INC., AMENDING THE CONTRACT APPROVED BY CITY COUNCIL ON SEPTEMBER 20, 2022, IN THE NOT-TO-EXCEED AMOUNT OF $5,250,000.00; SAID FIRST AMENDMENT TO CONTINUE TO PROVIDE UTILITY CUT RESTORATION SERVICES FOR THE WATER UTILITIES DEPARTMENT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFP 8046 – PROVIDING FOR AN ADDITIONAL FIRST AMENDMENT EXPENDITURE AMOUNT NOT-TO-EXCEED $1,312,500.00, WITH THE TOTAL CONTRACT AMOUNT NOT-TO-EXCEED $6,562,500.00).

WHEREAS, on September 20, 2022, City Council awarded a contract to DKJ Concrete Construction, Inc. in the amount of $5,250,000.00, for utility cut restoration services for the Water Utilities Department; and

WHEREAS, this procurement was undertaken as part of the City's governmental function; and

WHEREAS, the additional fees under the proposed First Amendment are fair and reasonable and are consistent with, and not higher than, the recommended practices and fees 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 First Amendment, increasing the amount of the contract between the City and DKJ Concrete Construction, Inc., which is on file in the office of the Purchasing Agent, in the amount of One Million Three Hundred Twelve Thousand Five Hundred and 0/100 ($1,312,500.00) Dollars, is hereby approved, and the expenditure of funds therefor is hereby authorized in accordance with said amendment which shall be effective upon the execution of the amendment attached hereto. The total contract amount increases to $6,562,500.00.

SECTION 2. 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:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Marcella Lunn

Docusign Envelope ID: 99D3DDC7-CB32-46B0-8BD2-F65EDBC591D6

Docusign City Council Transmittal Coversheet

RFP	8046
File Name	Utility Cut Restoration
Purchasing Contact	Gabby Leeper
City Council Target Date	
Piggy Back Option	Yes
Contract Expiration	
Ordinance	

Docusign Envelope ID: 99D3DDC7-CB32-46B0-8BD2-F65EDBC591D6

THE STATE OF TEXAS §
§
COUNTY OF DENTON §

FIRST AMENDMENT TO CONTRACT
BY AND BETWEEN THE CITY OF DENTON, TEXAS
AND DKJ CONCRETE CONSTRUCTION, INC..

THIS FIRST AMENDMENT TO CONTRACT 8046 (this "Amendment") by and between the City of Denton, Texas ("City") and DKJ Concrete Construction, Inc. ("Contractor") to that certain contract executed on September 20, 2022, in the original not-to-exceed amount of $5,250,000 (the "Agreement"); for services related to **Utility Cut Restoration Services.**

WHEREAS, the City deems it necessary to further expand the services provided by Contractor to the City pursuant to the terms of the Agreement, and to provide an additional not-to-exceed amount $1,312,500 with this First Amendment for an aggregate not-to-exceed amount of $**6,562,500**; and

WHEREAS, this amendment incorporates any previously executed documents between the parties including but not limited to pricing adjustments.

WHEREAS, the City deems it necessary to further expand the goods/services provided by Contractor to the City; and

WHEREAS, the original not-to-exceed amount may not be increased by more than 25.0% as provided in Texas Local Government Code Sec. 252.048; and

NOW THEREFORE, the City and Contractor (hereafter collectively referred to as the "Parties"), in consideration of their mutual promises and covenants, as well as for other good and valuable considerations, do hereby AGREE to the following First Amendment, which amends the following terms and conditions of the said Agreement, to wit:

1. This Amendment modifies the Agreement amount to provide an additional $1,312,500 for additional services and materials to be provided in accordance with the terms of the Agreement with a revised aggregate not-to-exceed total of $6,562,500.

The Parties hereto agree, that except as specifically provided for by this Amendment, that all of the terms, covenants, conditions, agreements, rights, responsibilities, and obligations of the Parties, set forth in the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the City and the Contractor, have each executed this Amendment, by and through their respective duly authorized representatives and officers on this date_____.

Docusign Envelope ID: 99D3DDC7-CB32-46B0-8BD2-F65EDBC591D6

"CONTRACTOR"
DKJ Concrete Construction, Inc.

By: Signed by: _____
AUTHORIZED SIGNATURE, TITLE

"CITY"
CITY OF DENTON, TEXAS
A Texas Municipal Corporation

By: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

By: DocuSigned by: _____

ATTEST:
LAUREN THODEN, CITY SECRETARY

By: _____

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational
obligations and business terms.

Signed by:
Stephen D Gay
SIGNATURE

Stephen D Gay
PRINTED NAME

General Manager
TITLE

Water Utilities and Street Operations
DEPARTMENT

Docusign Envelope ID: 99D3DDC7-CB32-46B0-8BD2-F65EDBC591D6

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) and by City of Denton Ethics Code, Ordinance 18-757.
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.**

DKJ Concrete Construction, Inc.

2 [X] **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.**

_____
Name of Officer

Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relations hip with the local government 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 [X] 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 [X] 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 [X] No

D. Describe each employment or business and family relationship with the local government officer named in this section.

4 [X] **I have no Conflict of Interest to disclose.**

5 Signed by:
AD76796C3388438...
Signature of vendor doing business with the governmental entity

6/2/2025
Date

Docusign Envelope ID: 99D3DDC7-CB32-46B0-8BD2-F65EDBC591D6

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/ Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(A) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

City of Denton Ethics Code Ordinance Number 18-757

Definitions:

Relative: a family member related to a City Official within the third 3rd degree of affinity (marriage) or consanguinity (blood or adoption)

City Official: for purpose of this article, the term consists of the Council Members, Department Heads, or member of the Board of Ethics, Planning and zoning Commission Members, Board of Adjustment, Historic Landmark Commission, or Public Utilities Board

Vendor: a person who provides or seeks to provide goods, services, and/or real property to the City in exchange for compensation. This definition does not include those property owners from whom the City acquires public right-of-way or other real property interests for public use.

Per the City of Denton Ethics Code, Section 2-273. – Prohibitions

(3) It shall be a violation of this Article for a Vendor to offer or give a Gift to City Official exceeding fifty dollars ($50.00) per gift, or multiple gifts cumulatively valued at more than two hundred dollars ($200.00) per a single fiscal year.

Per the City of Denton Ethics Code, Section 2-282. – Disposition (b), (5) Ineligibility

If the Board of Ethics finds that a Vendor has violated this Article, the Board may recommend to the City Manager that the Vendor be deemed ineligible to enter into a City contract or other arrangement for goods, services, or real property, for a period of one (1) year.

Certificate Of Completion

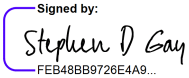
Envelope Id: 99D3DDC7-CB32-46B0-8BD2-F65EDBC591D6
Status: Sent
Subject: Please DocuSign: City Council Contract 8046 Utility Cut Restoration Amendment 1
Source Envelope:
Document Pages: 5
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Gabby Leeper
901B Texas Street
Denton, TX 76209
Gabby.Leeper@cityofdenton.com
IP Address: 198.49.140.104

Record Tracking

Status: Original
5/29/2025 2:52:39 PM
Holder: Gabby Leeper
Gabby.Leeper@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Gabby Leeper gabby.leeper@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: 198.49.140.104	Sent: 5/29/2025 2:58:25 PM Viewed: 5/29/2025 2:58:59 PM Signed: 5/29/2025 2:59:37 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	DS LH Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 5/29/2025 2:59:39 PM Viewed: 5/29/2025 3:55:25 PM Signed: 5/29/2025 3:55:36 PM
Marcella Lunn marcella.lunn@cityofdenton.com Senior Deputy City Attorney City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	DocuSigned by: Marcella Lunn 4B070831B4AA438... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 5/29/2025 3:55:38 PM Viewed: 5/30/2025 9:55:22 AM Signed: 5/30/2025 9:58:47 AM
William D Kruger kasey.dkj@gmail.com Owner Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 5/30/2025 9:59:31 AM ID: aefa77d7-1e90-4f3f-8899-554e16bcd9de	Signed by: AD76796C3388438... Signature Adoption: Uploaded Signature Image Using IP Address: 142.147.51.27	Sent: 5/30/2025 9:58:50 AM Resent: 5/30/2025 4:45:30 PM Viewed: 6/2/2025 10:46:15 AM Signed: 6/2/2025 10:49:05 AM

Signer Events	Signature	Timestamp
Stephen D Gay Stephen.Gay@cityofdenton.com General Manager Water Utilities Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 6/2/2025 10:52:33 AM ID: e8ce1342-7373-4485-8188-a5d4ca7612d1	Signed by:  FEB48BB9726E4A9... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 6/2/2025 10:49:07 AM Viewed: 6/2/2025 10:52:33 AM Signed: 6/2/2025 10:53:08 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: 6/2/2025 10:53:11 AM
Sara Hensley sara.hensley@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Lauren Thoden lauren.thoden@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: 5/29/2025 2:59:39 PM
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None)	COPIED	Sent: 6/2/2025 10:53:11 AM Viewed: 6/2/2025 11:42:18 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		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/29/2025 2:58:25 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.

File #: ID 25-1188, **Version:** 1

AGENDA CAPTION

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 Trillium Pumps USA, Inc., for the replacement of five Wemco Recessed Impeller Pumps for the Water Reclamation Department, which is the sole provider of these commodities, in accordance with Texas Local Government Code 252.022, which provides that procurement of commodities and services that are available from one source are exempt from competitive bidding, and if over $50,000, shall be awarded by the governing body; providing for the expenditure of funds therefor; and providing an effective date (File 8751 - awarded to Trillium Pumps USA, Inc., in the not-to-exceed amount of $175,000.00). The Public Utilities Board recommends approval (5 - 0).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: July 15, 2025

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 Trillium Pumps USA, Inc., for the replacement of five Wemco Recessed Impeller Pumps for the Water Reclamation Department, which is the sole provider of these commodities, in accordance with Texas Local Government Code 252.022, which provides that procurement of commodities and services that are available from one source are exempt from competitive bidding, and if over $50,000, shall be awarded by the governing body; providing for the expenditure of funds therefor; and providing an effective date (File 8751 – awarded to Trillium Pumps USA, Inc., in the not-to-exceed amount of $175,000.00). The Public Utilities Board recommends approval (5 - 0).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Support Healthy and Safe Communities.

INFORMATION/BACKGROUND

The Pecan Creek Water Reclamation Plant (PCWRP) currently utilizes Wemco Recessed Impeller Pumps for sludge and grit handling, which have been in service for over 30 years. In the March 2024 Pecan Creek Plant Condition Assessment by Kimley-Horn, these pumps were identified as critical equipment in need of replacement or rehabilitation to ensure reliable plant operations until the upcoming expansion is complete.

Replacing these pumps with a different technology would require significant piping modifications and potential operational disruptions. Additionally, with the timeline for the plant expansion estimated to be complete by Q4 2029, introducing a new pump system at this stage would pose further challenges. Any interim modifications could become obsolete once the new expansion comes online, leading to unnecessary complexity in the transition.

To minimize these impacts and ensure operational continuity, plant staff recommend procuring direct replacements from Wemco. This approach will maintain system compatibility and avoid unnecessary rework when the full expansion is implemented. As part of the broader plant upgrade, all new equipment will be evaluated during the design phase to ensure alignment with long-term operational goals.

Base	Contingency	Total
$169,544.00	$5,456.00	$175,000.00

Section 252.022 of the Local Government Code provides that procurement of sole source commodities and services are exempt from competitive bidding, if over $50,000, shall be awarded by the governing body.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 23, 2025, the Public Utilities Board (PUB) recommended this item to the City Council for consideration.

RECOMMENDATION

Award with a contract to Trillium Pumps USA, Inc., as a sole source supplier, for the replacement of five Wemco Recessed Impeller Pumps for the Water Reclamation Department, in a not-to-exceed amount of $175,000.

PRINCIPAL PLACE OF BUSINESS

Trillium Pumps USA, Inc.
Fresno, CA

ESTIMATED SCHEDULE OF PROJECT

This project will be started upon the arrival of the equipment. The items will be delivered within 180 days of the order being received.

FISCAL INFORMATION

These items will be funded from PCWRP Process Flow Rehab account 640497545.1355.30200. Requisition #170333 has been entered into the Purchasing software system in the amount of $169,544. The budgeted amount for this item is $175,000.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance and Contract

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Chris Carroll, 940-349-7190.

Legal point of contact: Marcella Lunn at 940-349-8333.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH TRILLIUM PUMPS USA, INC., FOR THE REPLACEMENT OF FIVE WEMCO RECESSED IMPELLER PUMPS FOR THE WATER RECLAMATION DEPARTMENT, WHICH IS THE SOLE PROVIDER OF THESE COMMODITIES, IN ACCORDANCE WITH TEXAS LOCAL GOVERNMENT CODE 252.022, WHICH PROVIDES THAT PROCUREMENT OF COMMODITIES AND SERVICES THAT ARE AVAILABLE FROM ONE SOURCE ARE EXEMPT FROM COMPETITIVE BIDDING, AND IF OVER $50,000, SHALL BE AWARDED BY THE GOVERNING BODY; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (FILE 8751 – AWARDED TO TRILLIUM PUMPS USA, INC., IN THE NOT-TO-EXCEED AMOUNT OF $175,000.00).

WHEREAS, Section 252.022 of the Local Government Code provides that procurement of items that are only available from one source, including items that are only available from one source because of patents, copyrights, secret processes, or natural monopolies; films, manuscripts, or books; electricity, gas, water, and other utility purchases; captive replacement parts or components for equipment; and library materials for a public library that are available only from the persons holding exclusive distribution rights to the materials; need not be submitted to competitive bids; and

WHEREAS, this procurement was undertaken as part of the City's governmental function; and

WHEREAS, the City Council wishes to procure one or more of the items mentioned in the above paragraph; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The following purchase of materials, equipment or supplies, as described in the "File" listed hereon, and on file in the office of the Purchasing Agent, and the license terms attached are hereby approved:

FILE NUMBER	VENDOR	AMOUNT
8751	Trillium Pumps USA, Inc.	$175,000.00

SECTION 2. The City Council hereby finds that this bid, and the award thereof, constitutes a procurement of items that are available from only one source, including items that are only available from one source because of patents, copyrights, secret processes, or natural monopolies; films, manuscripts, or books; electricity, gas, water, and other utility purchases; captive replacement parts or components for equipment; and library materials for a public library

that are available only from the persons holding exclusive distribution rights to the materials; need not be submitted to competitive bids.

SECTION 3. The acceptance and approval of the above items shall not constitute a contract between the City and the person submitting the quotation for such items until such person shall comply with all requirements specified by the Purchasing Department.

SECTION 4. The City Manager, or their designee, is hereby authorized to execute the contract relating to the items specified in Section 1, attached hereto, and the expenditure of funds pursuant to said contract is hereby authorized.

SECTION 5. 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 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:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____



Scott Bray
Deputy City Attorney

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

Docusign City Council Transmittal Coversheet

FILE	8751
File Name	WEMCO Pump Replacement
Purchasing Contact	Gabby Leeper
City Council Target Date	
Piggy Back Option	Not Applicable
Contract Expiration	
Ordinance	

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

CONTRACT BY AND BETWEEN
CITY OF DENTON, TEXAS AND TRILLIUM PUMPS USA, INC.
(Contract #8751)

THIS CONTRACT is made and entered into this date _____, by and between Trillium Pumps USA, Inc. a Deleware corporation, whose address 2495 S Golden State Blvd Fresno California 93706, hereinafter referred to as "Contractor," and the **CITY OF DENTON, TEXAS**, a home rule municipal corporation, hereinafter referred to as "City," to be effective upon approval of the Denton City Council and subsequent execution of this Contract by the Denton City Manager or their 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 products in accordance with the City's document Contract # 8751 WEMCO Pump Replacements a copy of which is on file at the office of Purchasing Agent and incorporated herein for all purposes. The Contract consists of this written agreement and the following items which are attached hereto, or on file, and incorporated herein by reference:

(a) Special Terms and Conditions **(Exhibit "A");**
(b) Contractor's Proposal("Contractor's Offer") **(Exhibit "B");**
(c) City of Denton Standard Terms and Conditions **(Exhibit "C");**
(d) Certificate of Interested Parties Electronic Filing **(Exhibit"D")**;
(e) Form CIQ – Conflict of Interest Questionnaire **(Exhibit "E")**

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 the written agreement then to the contract documents in the 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 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 Contract, 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 Contract.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition on Contracts with Companies Boycotting Certain Energy Companies
Contractor acknowledges that in accordance with Chapter 2276 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***

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

the City that Contractor: (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the Contract. Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition on Contracts with Companies Boycotting Certain Firearm Entities and Firearm Trade Associations

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 Contract, 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 this 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.

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 Contract, 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 Contract and will not become ineligible to receive payments under this Contract 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.

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 2275, 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.

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 WHEREOF, the parties of these presents have executed this Contract in the year and day first above written.

THIS CONTRACT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

Signed by:
Stephen D Gay
SIGNATURE

Stephen D Gay
PRINTED NAME

General Manager
TITLE

Water Utilities and Street Operations
DEPARTMENT

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

DocuSigned by:
Marcella Lunn
4B070831B4AA438...
BY:

CONTRACTOR

DocuSigned by:
Shelley Phebus
BY: _____
AUTHORIZED SIGNATURE

Printed Name: Shelley Phebus

Title: Technical Sales Scheduler

559-443-6467
PHONE NUMBER

Shelley.Phebus@trilliumflow.com
EMAIL ADDRESS

shelley.phebus@trilliumflow.com
TEXAS ETHICS COMMISSION
CERTIFICATE NUMBER

CITY OF DENTON, TEXAS

BY: _____
SARA HENSLEY
CITY MANAGER

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

Exhibit A
Special Terms and Conditions

1. Product Changes During Contract Term

The Contractor shall not change specifications during the contract term without prior approval. Any deviation in the specifications or change in the product must be approved in advance by the City of Denton. Notice of a change shall be submitted in writing to purchasing@cityofdenton.com, with the above file number in the subject line, for review. Products found to have changed specifications without notification, and acceptance, will be returned at the contractor's expense. Products that have been installed will be replaced at the contractor's expense.

2. Authorized Distributor

The Contractor shall be the manufacturer or authorized distributor of the proposed products. The distributor shall be authorized to sell to the City of Denton, and make available the manufacturer's representative as needed by the City.

3. Contract Terms

The contract will be effective from date of award or notice to proceed with a purchase order as determined by the City of Denton Purchasing Department. 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.

4. Total Contract Amount

The contract total shall not exceed $175,000. Pricing shall be per Exhibit D attached.

5. Performance Liquidated Damages

The Contractor shall incur contractual payment losses, as initiated by the City for performance that falls short of specified performance standards as outlined below:

- Delivery beyond contracted lead times
- Performance below contracted levels (services only)

The Contractor shall be assessed a one (1%) percent fee each month when any one of the performance standards outlined above are not met in full. The Contractor shall be assessed a two (2%) percent profit fee each month when any two (2) or more performance standards outlined above are not met in full. At the end of each month, the City will review the monthly reports and determine the percentage of penalty to be assessed to the Contractor's monthly profit margin. The cumulative fees charged by this section shall not exceed five (5%) percent in total.

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

Trillium Pumps USA Inc

Quotation

05 Dec 2024

HRM Environmental - Bedford, TX
3825 Hillwood Way
Bedford, Texas 76021
Attn: Deana Martin
E-mail: Deana@HRMH2O.onmicrosoft.com

Quotation number: 2405843
Revision: 000

Project: Replacement To Torque flow Pump SN 9291178-2 & 8095097-3-4-5 Your reference:

We thank you for your above referenced inquiry, and are pleased to submit our quotation for your consideration.

Please see the next page for a summary of our offer. Full details can be found in subsequent pages.

Note:
001: S/N 9291178-1 Base plate is not included in this quote
002: S/N 9291178-2 Base plate is not included in this quote
003: S/N 8095097-3-4-5 Base plate is not included in this quote

We hope you find our quotation in line with your requirements. However, if you have any questions, please do not hesitate to contact us.

Sincerely,

Shaik Rasheed
Trillium Pumps USA Inc

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

Trillium Pumps USA Inc · 2495 S Golden State Blvd · Fresno, California 93706
phone: 801 359 8731 · www.trilliumflow.com

Trillium Pumps USA Inc

Quotation Summary

05 Dec 2024

HRM Environmental - Bedford, TX
3825 Hillwood Way
Bedford, Texas 76021
Attn: Deana Martin
E-mail: Deana@HRMH2O.onmicrosoft.com

Quotation number: 2405843
Revision: 000

Project: Replacement To Torque flow Pump SN 9291178-2 & 8095097-3-4-5 Your reference:
The following is a price summary for this quotation. Please see item specific pages for more details.

Item number	Service	Size	Unit Price	Unit Freight	Qty	Extended Price
001	S/N 9291178-1, CW Rotation	4" Model C	$ 33,364	$ 788	1	$ 34,152
002	S/N 9291178-2, CCW Rotation	4" Model C	$ 34,224	$ 788	1	$ 35,012
003	S/N 8095097-3-4-5, CCW Rotation	4" Model C	$ 32,750	$ 710	3	$100,380
					Grand Total	$ 169,544.

PUMP FEATURES: All Trillium Pumps USA INC are designed to reduce maintenance costs through greater pump reliability and improved mean time between failure.

SCOPE OF SUPPLY: Only that material detailed in this quotation is being offered. No assumptions should be made that anything not specifically specified is included.

QUALITY STANDARDS: Trillium Pumps USA INC is an ISO ISO 9001:2015 certified plant.

PRICE BASIS: This offer is valid for 30 days from date issued. Quoted prices are based on current material and commodity rates. Due to the volatility of both, market prices may change and must be confirmed at the time of order placement.

PRICE: Price quoted is for all items purchased at one time. In the event of a partial order, we will review and adjust accordingly.

SHIPMENT: Approximately 21-23 weeks after receipt of approved purchase order and/or final approval of submittal and drawings.

START-UP: Not included.

TERMS AND CONDITIONS: The Terms and Conditions of Sale attached hereto as Trillium Global Terms and Conditions of Sale (July 2022) ("these Terms") except as expressly modified and negotiated by the parties as attached hereto, apply to the sale of goods and ancillary services (collectively, "Goods") by Seller to its customer (the "Buyer"). These Terms are the only terms and conditions, oral or written, applying to the sale of Goods to Buyer except for additional terms consistent with these Terms regarding prices, quantities, and the description of the Goods as set forth in an order form accepted by Seller ("Order"). Seller expressly rejects any additions to or modifications of these Terms, or terms and conditions in Buyer's purchase Order(s). Buyer's assent to these Terms is conclusively established by Buyer's: (i) issuance or placement of a purchase Order or (ii) acceptance of any of the Goods covered by these Terms.

PAYMENT TERMS: 100% Net 30 days (subject to credit approval). Purchase orders must be made out to Trillium Pumps USA INC.

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

Trillium Pumps USA Inc · 2495 S Golden State Blvd · Fresno, California 93706
phone: 801 359 8731 · www.trilliumflow.com

Customer Price Sheet

Customer	HRM Environmental - Bedford, TX	Size / Stages	4" Model C / 1
Item number	001	Pump speed	710 rpm
Customer reference		Quote number	2405843

Totals

Grand Total	$ 34,152	Lead Time Total	N/A
Pump	$ 34,152	Total unit weight	1,170.0 lb

Pump

Qty	Description	Unit Price	Extended Price

1	*4" Model C* **General Pump Options** **Pump Options** Clockwise rotation (CW) Steel pump hardware **Bearing lubrication** Oil lubricated bearings Nitrile elastomers **Case Assembly** 4x4 Case Vertical Top Ni-Hard case (650+ BHN hardness) No case vent & drain Standard suction connection **Rotating Assembly** **Rotating Assembly** Ni-Hard impeller (650+ BHN hardness) Static balance Steel shaft Steel impeller bolt **Pump Sealing** **Pump sealing** Seal Type: Packing Acrylic/graphite packing 416 SST shaft sleeve Cast iron gland housing/backplate Bronze gland **Driver** **Motors** Trillium Supplied Motor: Trillium Supplied Motor 7.5HP 254T 1200RPM Premium Efficiency TEFC Horizontal Motor All motors are sized and selected in accordance with Hydraulic Institute Grade 2 - 2B performance test acceptance grades and tolerances which adds 8% to the rated horsepower requirement of the pump. This calculation has not changed the rated horsepower or efficiency shown on the Performance Data Sheet. View the link for more information from Hydraulic Institute. Motor manufacturer - Trillium Standard **Motor options** Inverter-Rated per NEMA MG 1 Part 31.4.4.2. **Baseplate and Drive** No Baseplate **Protective Coatings** **Paint type** Epoxy 2 Coat Paint - Blue (Prime and Top Coat) - Option #8A	*$ 34,152*	*$ 34,152*

Pump

Qty	Description	Unit Price	Extended Price

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

	Unless otherwise noted all motors will be supplied with manufacturer's standard coating only **Packing & Shipping** **Shipping** No Boxing Trillium Decision Carrier **Freight Rates** Freight Rates - Texas: Texas **Material Testing** **Material Testing** No Hardness Testing No Non-Destructive Testing **Testing** **Testing** No Testing **Spare Parts / Accessories** **Spare Parts and Accessories Group** Price Adjust **Estimated Weights** Bareshaft Pump: 890.0 lb Baseplate: 0.00 lb Driver: 280.0 lb Misc. Weight: 0.00 lb Misc. Weight: 0.00 lb Misc. Weight: 0.00 lb Total Per Unit Weight: 1,170.0 lb		

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

Trillium Pumps USA Inc
www.trilliumflow.com

Pump Performance Datasheet

Customer reference:	: HRM Environmental - Bedford, TX Customer	Quote number	: 2405843
		Size	: 4" Model C
Item number	: 001	Stages	: 1
Service	: S/N 9291178-1, CW Rotation	Based on curve number	: 4C_P10C-D56
Quantity	: 1	Date last saved	: 04 Dec 2024 5:00 AM

Operating Conditions

Flow, rated	: 250 USgpm
Differential head / pressure, rated (requested)	: 26.0 ft
Differential head / pressure, rated (actual)	: 26.1 ft
Suction pressure, rated / max	: 0.00 / 0.00 psi.g
NPSH available, rated	: Ample
Site Supply Frequency	: 60 Hz

Performance

Speed criteria	: Synchronous
Speed, rated	: 710 rpm
Speed, maximum	: 1500 rpm
Speed, minimum	: 600 rpm
Efficiency	: 32.68 %
NPSH required / margin required	: - / 0.00 ft
Ns (imp. eye flow) / Nss (imp. eye flow)	: 1,830 / - US Units
MCSF	: 20.0 USgpm
Head maximum, rated speed	: 29.5 ft
Head rise to shutoff	: 13.45 %
Flow, best eff. point	: 454 USgpm
Flow ratio, rated / BEP	: 55.03 %
Speed ratio (rated / max)	: 47.33 %
Head ratio (rated speed / max speed)	: 20.73 %
Cq/Ch/Ce/Cn [ANSI/HI 9.6.7-2010]	: 1.00 / 1.00 / 1.00 / 1.00
Selection status	: Acceptable

Liquid

Liquid type	: User defined
Additional liquid description	:
Solids diameter, max	: 0.00 in
Solids concentration, by volume	: 0.00 %
Temperature, max	: 68.00 deg F
Fluid density, rated / max	: 1.000 / 1.000 SG
Viscosity, rated	: 1.00 cP
Vapor pressure, rated	: 0.00 psi.a

Material

Material selected	: Standard

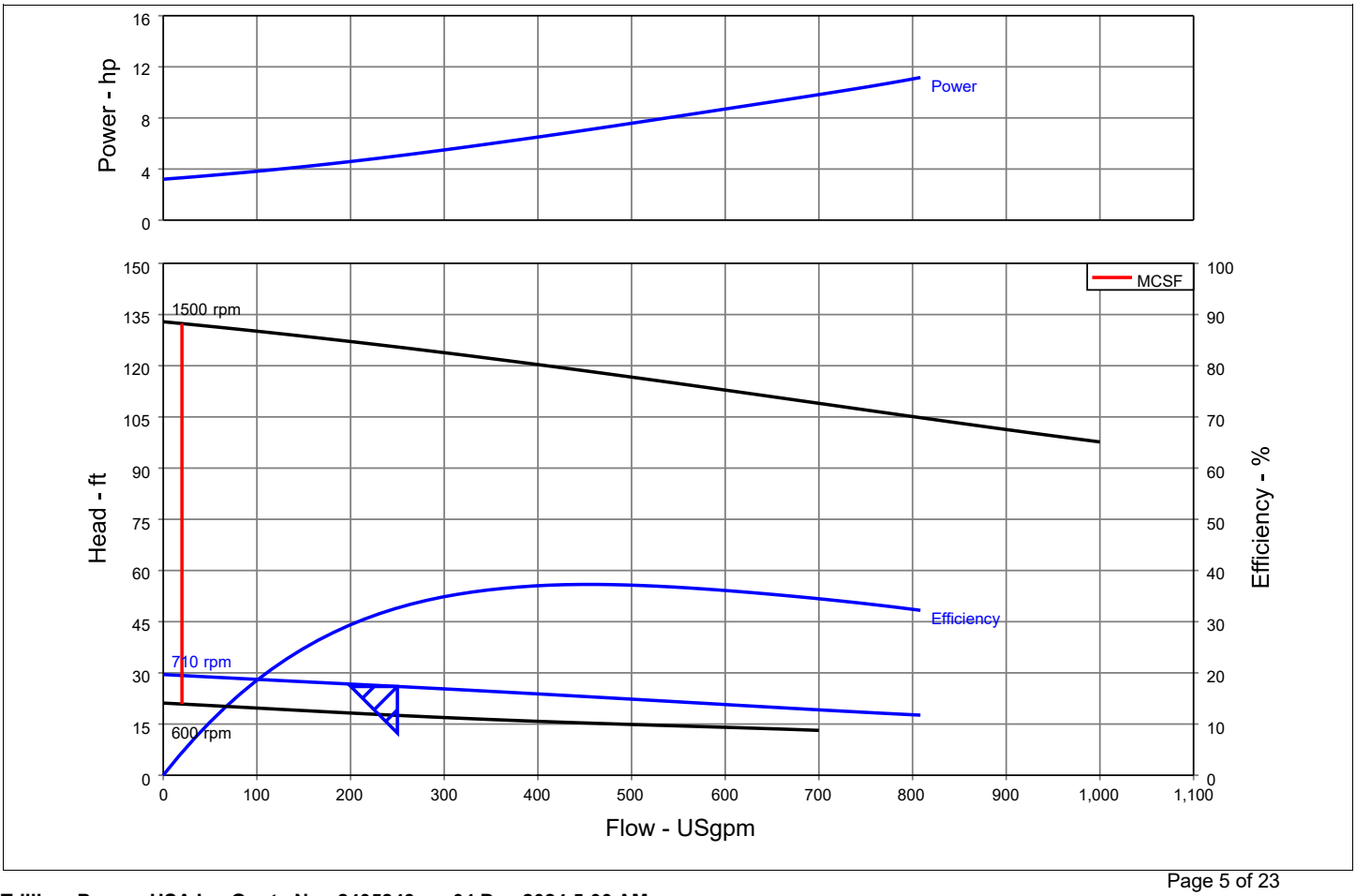
Pressure Data

Maximum working pressure	: 12.78 psi.g
Maximum allowable working pressure	: 85.00 psi.g
Maximum allowable suction pressure	: N/A
Hydrostatic test pressure	: N/A

Driver & Power Data (@Max density)

Driver sizing specification	: Rated power
Margin over specification	: 0.08 %
Service factor	: 1.00
Power, hydraulic	: 1.64 hp
Power, rated	: 5.03 hp
Power, maximum, rated diameter	: 11.16 hp
Minimum recommended motor rating	: 7.50 hp / 5.59 kW

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40



Trillium Pumps USA Inc Quote No. 2405843 04 Dec 2024 5:00 AM

Trillium Pumps USA Inc. 24.3.4

Construction Datasheet

Customer	: HRM Environmental - Bedford, TX	Quote Number	: 2405843
Project	:	Model / Size	: 4" Model C
Item number	: 001	Stages	: 1
Service	: S/N 9291178-1, CW Rotation	Pump speed	: 710 rpm
Quantity of pumps	: 1	Date last saved	: 04 Dec 2024 5:00 AM

Construction

Nozzle	Size	Rating (ANSI)	Face	Pos'n
Suction	4 in	125 lbs	FF	End
Discharge	4 in	125 lbs	FF	Right

Impeller Type	: Recessed
Impeller Design	: Cup Type
Pump Orientation	: Horizontal
Bearing Type (Rad/Thr)	: Ball/Ball
Bearing Lubrication	: Oil
Rotation (view from shaft-end)	: CW

Materials

Driver Information

Manufacturer	: Trillium Pumps USA Choice
Power	: 7.50 hp
Service factor	: 1.15
Speed	: 1200 rpm
Orientation / Mounting	: Horizontal/Foot
Driver type	: Horizontal
Frame-size	: 254T
Enclosure	: TEFC
Hazardous area class	: -
Explosion rating	: -
Volts / Phase / Hz	: 230/460 / 3 / 60
Insulation	

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

Casing	: Ni-Hard
Impeller	: Ni-Hard
Wearplate/Backplate	: Ni-Hard
Elastomer	: Nitrile
Shaft	: Steel
Sleeve	: 416 SST

Baseplate, Connection and Guard

Baseplate Type	: No Baseplate
Baseplate Material	: N/A
Orientation	: N/A
Connection Type	: N/A
Guard	: N/A

Weights (Approx.)

Bareshaft pump	: 890.0 lb
Baseplate	: 0.00 lb
Driver	: 280.0 lb
Total weight	: 1,170.0 lb

Temperature Rise	: Class
Motor mounted by	: -
	: Trillium Pumps USA

Seal, Gland and Piping

Seal Arrangement	: Packing
Seal Size	: N/A
Manufacturer	: N/A
Gland Material	: Bronze
Seal Face Mat'l	: N/A
Throat Bushing	: N/A
Seal Flush Plan	: -
Seal Flush Construction	: -

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

General Arrangement Drawing

Customer	: HRM Environmental - Bedford, TX	Quote number	: 2405843
Customer reference	:	Size	: 4" Model C
Item number	: 001	Stages	: 1
Service	: S/N 9291178-1, CW Rotation	Pump speed	: 710 rpm
Quantity of pumps	: 1.0	Date last saved	: 04 Dec 2024 5:00 AM

PUMP SIZED BY: SUCTION X DISCHARGE / ALL DIMS. IN INCHES

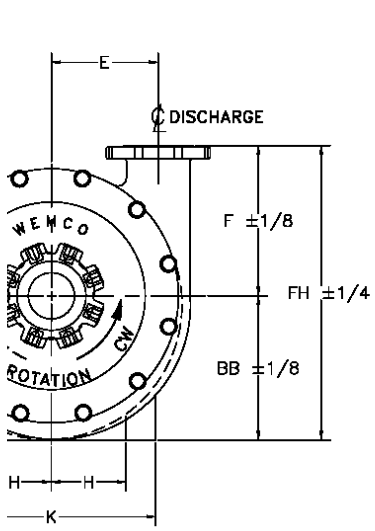
PUMP SIZE	A	B	C	D	E	F	G	H	K	L	N	Q	R	U	BB	FH	RA	RB	RC
4X4	4	4	12 1/2	16	9 1/4	13	7/8	8	18	9	38 1/4	2	1/2 X 1/4	7/8	12	25	5 1/2	6 7/8	11 1/2
5X4	5																		
6X4	6									12	41 1/4								

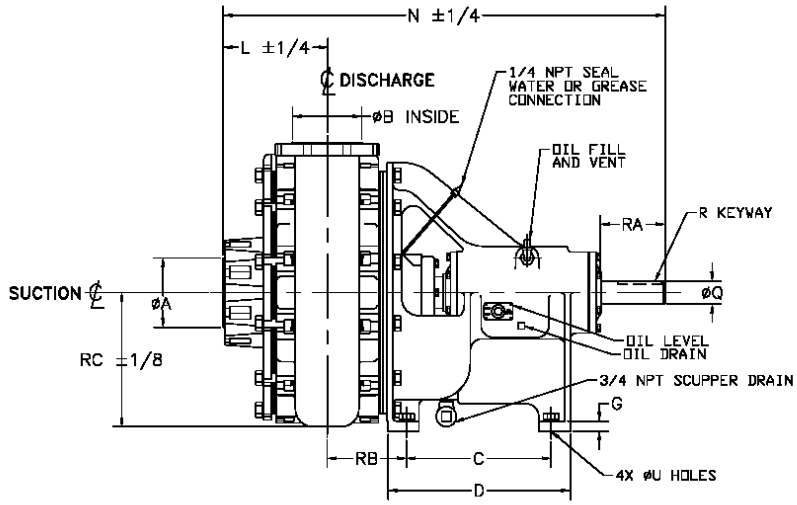
ATION PURPOSES UNLESS

NED FOR CONTINUOUS DUTY.

THE 'AS CAST' FORM. SUCTION FITTED TO THE PUMP FLANGES AND LEVELED. USE THICK METER.

ARE SLOTTED ON STANDARD RCLES.





VERTICAL UP DISCHARGE

UNLESS OTHERWISE SPECIFIED DIMENSIONS ARE IN INCHES
MACHINED SURFACES
TOLERANCES
X ±.06
.XX ±.03
.XXX ±.010
FRACTIONAL ±1/16
ANGULAR ±0°-30'

WEMCO ROTO-JET
GENERAL ARRANGEMENT
4" MODEL "C"
WEMCO TORQUE-FLOW PUMP

DWG NO. 78218-1 | SHEET 1 OF 4 | CODE NO. 405/AAA 320
SCALE NONE | SIZE D | DWG NO. 78219 | REV 5

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

Trillium Pumps USA Inc · 2495 S Golden State Blvd · Fresno, California 93706
phone: 801 359 8731 · fax: · www.trilliumflow.com

General Arrangement Drawing

Customer	: HRM Environmental - Bedford, TX	Quote number	: 2405843
Customer reference	:	Size	: 4" Model C
Item number	: 001	Stages	: 1
Service	: S/N 9291178-1, CW Rotation	Pump speed	: 710 rpm
Quantity of pumps	: 1.0	Date last saved	: 04 Dec 2024 5:00 AM

QTY	ITEM NO.	PART NO.	DESCRIPTION
5	1		CASE
	1	2		IMPELLER
5	1	3		FLANGE, SUCTION
5	1	4		HOUSING, BEARING
	1	5		WEARPLATE
5	2	7		CAP, BEARING
	1	9		SHAFT
	1	10		BOLT, HEX HD
	2	15		BEARING, INBOARD
	3	16		BEARING, OUTBOARD
	2	17		SEAL, OIL

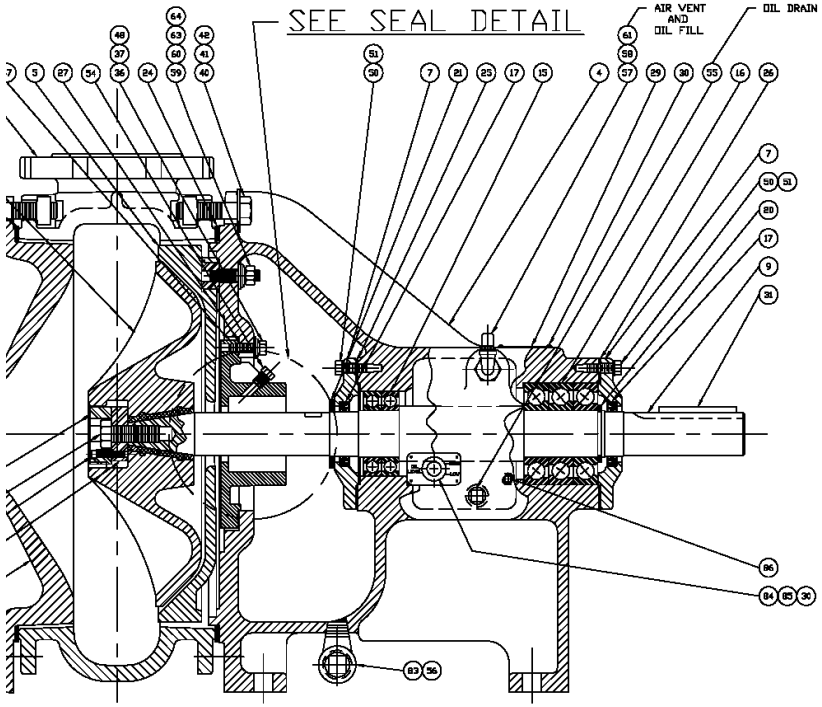
QTY	ITEM NO.	PART NO.	
	2	20		RING, RETAINING
	1	21		SLINGER
	2	24		GASKET, CASE
	1	25		SHIM, BEARING CAP 1/16" THK
	4	26		SHIM, BEARING CAP .002 THK
	1	27		GASKET, GLAND HOUSING
	1	29		PLATE, SERIAL
	8	30		SCREW, DRIVE
	1	31		KEY, SQUARE SHAFT
	6	36		WASHER, RUBBER
	6	37		WASHER, CUPPED
	24	40		BOLT, HEX HD 3/4-10 X 2 1/2
	24	41		WASHER, PLAIN 3/4
	24	42		NUT, SQ HD 3/4-10
	6	48		BOLT, HEX HD 3/8-16 X 1 1/2
	12	50		SCREW, HEX HD 3/8-16 X 1 1/4
	12	51		WASHER, LOCK 3/8
	2	54		PLUG, PIPE NPTM
	1	55		PLUG, PIPE NPTM
	1	56		PLUG CAPLUG NPTM
	1	57		BUSHING, NPTH
	1	58		VENT, AIR
	4	59		STUD, TAP END 1/2-13 X 2 1/4
	4	60		NUT, HEX 1/2-13
	1	61		ELBOW ST. 90° NPT
	4	63		WASHER, CUPPED 1/2
	4	64		WASHER, RUBBER 1/2
5	1	67		SEAL ASSEMBLY
	1	83		ELBOW, 90° STREET NPT F X M
	1	84		SIGHT WINDOW, LOW PRSR NPT
	1	85		NAMEPLATE, OIL LEVEL
	1	86		PLUG, PP NPT
	1	87		WASHER, THRUST
	1	98		COLLAR, LOCKING
	2	99		SCREW, SOC HD CAP 1/4-20

FOR SHIPPING PROTECTION ONLY

ECIFICATION 82122 FOR IMPELLER
ALUES.

TA SHEET P10C-D211.1 FOR BEARINGS ⚠4
MMING. .003/.008 ENDPLAY REQUIRED.
PACKING OR SEAL SEE
SEAL ARRANGEMENTS.

INT THESE PARTS PER PRODUCT
AL., OR DEFINITION SHEETS.



4" MODEL 'C' PUMP ASSEMBLY

TRILLIUM FLOW TECHNOLOGIES
WEMCO® ROTO-JET®

THIS DRAWING CONTAINS CONFIDENTIAL INFORMATION AND IS THE EXCLUSIVE PROPERTY OF ENGINEERED PUMPS INTERNATIONAL S.A.R.L. DBA WEMCO SPECIALTY PUMPS. IT MAY NOT BE COPIED OR REPRODUCED IN ANY FORM WITHOUT THE EXPRESS WRITTEN AUTHORITY OF WEMCO SPECIALTY PUMPS.

COPYRIGHT 2012 ENGINEERED PUMPS INTERNATIONAL INC. ALL RIGHTS RESERVED.

DWG NO. 78219-4 SHEET 4 OF 4

SCALE NONE | SIZE D | 78219 | REVISION 5

END

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

Customer Price Sheet

Customer	HRM Environmental - Bedford, TX	Size / Stages	4" Model C / 1
Item number	002	Pump speed	710 rpm
Customer reference		Quote number	2405843

Totals

Grand Total	$ 35,012	Lead Time Total	N/A
Pump	$ 35,012	Total unit weight	1,170.0 lb

Pump

Qty	Description	Unit Price	Extended Price

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

1	*4" Model C* **General Pump Options** **Pump Options** Counterclockwise rotation (CCW) Steel pump hardware **Bearing lubrication** Oil lubricated bearings Nitrile elastomers **Case Assembly** 4x4 Case Vertical Top Ni-Hard case (650+ BHN hardness) No case vent & drain Standard suction connection **Rotating Assembly** **Rotating Assembly** Ni-Hard impeller (650+ BHN hardness) Static balance Steel shaft Steel impeller bolt **Pump Sealing** **Pump sealing** Seal Type: Packing Acrylic/graphite packing 416 SST shaft sleeve Cast iron gland housing/backplate Bronze gland **Driver** **Motors** Trillium Supplied Motor: Trillium Supplied Motor 7.5HP 254T 1200RPM Premium Efficiency TEFC Horizontal Motor All motors are sized and selected in accordance with Hydraulic Institute Grade 2 - 2B performance test acceptance grades and tolerances which adds 8% to the rated horsepower requirement of the pump. This calculation has not changed the rated horsepower or efficiency shown on the Performance Data Sheet. View the link for more information from Hydraulic Institute. Motor manufacturer - Trillium Standard **Motor options** Inverter-Rated per NEMA MG 1 Part 31.4.4.2. **Baseplate and Drive** No Baseplate **Protective Coatings** **Paint type** Epoxy 2 Coat Paint - Blue (Prime and Top Coat) - Option #8A	*$ 35,012*	*$ 35,012*

Pump

Qty	Description	Unit Price	Extended Price

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

	Unless otherwise noted all motors will be supplied with manufacturer's standard coating only **Packing & Shipping** **Shipping** No Boxing Trillium Decision Carrier **Freight Rates** Freight Rates - Texas: Texas **Material Testing** **Material Testing** No Hardness Testing No Non-Destructive Testing **Testing** **Testing** No Testing **Estimated Weights** Bareshaft Pump: 890.0 lb Baseplate: 0.00 lb Driver: 280.0 lb Misc. Weight: 0.00 lb Misc. Weight: 0.00 lb Misc. Weight: 0.00 lb Total Per Unit Weight: 1,170.0 lb		

Trillium Pumps USA Inc
www.trilliumflow.com

Pump Performance Datasheet

Customer reference:	: HRM Environmental - Bedford, TX Customer	Quote number	: 2405843
Item number	: 002	Size	: 4" Model C
Service	: S/N 9291178-2, CCW Rotation	Stages	: 1
Quantity	: 1	Based on curve number	: 4C_P10C-D56
		Date last saved	: 04 Dec 2024 4:25 AM

Operating Conditions

Flow, rated	: 250 USgpm
Differential head / pressure, rated (requested)	: 26.0 ft
Differential head / pressure, rated (actual)	: 26.1 ft
Suction pressure, rated / max	: 0.00 / 0.00 psi.g
NPSH available, rated	: Ample
Site Supply Frequency	: 60 Hz

Performance

Speed criteria	: Synchronous
Speed, rated	: 710 rpm
Speed, maximum	: 1500 rpm
Speed, minimum	: 600 rpm
Efficiency	: 32.68 %
NPSH required / margin required	: - / 0.00 ft
Ns (imp. eye flow) / Nss (imp. eye flow)	: 1,830 / - US Units
MCSF	: 20.0 USgpm
Head maximum, rated speed	: 29.5 ft
Head rise to shutoff	: 13.45 %

Liquid

Liquid type	: User defined
Additional liquid description	:
Solids diameter, max	: 0.00 in
Solids concentration, by volume	: 0.00 %
Temperature, max	: 68.00 deg F
Fluid density, rated / max	: 1.000 / 1.000 SG
Viscosity, rated	: 1.00 cP
Vapor pressure, rated	: 0.00 psi.a

Material

Material selected	: Standard

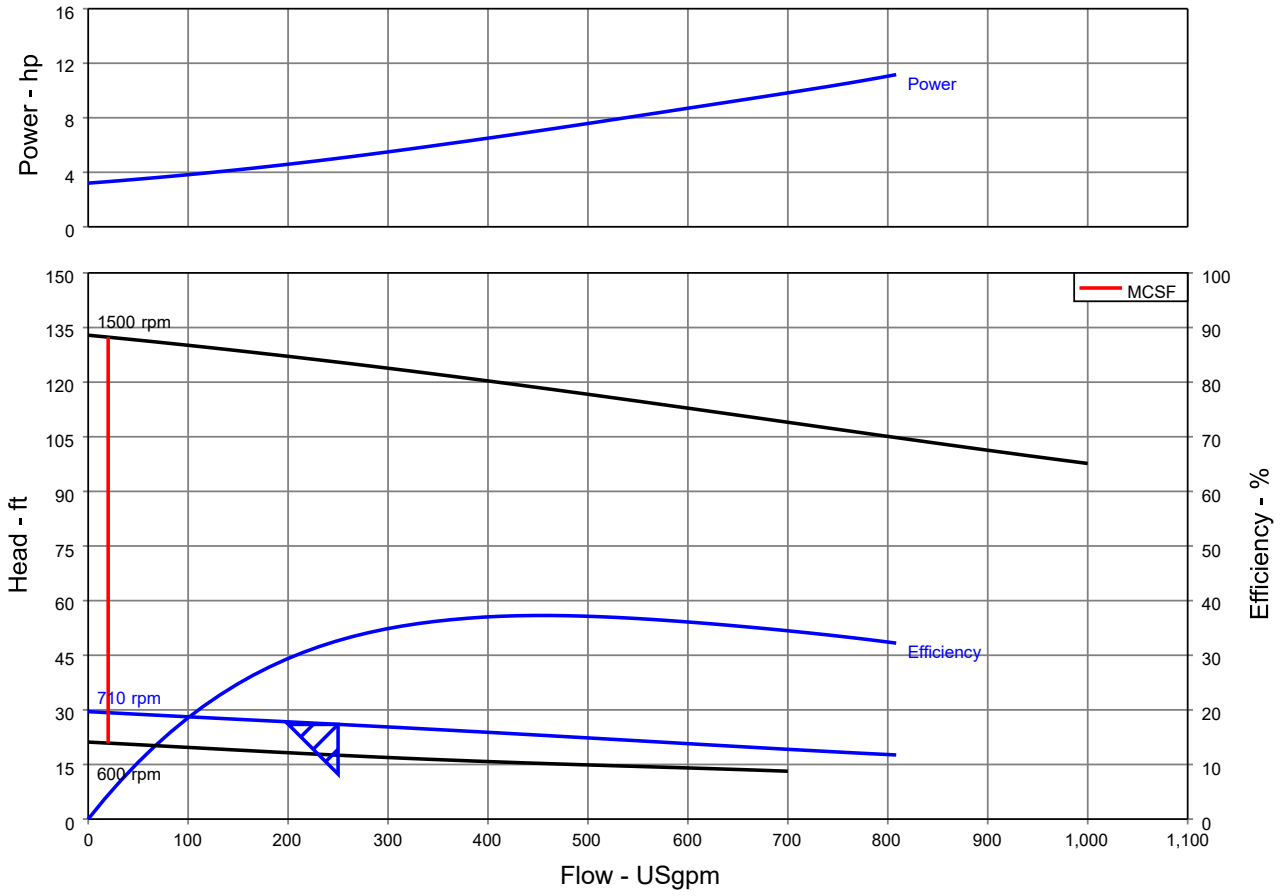
Pressure Data

Maximum working pressure	: 12.78 psi.g
Maximum allowable working pressure	: 85.00 psi.g
Maximum allowable suction pressure	: N/A
Hydrostatic test pressure	: N/A

Driver & Power Data (@Max density)

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

Flow, best eff. point	: 454 USgpm	Driver sizing specification	: Rated power
Flow ratio, rated / BEP	: 55.03 %	Margin over specification	: 0.08 %
Speed ratio (rated / max)	: 47.33 %	Service factor	: 1.00
Head ratio (rated speed / max speed)	: 20.73 %	Power, hydraulic	: 1.64 hp
Cq/Ch/Ce/Cn [ANSI/HI 9.6.7-2010]	: 1.00 / 1.00 / 1.00 / 1.00	Power, rated	: 5.03 hp
Selection status	: Acceptable	Power, maximum, rated diameter	: 11.16 hp
		Minimum recommended motor rating	: 7.50 hp / 5.59 kW



Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

Construction Datasheet

Customer	: HRM Environmental - Bedford, TX	Quote Number	: 2405843
Project	:	Model / Size	: 4" Model C
Item number	: 002	Stages	: 1
Service	: S/N 9291178-2, CCW Rotation	Pump speed	: 710 rpm
Quantity of pumps	: 1	Date last saved	: 04 Dec 2024 4:25 AM

Construction

Nozzle	Size	Rating (ANSI)	Face	Pos'n
Suction	4 in	125 lbs	FF	End
Discharge	4 in	125 lbs	FF	Right

Impeller Type	: Recessed
Impeller Design	: Cup Type
Pump Orientation	: Horizontal
Bearing Type (Rad/Thr)	: Ball/Ball
Bearing Lubrication	: Oil
Rotation (view from shaft-end)	: CCW

Materials

Casing	: Ni-Hard
Impeller	: Ni-Hard
Wearplate/Backplate	: Ni-Hard
Elastomer	: Nitrile
Shaft	: Steel
Sleeve	: 416 SST

Baseplate, Connection and Guard

Baseplate Type	: No Baseplate
Baseplate Material	: N/A
Orientation	: N/A
Connection Type	: N/A
Guard	: N/A

Weights (Approx.)

Bareshaft pump	: 890.0 lb
Baseplate	: 0.00 lb
Driver	: 280.0 lb
Total weight	: 1,170.0 lb

Driver Information

Manufacturer	: Trillium Pumps USA Choice
Power	: 7.50 hp
Service factor	: 1.15
Speed	: 1200 rpm
Orientation / Mounting	: Horizontal/Foot
Driver type	: Horizontal
Frame-size	: 254T
Enclosure	: TEFC
Hazardous area class	: -
Explosion rating	: -
Volts / Phase / Hz	: 230/460 / 3 / 60
Insulation	: Class
Temperature Rise	: -
Motor mounted by	: Trillium Pumps USA

Seal, Gland and Piping

Seal Arrangement	: Packing
Seal Size	: N/A
Manufacturer	: N/A
Gland Material	: Bronze
Seal Face Mat'l	: N/A
Throat Bushing	: N/A
Seal Flush Plan	: -
Seal Flush Construction	: -

General Arrangement Drawing

Customer	: HRM Environmental - Bedford, TX	Quote number	: 2405843
Customer reference	:	Size	: 4" Model C
Item number	: 002	Stages	: 1
Service	: S/N 9291178-2, CCW Rotation	Pump speed	: 710 rpm
Quantity of pumps	: 1.0	Date last saved	: 04 Dec 2024 4:25 AM

PUMP SIZED BY: SUCTION X DISCHARGE / ALL DIMS. IN INCHES

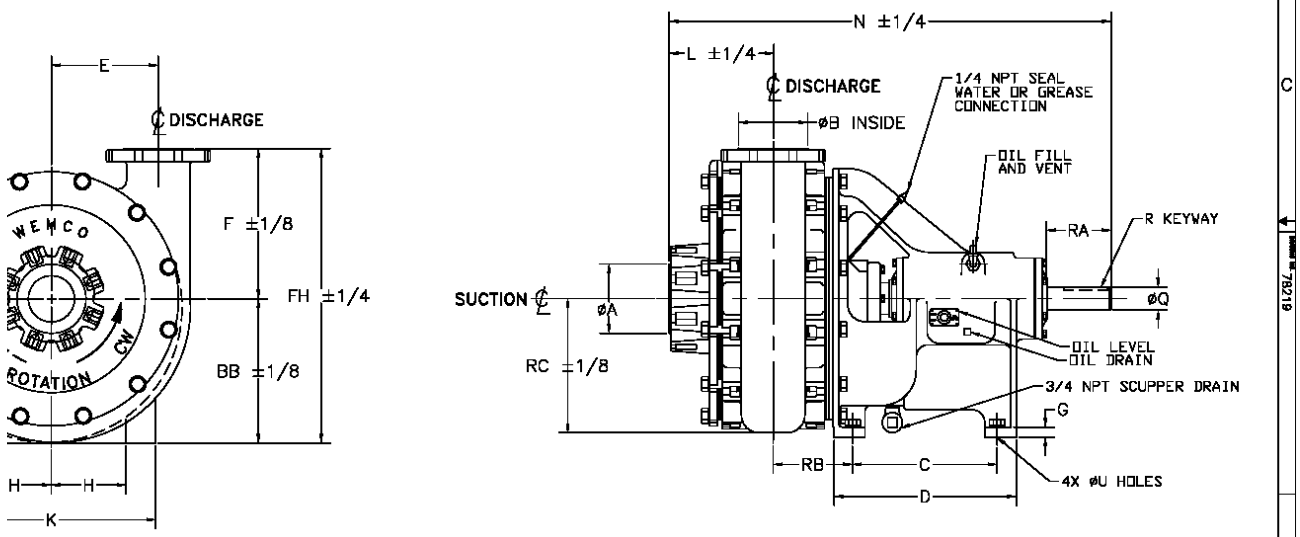
PUMP SIZE	A	B	C	D	E	F	G	H	K	L	N	Q	R	U	BB	FH	RA	RB	RC
4X4	4	4	12 1/2	16	9 1/4	13	7/8	8	18	9	38 1/4	2	1/2 X 1/4	7/8	12	25	5 1/2	6 7/8	11 1/2
5X4	5																		
6X4	6									12	41 1/4								

ATION PURPOSES UNLESS

NED FOR CONTINUOUS DUTY.

THE 'AS CAST' FORM. SUCTION FITTED TO THE PUMP FLANGES AND LEVELED. USE THICK METER.

ARE SLOTTED ON STANDARD RCLES.



VERTICAL UP DISCHARGE

UNLESS OTHERWISE SPECIFIED DIMENSIONS ARE IN INCHES
MACHINED SURFACES
TOLERANCES
X ±.06
.XX ±.03
.XXX ±.010
FRACTIONAL ±1/16
ANGULAR ±0°-30'

WEMCO® ROTO-JET®
GENERAL ARRANGEMENT
4" MODEL "C"
WEMCO TORQUE-FLOW PUMP

DWG NO. 78218-1 SHEET 1 OF 4 CODE NO. 405/AAA 320
SCALE NONE SIZE D DWG NO. 78219 REV 5

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

Trillium Pumps USA Inc · 2495 S Golden State Blvd · Fresno, California 93706
phone: 801 359 8731 · fax: · www.trilliumflow.com

General Arrangement Drawing

Customer	: HRM Environmental - Bedford, TX	Quote number	: 2405843
Customer reference	:	Size	: 4" Model C
Item number	: 002	Stages	: 1
Service	: S/N 9291178-2, CCW Rotation	Pump speed	: 710 rpm
Quantity of pumps	: 1.0	Date last saved	: 04 Dec 2024 4:25 AM

QTY	ITEM NO.	PART NO.	DESCRIPTION
(5) 1	1		CASE
1	2		IMPELLER
(5) 1	3		FLANGE, SUCTION
(5) 1	4		HOUSING, BEARING
1	5		WEARPLATE
(5) 2	7		CAP, BEARING
1	9		SHAFT
1	10		BOLT, HEX HD
2	15		BEARING, INBOARD
3	16		BEARING, OUTBOARD
2	17		SEAL, OIL

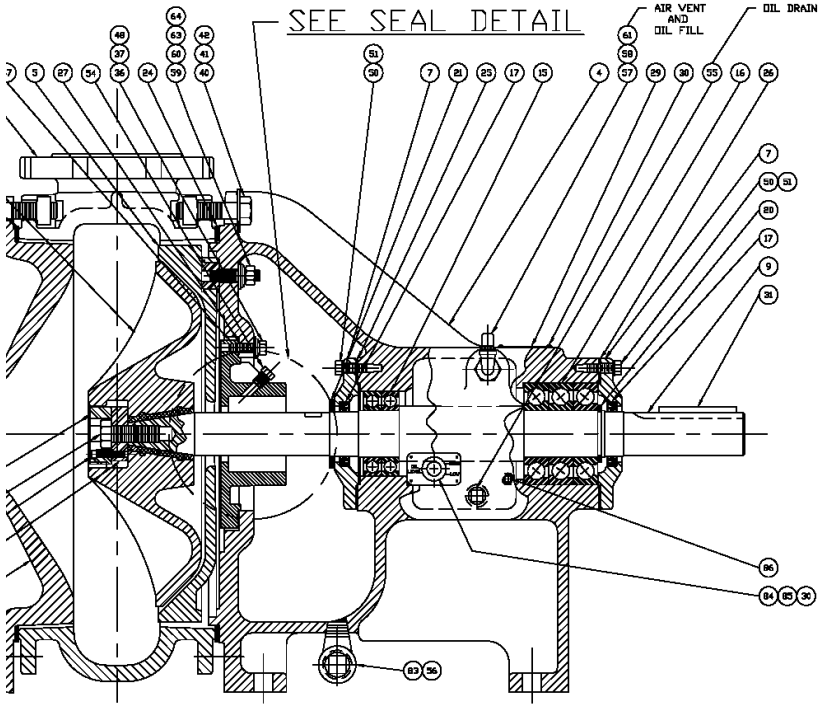
QTY	ITEM NO.	PART NO.	
2	20		RING, RETAINING
1	21		SLINGER
2	24		GASKET, CASE
1	25		SHIM, BEARING CAP 1/16" THK
4	26		SHIM, BEARING CAP .002 THK
1	27		GASKET, GLAND HOUSING
1	29		PLATE, SERIAL
8	30		SCREW, DRIVE
1	31		KEY, SQUARE SHAFT
6	36		WASHER, RUBBER
6	37		WASHER, CUPPED
24	40		BOLT, HEX HD 3/4-10 X 2 1/2
24	41		WASHER, PLAIN 3/4
24	42		NUT, SQ HD 3/4-10
6	48		BOLT, HEX HD 3/8-16 X 1 1/2
12	50		SCREW, HEX HD 3/8-16 X 1 1/4
12	51		WASHER, LOCK 3/8
2	54		PLUG, PIPE NPTM
1	55		PLUG, PIPE NPTM
1	56		PLUG CAPLUG NPTM
1	57		BUSHING, NPTH
1	58		VENT, AIR
4	59		STUD, TAP END 1/2-13 X 2 1/4
4	60		NUT, HEX 1/2-13
1	61		ELBOW ST. 90° NPT
4	63		WASHER, CUPPED 1/2
4	64		WASHER, RUBBER 1/2
(5) 1	67		SEAL ASSEMBLY
1	83		ELBOW, 90° STREET NPT F X M
1	84		SIGHT WINDOW, LOW PRSR NPT
1	85		NAMEPLATE, OIL LEVEL
1	86		PLUG, PP NPT
1	87		WASHER, THRUST
1	98		COLLAR, LOCKING
2	99		SCREW, SOC HD CAP 1/4-20

FOR SHIPPING PROTECTION ONLY

ECIFICATION 82122 FOR IMPELLER
ALUES.

TA SHEET P10C-D211.1 FOR BEARINGS ⚠4
MMING. .003/.008 ENDPLAY REQUIRED.
PACKING OR SEAL SEE
SEAL ARRANGEMENTS.

INT THESE PARTS PER PRODUCT
AL., OR DEFINITION SHEETS.



4" MODEL 'C' PUMP ASSEMBLY

WEMCO® ROTO-JET®

DWG NO. 78219-4 SHEET 4 OF 4
SCALE NONE SIZE D 78219 REVISION 5

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

Customer Price Sheet

Customer	HRM Environmental - Bedford, TX	Size / Stages	4" Model C / 1
Item number	003	Pump speed	780 rpm
Customer reference		Quote number	2405843

Totals

Grand Total	$100,380	Lead Time Total	N/A
Pump	$100,380	Total unit weight	1,055.0 lb

Pump

Qty	Description	Unit Price	Extended Price

3	*4" Model C* **General Pump Options** **Pump Options** Counterclockwise rotation (CCW) Steel pump hardware **Bearing lubrication** Oil lubricated bearings Nitrile elastomers **Case Assembly** 4x4 Case Vertical Top Ni-Hard case (650+ BHN hardness) No case vent & drain Standard suction connection **Rotating Assembly** **Rotating Assembly** Ni-Hard impeller (650+ BHN hardness) Static balance Steel shaft Steel impeller bolt **Pump Sealing** **Pump sealing** Seal Type: Packing Acrylic/graphite packing 416 SST shaft sleeve Cast iron gland housing/backplate Bronze gland **Driver** **Motors** Trillium Supplied Motor: Trillium Supplied Motor 7.5HP 213T 1800RPM Premium Efficiency TEFC Horizontal motor All motors are sized and selected in accordance with Hydraulic Institute Grade 2 - 2B performance test acceptance grades and tolerances which adds 8% to the rated horsepower requirement of the pump. This calculation has not changed the rated horsepower or efficiency shown on the Performance Data Sheet. View the link for more information from Hydraulic Institute. Motor manufacturer - Trillium Standard **Motor options** Inverter-Rated per NEMA MG 1 Part 31.4.4.2. **Baseplate and Drive** No Baseplate **Protective Coatings** **Paint type** Epoxy 2 Coat Paint - Blue (Prime and Top Coat) - Option #8A	*$ 33,460*	*$100,380*

Pump

Qty	Description	Unit Price	Extended Price

	Unless otherwise noted all motors will be supplied with manufacturer's standard coating only **Packing & Shipping** **Shipping** No Boxing Trillium Decision Carrier **Freight Rates** Freight Rates - Texas: Texas **Material Testing** **Material Testing** No Hardness Testing No Non-Destructive Testing **Testing** **Testing** No Testing **Estimated Weights** Bareshaft Pump: 890.0 lb Baseplate: 0.00 lb Driver: 165.0 lb Misc. Weight: 0.00 lb Misc. Weight: 0.00 lb Misc. Weight: 0.00 lb Total Per Unit Weight: 1,055.0 lb		

Trillium Pumps USA Inc
www.trilliumflow.com

Pump Performance Datasheet

Customer reference:	: HRM Environmental - Bedford, TX Customer	Quote number	: 2405843
Item number	: 003	Size	: 4" Model C
Service	: S/N 8095097-3-4-5, CCW Rotation	Stages	: 1
Quantity	: 3	Based on curve number	: 4C_P10C-D56
		Date last saved	: 04 Dec 2024 11:59 PM

Operating Conditions

Flow, rated	: 270 USgpm
Differential head / pressure, rated (requested)	: 31.0 ft
Differential head / pressure, rated (actual)	: 31.7 ft
Suction pressure, rated / max	: 0.00 / 0.00 psi.g
NPSH available, rated	: Ample
Site Supply Frequency	: 60 Hz

Performance

Speed criteria	: Synchronous
Speed, rated	: 780 rpm
Speed, maximum	: 1500 rpm
Speed, minimum	: 600 rpm
Efficiency	: 33.84 %
NPSH required / margin required	: - / 0.00 ft
Ns (imp. eye flow) / Nss (imp. eye flow)	: 1,830 / - US Units
MCSF	: 20.0 USgpm
Head maximum, rated speed	: 35.7 ft
Head rise to shutoff	: 12.82 %

Liquid

Liquid type	: User defined
Additional liquid description	:
Solids diameter, max	: 0.00 in
Solids concentration, by volume	: 0.00 %
Temperature, max	: 68.00 deg F
Fluid density, rated / max	: 1.000 / 1.000 SG
Viscosity, rated	: 1.00 cP
Vapor pressure, rated	: 0.00 psi.a

Material

Material selected	: Standard

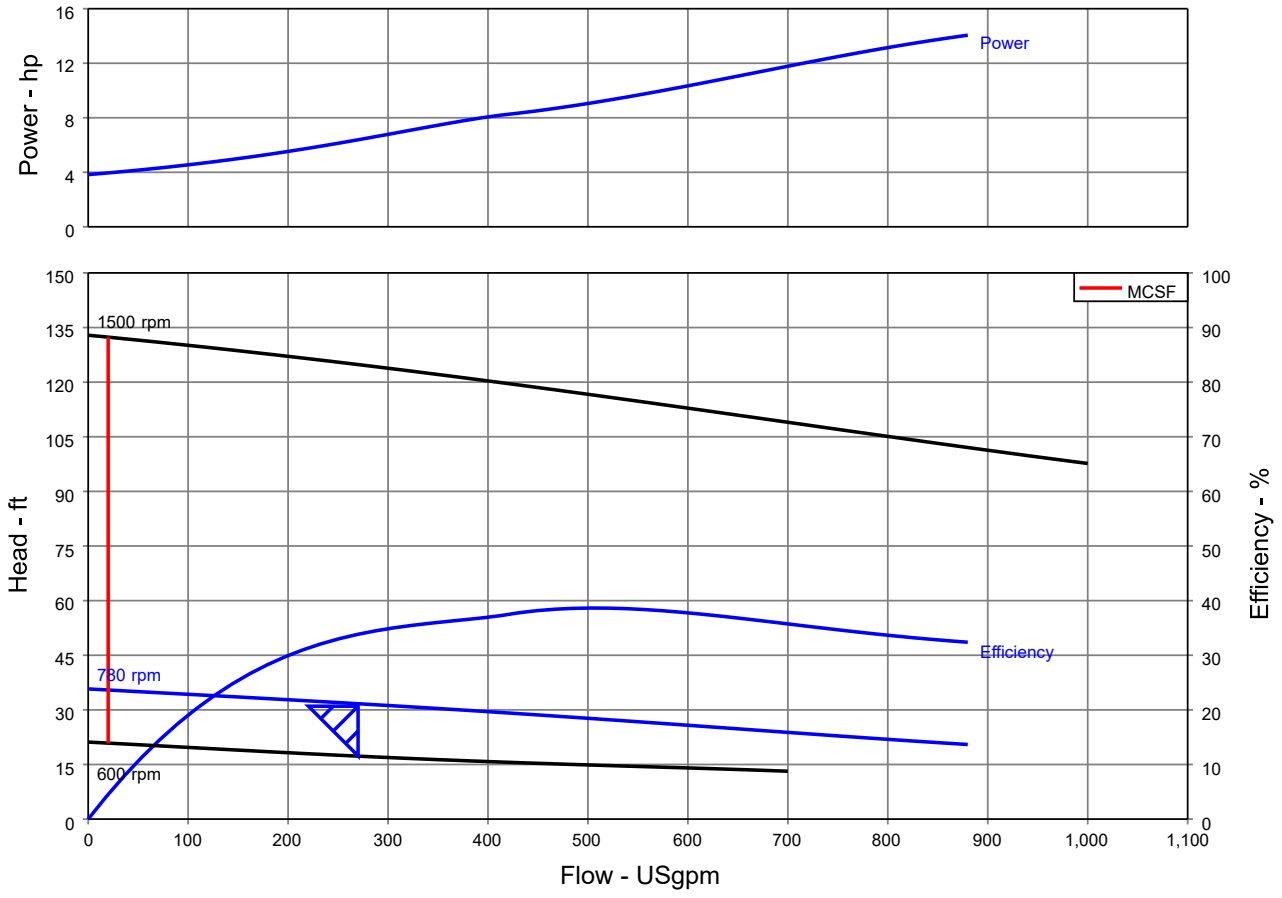
Pressure Data

Maximum working pressure	: 15.48 psi.g
Maximum allowable working pressure	: 85.00 psi.g
Maximum allowable suction pressure	: N/A
Hydrostatic test pressure	: N/A

Driver & Power Data (@Max density)

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

Flow, best eff. point	: 507 USgpm	Driver sizing specification	: Rated power
Flow ratio, rated / BEP	: 53.29 %	Margin over specification	: 0.08 %
Speed ratio (rated / max)	: 52.00 %	Service factor	: 1.00
Head ratio (rated speed / max speed)	: 25.38 %	Power, hydraulic	: 2.16 hp
Cq/Ch/Ce/Cn [ANSI/HI 9.6.7-2010]	: 1.00 / 1.00 / 1.00 / 1.00	Power, rated	: 6.38 hp
Selection status	: Acceptable	Power, maximum, rated diameter	: 14.06 hp
		Minimum recommended motor rating	: 7.50 hp / 5.59 kW



Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

Construction Datasheet

Customer	: HRM Environmental - Bedford, TX	Quote Number	: 2405843
Project	:	Model / Size	: 4" Model C
Item number	: 003	Stages	: 1
Service	: S/N 8095097-3-4-5, CCW Rotation	Pump speed	: 780 rpm
Quantity of pumps	: 3	Date last saved	: 04 Dec 2024 11:59 PM

Construction

Nozzle	Size	Rating (ANSI)	Face	Pos'n
Suction	4 in	125 lbs	FF	End
Discharge	4 in	125 lbs	FF	Right

Impeller Type	: Recessed
Impeller Design	: Cup Type
Pump Orientation	: Horizontal
Bearing Type (Rad/Thr)	: Ball/Ball
Bearing Lubrication	: Oil
Rotation (view from shaft-end)	: CCW

Materials

Casing	: Ni-Hard
Impeller	: Ni-Hard
Wearplate/Backplate	: Ni-Hard
Elastomer	: Nitrile
Shaft	: Steel
Sleeve	: 416 SST

Baseplate, Connection and Guard

Baseplate Type	: No Baseplate
Baseplate Material	: N/A
Orientation	: N/A
Connection Type	: N/A
Guard	: N/A

Weights (Approx.)

Bareshaft pump	: 890.0 lb
Baseplate	: 0.00 lb
Driver	: 165.0 lb
Total weight	: 1,055.0 lb

Driver Information

Manufacturer	: Trillium Pumps USA Choice
Power	: 7.50 hp
Service factor	: 1.15
Speed	: 1800 rpm
Orientation / Mounting	: Horizontal/Foot
Driver type	: Horizontal
Frame-size	: 213T
Enclosure	: TEFC
Hazardous area class	: -
Explosion rating	: -
Volts / Phase / Hz	: 230/460 / 3 / 60
Insulation	: Class F
Temperature Rise	: -
Motor mounted by	: Trillium Pumps USA

Seal, Gland and Piping

Seal Arrangement	: Packing
Seal Size	: N/A
Manufacturer	: N/A
Gland Material	: Bronze
Seal Face Mat'l	: N/A
Throat Bushing	: N/A
Seal Flush Plan	: -
Seal Flush Construction	: -

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40



Trillium Pumps USA Inc. 24.3.4

General Arrangement Drawing

Customer	: HRM Environmental - Bedford, TX	Quote number	: 2405843
Customer reference	:	Size	: 4" Model C
Item number	: 003	Stages	: 1
Service	: S/N 8095097-3-4-5, CCW Rotation	Pump speed	: 780 rpm
Quantity of pumps	: 3.0	Date last saved	: 04 Dec 2024 11:59 PM

PUMP SIZED BY: SUCTION X DISCHARGE / ALL DIMS. IN INCHES

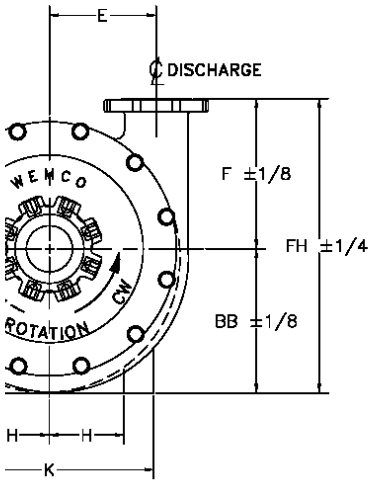
PUMP SIZE	A	B	C	D	E	F	G	H	K	L	N	Q	R	U	BB	FH	RA	RB	RC
4X4	4	4	12 1/2	16	9 1/4	13	7/8	8	18	9	38 1/4	2	1/2 X 1/4	7/8	12	25	5 1/2	6 7/8	11 1/2
5X4	5																		
6X4	6									12	41 1/4								

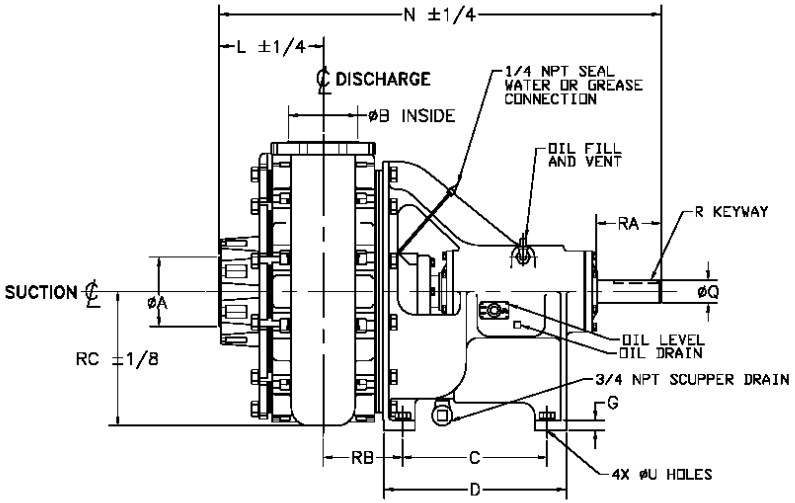
ATION PURPOSES UNLESS

NED FOR CONTINUOUS DUTY.

THE 'AS CAST' FORM. SUCTION FITTED TO THE PUMP FLANGES AND LEVELED. USE THICK METER.

ARE SLOTTED ON STANDARD RCLES.





VERTICAL UP DISCHARGE

UNLESS OTHERWISE SPECIFIED DIMENSIONS ARE IN INCHES
MACHINED SURFACES 125
TOLERANCES: X ±.06, XX ±.03, XXX ±.010, FRACTIONAL ±1/16, ANGULAR ±0°-30'

WEMCO® ROTO-JET®
GENERAL ARRANGEMENT
4" MODEL "C"
WEMCO TORQUE-FLOW PUMP

SHEET 4. SEE EDRN.
AL DETAIL UPDATED DWG
OR PUMP SIZE 6 X 4
VE 3 TO PI06-0411.1
SS TO BOM

CAS 5-10-93
SMS 1-12-94
1-18-94

DWG NO. 78218-1 SHEET 1 OF 4 ISSUE NO. 405/AAA 320
SCALE NONE SIZE D CODE IDENT NO. 78219 REVISIONS 5

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40



Trillium Pumps USA Inc. 24.3.4

General Arrangement Drawing

Customer	: HRM Environmental - Bedford, TX	Quote number	: 2405843
Customer reference	:	Size	: 4" Model C
Item number	: 003	Stages	: 1
Service	: S/N 8095097-3-4-5, CCW Rotation	Pump speed	: 780 rpm
Quantity of pumps	: 3.0	Date last saved	: 04 Dec 2024 11:59 PM

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

TRILLIUM FLOW TECHNOLOGIES™

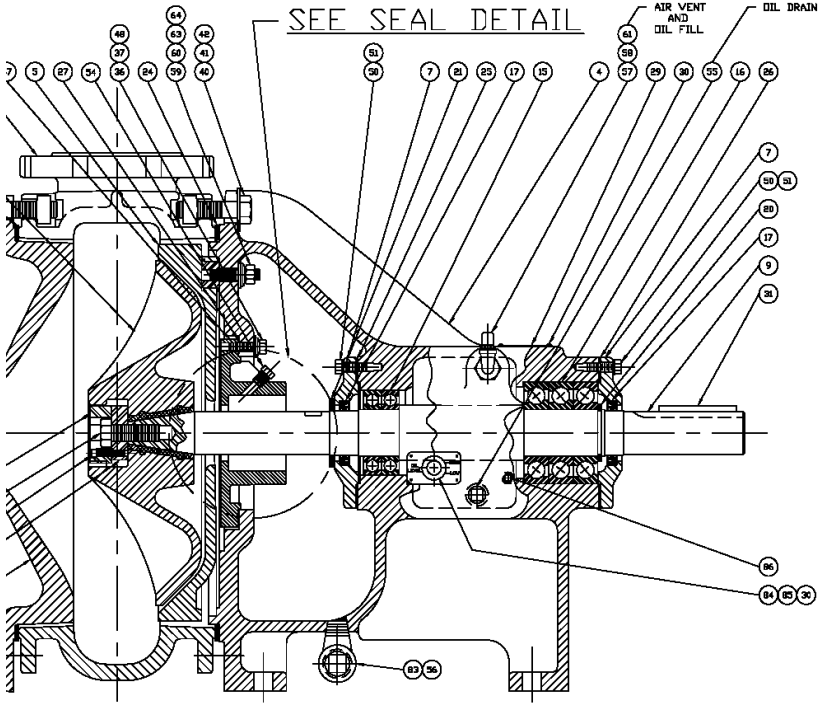
FOR SHIPPING PROTECTION ONLY

ECIFICATION 82122 FOR IMPELLER
ALUES.

TA SHEET P10C-D211.1 FOR BEARINGS ⚠4
MMING. .003/.008 ENDPLAY REQUIRED.
PACKING OR SEAL SEE
SEAL ARRANGEMENTS.
INT THESE PARTS PER PRODUCT
AL., OR DEFINITION SHEETS.

QTY	ITEM NO.	PART NO.	DESCRIPTION
(5) 1	1		CASE
1	2		IMPELLER
(5) 1	3		FLANGE, SUCTION
(5) 1	4		HOUSING, BEARING
1	5		WEARPLATE
(5) 2	7		CAP, BEARING
1	9		SHAFT
1	10		BOLT, HEX HD
2	15		BEARING, INBOARD
3	16		BEARING, OUTBOARD
2	17		SEAL, OIL

QTY	ITEM NO.	PART NO.	
2	20		RING, RETAINING
1	21		SLINGER
2	24		GASKET, CASE
1	25		SHIM, BEARING CAP 1/16" THK
4	26		SHIM, BEARING CAP .002 THK
1	27		GASKET, GLAND HOUSING
1	29		PLATE, SERIAL
8	30		SCREW, DRIVE
1	31		KEY, SQUARE SHAFT
6	36		WASHER, RUBBER
6	37		WASHER, CUPPED
24	40		BOLT, HEX HD 3/4-10 X 2 1/2
24	41		WASHER, PLAIN 3/4
24	42		NUT, SQ HD 3/4-10
6	48		BOLT, HEX HD 3/8-16 X 1 1/2
12	50		SCREW, HEX HD 3/8-16 X 1 1/4
12	51		WASHER, LOCK 3/8
2	54		PLUG, PIPE NPTM
1	55		PLUG, PIPE NPTM
1	56		PLUG CAPLUG NPTM
1	57		BUSHING, NPTH
1	58		VENT, AIR
4	59		STUD, TAP END 1/2-13 X 2 1/4
4	60		NUT, HEX 1/2-13
1	61		ELBOW ST. 90° NPT
4	63		WASHER, CUPPED 1/2
4	64		WASHER, RUBBER 1/2
(5) 1	67		SEAL ASSEMBLY
1	83		ELBOW, 90° STREET NPT F X M
1	84		SIGHT WINDOW, LOW PRSR NPT
1	85		NAMEPLATE, OIL LEVEL
1	86		PLUG, PP NPT
1	87		WASHER, THRUST
1	98		COLLAR, LOCKING
2	99		SCREW, SOC HD CAP 1/4-20



4" MODEL 'C' PUMP ASSEMBLY

TRILLIUM FLOW TECHNOLOGIES
WEMCO® ROTO-JET®

THIS DRAWING CONTAINS CONFIDENTIAL INFORMATION AND IS THE EXCLUSIVE PROPERTY OF ENGINEERED PUMPCRETIONS, S.A.U. AND SPECIALTY PUMPS. IT MAY NOT BE COPIED OR REPRODUCED IN ANY FORM WITHOUT THE EXPRESS WRITTEN AUTHORITY OF THEIR SPECIALTY PUMPS.
COPYRIGHT 2012 ENGINEERED PUMPCRETIONS, INC. ALL RIGHTS RESERVED.

DWG NO. 78219-4 | SHEET 4 OF 4
SCALE NONE | SIZE D | 78219 | REVISION 5

Trillium Pumps USA Inc · 2495 S Golden State Blvd · Fresno, California 93706
phone: 801 359 8731 · fax: · www.trilliumflow.com

TERMS AND CONDITIONS OF SALE

1. DEFINITIONS AND INTERPRETATION

1.1 In the Contract the following definitions apply as well as any definitions defined locally within these Terms and Conditions or the applicable Purchase Order:

"Affiliate" means any entity that directly or indirectly controls, is controlled by or is under common control with, another entity;
"Applicable Law" means all applicable laws, legislation, regulations and governmental guidance having binding force, whether local or national, and having jurisdiction over the parties in relation to the Contract;
"Contract" means these Terms and Conditions and the applicable Purchase Order;
"Customer" means the person specified in the Purchase Order who purchases Goods and/or Services from Trillium, and such person's successors;
"Customer Plant" means Customer's plant, machinery, goods and/or equipment which is to be serviced by Trillium as part of the Services;
"Defect" has the meaning given in clause 8.2, and "**Defective**" shall be construed accordingly;
"Force Majeure" means an event or sequence of events beyond a party's reasonable control, preventing or delaying that party from performing its obligations under the Contract**,** including; (a) an act of God, fire, flood, lightning, earthquake or other natural disaster, epidemic or pandemic; (b) any action taken by a governmental or public authority, including imposing an export or import restriction, quota, or other restriction or prohibition or any complete or partial government shutdown; (c) war, riot or civil unrest; (d) interruption or failure of supplies of power, fuel, water, transport, equipment, telecommunications service, or material required for performance of the Contract; or (e) strike, lockout or boycott or other industrial action including those involving Trillium or its workforce;
"Goods" means all goods, products and ancillary equipment and spare parts specified in the applicable Purchase Order;
"Intellectual Property Rights" means patents, utility models, rights to inventions, copyright and neighbouring and related rights, trade marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off, rights in designs, rights in computer software, rights in Confidential Information, database rights, and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, any rights and all similar or equivalent rights or forms of protection that subsist or will subsist now or in the future in any part of the world;
"Price" means the price payable by the Customer to Trillium for the applicable Goods and/or Services (as applicable);
"Purchase Order" means the document agreed by the parties that sets out details of the Goods and/or Services that are to be provided by Trillium to the Customer in accordance with these Terms and Conditions and any terms mutually agreed in the Purchase Order;
"Site" means the address of the place where the Services are to be performed, as specified in the Purchase Order;
"Services" means the services set out in the Purchase Order that are to be performed by Trillium or by the Sub-Suppliers, as the case may be;
"Sub-Supplier" means any agent, sub-contractor or other third party engaged by Trillium in relation to the provision of the Goods and/or Services;
"Sub-Supplier Personnel" means all employees, officers, staff, other workers, agents and consultants of a Sub-Supplier;
"Terms and Conditions" means these terms and conditions of sale in relation to the applicable Contract;
"Trillium" means the Trillium entity specified in the Purchase Order that provides the Goods and/or Services to the Customer, and such Trillium entity's successors;
"Trillium Indemnitees" means Trillium, its Affiliates and Sub-Suppliers, and its and their respective personnel; and
"Trillium Personnel" means all employees, officers, staff, other workers, agents and consultants of Trillium and its Affiliates who are engaged in the performance of Trillium's obligations under the Contract from time to time.

1.2 The parties agree that: (a) the headings to the clauses in these Terms and Conditions are inserted for convenience of reference and shall not affect their interpretation; (b) in case of any conflict or inconsistency between these Terms and Conditions and the terms of the Purchase Order, the terms of the Purchase Order shall prevail; and (c) English shall be the language of the Contract, and all communications, written or oral, and documents under the Contract shall be in the English language unless otherwise stated elsewhere in the Contract.

2. APPLICABILITY, CONTRACT FORMATION AND CHANGES

2.1 **Applicability.** These Terms and Conditions apply to all orders for Goods and/or Services made by the Customer pursuant to a Purchase Order. Unless expressly agreed in writing by Trillium, any terms or conditions in the Customer's request or other documents provided by the Customer shall not apply to any Goods or Services provided by Trillium and shall not bind Trillium, and Trillium explicitly rejects any such terms or conditions. Trillium acknowledges that all exhibits and documents set forth in the City Contract 8751 are applicable to Trillium and made a part hereof.

2.2 **Contract Formation.** Where the Customer wishes to purchase Goods and/or Services from Trillium it will communicate its requirements to Trillium. Upon receipt of such request, Trillium may produce a draft document setting out the details of the Goods and/or Services that Trillium proposes to provide and shall provide this draft document to the Customer. If applicable, the terms of the draft document shall be valid for the time period stated in that draft document and thereafter are subject to change until contract execution. The Contract between Trillium and the Customer is formed upon the parties formally executing or otherwise acknowledging in writing a Purchase Order and shall continue until each party's obligations are completed in accordance with the terms of the Contract, unless terminated earlier in accordance with the terms of the Contract (the "**Term**"). Trillium has no obligation to agree to any Purchase Orders.

2.3 **Changes.** The Customer may request modifications as to the amount, scope and/or nature of the Goods and/or Services via a written change request. If, in Trillium's sole opinion, any such modification will affect the agreed Price and/or time of delivery, Trillium will notify the Customer in writing and will not be obligated to perform any modification unless the Customer agrees in writing to such Price and/or time of delivery amendment. The Customer shall not tamper with, or make changes or additions to, the Goods, including any labels, plates, markings and any other feature carried by the Goods.

3. PRICE AND PAYMENT

3.1 **Price and Payment Terms.** The Price and payment terms shall be as set out in the Purchase Order. Where no Price for Services is set out in the Purchase Order, it shall be calculated on a time and materials basis in accordance with Trillium's price schedule then in force. Where no payment terms are set out in the Purchase Order, payment of each invoice shall be due and payable thirty (30) days after the date of the invoice.

3.2 **Additional Charges.** Any technical documents, inspection reports, evaluation or opinion requested by the Customer in connection with the Contract shall be chargeable, such charges to be agreed by the parties. Any time that Trillium Personnel or Sub-Supplier Personnel are required at the Site(s) outside of the agreed working hours shall be chargeable as overtime. If Trillium incurs any costs due to the Customer's failure to comply with any of its obligations under the Contract, the Customer shall be responsible for such costs subject to the laws of the State of Texas and any applicable immunity.

3.3 **Excluded Charges and Tax.** Unless expressly provided otherwise in the Purchase Order: (a) transportation charges, delivery charges, customs duties, insurance charges, packaging costs, consular fees, and any other similar charges are not included in the Price.

3.4 **Interest on Overdue Amounts.** If the Customer fails to pay any invoice by the due date for payment, Trillium shall be entitled, without prejudice to any other right or remedy, to suspend (without notice) any or all further performance of its obligations under the Contract and charge interest on any amount outstanding at a rate of the lesser of: (a) eighteen per cent (18%) per annum (one and a half per cent (1.5%) per month); or (b) the maximum rate allowed by Applicable Law, such interest being charged from the due date until paid as a separate, continuing obligation not merging with any judgment, together with any statutory debt recovery costs.

3.5 **Escalation.** In the event of a delay of two weeks or more or the increase of actual costs of Goods and/or Services of 5% or more, occurring between the effective date of the Contract and the date of shipment of the Goods or performance of the Services from causes beyond the reasonable control of Trillium or any entity it has control over, including but not limited to any foreign exchange fluctuation, import or export duties, costs of labor, transportation, materials and other costs of manufacture, any change in delivery dates, quantities or specifications for the Goods or Services, or any delay caused by any instructions or omissions by Customer, the Price or Contract requirements will be equitably adjusted via written notice to Customer at any time prior to shipment of the Goods and/or performance of the Services. Customer has the right to review this price increase and consent to it.

4. DELIVERY, TESTING AND ACCEPTANCE OF GOODS

4.1 **Delivery.** Delivery terms for Goods shall be as per the INCOTERM 2010 stated in the Purchase Order. Where no INCOTERM 2010 is stated in the Purchase Order, delivery shall be EXW INCOTERM 2010 Trillium's specified premises. The Customer must collect the Goods, or arrange for the Goods to be collected, within seven (7) days of notice from Trillium that the Goods are ready to be collected. If the Goods are not collected within such time period, Trillium may, at its discretion: (a) where title has not passed to the Customer, sell the Goods at the best price readily obtainable and recover from the Customer any shortfall between the Price for the Goods and the price obtained by Trillium; or (b) arrange for the storage of the Goods, which, unless otherwise agreed, shall be at the Customer's exclusive cost and expense. Where storage is not at Trillium's premises, risk in the Goods will pass to the Customer upon the Goods leaving Trillium's premises. The time of delivery shall not be of the essence and if Trillium is unable for any reason to fulfil any delivery of the Goods on the specified date, Trillium shall not be treated as being in breach of the Contract and the Customer shall not be entitled to reject delivery, terminate the Contract, nor to any compensation in respect of such delay. This clause shall not affect any agreed Liquidated Damages payable for late delivery of the Goods in accordance with clause 4.4.

4.2 **Testing.** Goods manufactured by Trillium will be subject to Trillium's standard tests. Any additional testing requested by the Customer will be subject to the payment by the Customer of additional charges.

4.3 **Acceptance.** Following delivery of the Goods in accordance with the Contract, and unless expressly excluded by the Customer to Trillium in writing, the Customer shall accept the Goods.

4.4 **Liquidated Damages.** Where the parties have agreed in the Purchase Order that any sum will be payable for late delivery of the Goods, if delivery of the Goods is delayed beyond the agreed delivery date due to an act or omission of Trillium then Trillium shall pay to the Customer a sum calculated at the percentage rate (stated in the Purchase Order) of the price of the delayed Goods for each week between the agreed delivery date and the actual date of delivery, up to the maximum amount specified in the Purchase Order. Such sum shall be the Customer's sole and exclusive remedy and paid as liquidated and ascertained damages by Trillium to the Customer in full and final settlement and satisfaction of Trillium's entire liability for any loss, damages, costs or expenses suffered or incurred by the Customer arising from such delay ("**Liquidated Damages**"). Liquidated Damages are not applicable to the delivery of spare parts or Services.

4.5 **Provision of Documents.** Where the Purchase Order requires Trillium to provide documents for approval by the Customer, Trillium shall provide such documents within the time period agreed, or if no time period is agreed, within a reasonable time from receipt of the Purchase Order.

5. TITLE AND RISK

5.1 **Title and Risk.** Title and property in all Goods shall remain vested in Trillium until receipt by Trillium of payment in full of the Price (including any storage costs and expenses and default interest) for such Goods from the Customer. Risk in the Goods shall pass to the Customer in accordance with the agreed INCOTERM 2010. Customer shall provide access to the Customer's premises in order for Trillium to recover Goods in respect of which title and property has not passed to the Customer.

5.2 **Trillium Property.** Any Goods delivered by Trillium to the Customer where title and property remains vested in Trillium: (a) shall be stored by the Customer separately from any other goods or materials; (b) shall not be incorporated in or mixed with any other goods or materials; and (c) may be sold or used by the Customer in the ordinary course of the Customer's business at the full market value and to the account of Trillium. The entire proceeds from such sale or use shall be held by the Customer in trust in a separate account for the benefit of Trillium.

5.3 **Customer Plant. Intentionally Omitted.**

6. PERFORMANCE OF THE SERVICES. Intentionally Omitted.

7. OBLIGATIONS OF THE CUSTOMER

7.1 **Provision of Data.** The Customer shall promptly provide to Trillium all applicable data that is relevant to the provision of the applicable Goods and/or Services, including full operations conditions, information,

instructions, procedures, technical documents and drawings. Trillium shall provide the Customer with the general arrangement or outline drawings for the Goods (or part thereof), only as is strictly necessary and in accordance with the Purchase Order's requirements. Where required, the Customer shall promptly return one (1) set of applicable drawings marked with its approval. Approval delays can result in delayed fabrication, extended shipping dates, and increased costs to the Customer.

7.2 **Site(s).** The Customer shall provide Trillium, Trillium Personnel, Sub-Suppliers and Sub-Supplier Personnel all access to the Site(s) as is necessary in order for Trillium to comply with its obligations under the Contract and shall ensure that it has in place all necessary licenses, permits and authorization to allow such access. The Customer shall ensure, and it shall cause any applicable third party to ensure, that the Site(s) is/are in a condition allowing the performance of the Services to commence in accordance with the Contract and without any health and safety risks to those attending the Site(s) and it shall carry out all the preparatory work in accordance with any documents and instructions supplied by Trillium with all due care and in accordance with good industry practices. The Customer shall take all measures required by Applicable Law in respect of the provision of the Services and the presence of the Trillium Personnel and of the Sub-Supplier Personnel at the Site(s) or elsewhere where the Services are to be supplied. If the Customer fails to take such measures and if the safety of Trillium Personnel or Sub-Supplier Personnel is not guaranteed, Trillium may at any time refuse or interrupt the provision of Services as well as remove the applicable personnel from the Site(s), until the issues have been fully rectified by the Customer, and shall have no liability to the Customer for such actions or any consequences (including any damage or loss) of such actions.

7.3 **Decontamination.** Any Defective Goods returned to Trillium and any Customer Plant made available to Trillium in respect of the Services shall, prior to being retuned or made available, be cleaned by the Customer of all process related materials ("**Decontamination**"). The Customer shall provide Trillium with a certificate of Decontamination in respect thereof. Goods and Customer Plant delivered to Trillium (for whatever reason) without having been so cleaned or without a certificate of Decontamination may be returned at any time and otherwise shall be quarantined and subjected to an independent Decontamination at the Customer's expense and Trillium shall have no obligations in respect of such Goods or Customer Plant. The provision of Goods and/or Services (as applicable) shall be withheld pending settlement of any outstanding charges.

7.4 **Erection/Commissioning.** Where the Services include the erection and/or commissioning, or supervision of erection and/or commissioning, of Goods and/or Customer Plant, the Customer will provide, at its expense, all other labor, all amenities, suitable access to and occupation of the Site(s), proper foundations ready to receive the Goods and/or Customer Plant (as applicable), adequate cranes, lifting gear and machines, scaffolding, mason's, joiner's and builder's work, suitable protection for the Goods and/or Customer Plant (as applicable), and all other facilities and assistance reasonably required by Trillium or any Sub-Supplier.

8. WARRANTIES

8.1 **Warranty Period.** Trillium's warranty obligations under the Contract shall not commence until the full contract Price has been received by Trillium for the applicable Goods and/or Services. Unless otherwise agreed in writing by the parties, the "**Warranty Period**" for: (a) agreed deliverables provided as part of the Services ("**Deliverables**") shall be twelve (12) months from the date of completion of the Deliverables in accordance with the specification set out in the Purchase Order; (b) all Goods (excluding spare parts) provided by Trillium shall be the period of: (i) twelve (12) months from the date that the Goods are installed; or (ii) eighteen (18) months from the actual delivery date, whichever is the earlier; and (c) for any spare parts provided by Trillium, shall be the period of twelve (12) months from the date of the delivery of the applicable spare part.

8.2 **Warranty.** During the applicable Warranty Period, Trillium warrants that any Deliverables shall substantially conform to their description and specification specified in the Purchase Order and that any Goods shall be free from material defects in the design, materials and workmanship (the "**Trillium Warranty**"). If the Deliverables or Goods (as applicable) do not conform to the Trillium Warranty during the Warranty Period (a "**Defect**"), as the Customer's sole and exclusive remedy, Trillium shall, at its sole option, remedy the Defect (by reperforming the Services relating to the Defective Deliverable or repairing or replacing the Defective Goods (as applicable)) or refund the Price for the applicable Defective Deliverable or Defective Goods, provided that, within the Warranty Period, the Customer serves a written notice to Trillium with a detailed description and reasonable evidence of the Defect within seven (7) days of the date on which the Customer discovered the Defect or should have reasonably discovered the Defect. The Customer shall give Trillium a reasonable opportunity to examine the Customer's claim of a Defect (including inspecting the Goods or Deliverables (as applicable)) and shall promptly cooperate to any extent necessary to grant Trillium sufficient time to do so. Any reperformance of the Services relating to the Defective Deliverable or repair or replacement of Defective Goods shall not extend the Warranty Period for those Goods or Deliverables and the Warranty Period for the repaired or replaced Goods or Deliverables shall expire on the same date as the Warranty Period for the original Goods or Deliverables. The Customer shall only be entitled to request a refund of the Price in respect of Defective Goods or Defective Deliverables in the event that Trillium fails to replace or repair the applicable Defective Goods or Defective Deliverables.

8.3 **Warranty Exclusions.** The Trillium Warranty and remedies provided under clause 8.2 shall not apply in respect of, and Trillium shall not be liable for: (a) the effects of erosion or corrosion; (b) fair wear and tear; (c) any consumables (including lubricants, seals, gaskets, O-rings etc.); nor (d) Defects that arise due to, or as a result of the Customer, or any third party (not acting on behalf of Trillium): (i) failing to install or maintain, or incorrectly installing or maintaining, the Goods or Deliverables; (ii) incorrectly using the Goods or Deliverables; (iii) repairing or altering the Goods or Deliverables without Trillium's written consent; (iv) improperly storing the Goods or Deliverables; or (v) tampering with the Goods or Deliverables.

8.4 **Location of Repair.** If the parties agree that Defective Goods shall be repaired at a location specified by Trillium, the Customer shall deliver such Defective Goods to such location at the Customer's expense, subject to the Decontamination requirements at clause 7.3. Repaired or replaced Goods shall be redelivered by Trillium free of charge to the original point of delivery but otherwise in accordance with and subject to these Terms and Conditions. Where it is agreed that Trillium is to repair or replace Defective Goods at the Customer's premises, Trillium shall not be responsible for any on-site costs, including removal and reinstallation of any Goods.

8.5 **Customer Warranty.** The Customer warrants and represents that to its knowledge: (a) it has provided Trillium with all relevant, full and accurate information as to the Customer's business and needs, as well as all the information required in order for Trillium to perform its obligations under the Contract; and (b) it is properly financed and organized, it is solvent and has not made a general assignment for the benefit of creditors nor has it been adjudicated bankrupt or insolvent and it is not aware of any fact or event based upon which, in its reasonable opinion, it may face any such situation of financial distress described in this clause before the completion of all its obligations under the Contract.

9. INDEMNITY AND INSURANCE

9.1 **Indemnity.** Intentionally Omitted.

9.2 **Insurance.** The Customer shall have in place contracts of insurance with reputable insurers be issued by a company authorized to do business in the State of Texas. On request, the Customer shall supply evidence of the maintenance of the insurance and all of its terms from time to time applicable

10. LIMITATION OF LIABILITY

10.1 **UNLIMITED LIABILITY.** NOTHING IN THE CONTRACT LIMITS ANY LIABILITY OF THE PARTIES FOR: (i) ANY INDEMNITY PROVIDED UNDER THESE TERMS AND CONDITIONS; (ii) DEATH OR PERSONAL INJURY CAUSED BY NEGLIGENCE; (iii) FRAUD OR FRAUDULENT MISREPRESENTATION; OR (iv) ANY LIABILITY WHICH CANNOT LEGALLY BE LIMITED.

10.2 **EXCLUSIONS.** SUBJECT TO CLAUSE 10.1 ABOVE AND NOTWITHSTANDING ANYTHING IN THE CONTRACT TO THE CONTRARY, TRILLIUM SHALL NOT BE RESPONSIBLE OR HELD LIABLE TO THE CUSTOMER OR ANY THIRD-PARTY FOR ANY SPECIAL, PUNITIVE, EXEMPLARY, DELAY, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES, OR FOR ANY LOSS OF PROFIT, PRODUCTS, BUSINESS, REVENUE, GOODWILL, SAVINGS, USE, CONTRACTS OR POWER, OR ECONOMIC LOSSES, OR BUSINESS INTERRUPTIONS, OR OTHER SIMILAR DAMAGES (WHETHER SUCH DAMAGES ARE CHARACTERIZED AS DIRECT OR INDIRECT), REGARDLESS OF WHETHER TRILLIUM WAS INFORMED OF THE POSSIBILITY OF SUCH, AND HOWEVER THE SAME MAY BE CAUSED, INCLUDING BREACH OF CONTRACT OR WARRANTY, TORT (INCLUDING NEGLIGENCE), OR STRICT LIABILITY OF TRILLIUM.

10.3 **LIMITATION OF LIABILITY.** SUBJECT TO CLAUSES 10.1 AND 10.2 ABOVE AND NOTWITHSTANDING ANYTHING IN THE CONTRACT TO THE CONTRARY, THE MAXIMUM AGGREGATE LIABILITY, IF ANY, OF TRILLIUM (WHETHER ARISING IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, BREACH OF WARRANTY, BREACH OF CONTRACT OR OTHERWISE) UNDER OR IN CONNECTION WITH THE CONTRACT SHALL BE LIMITED TO AN AMOUNT NOT TO EXCEED $100,000 OR THE EQUIVALENT TO ONE HUNDRED PERCENT (100%) OF THE TOTAL PAYMENTS RECEIVED BY TRILLIUM FROM THE CUSTOMER IN RESPECT OF THE PARTICULAR GOODS OR SERVICES (OR PART THEREOF) GIVING RISE TO THE CLAIM, WHICHEVER IS GREATER.

10.4 **WARRANTY DISCLAIMER.** EXCEPT FOR THOSE EXPRESS WARRANTIES SET OUT IN THE CONTRACT, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE CUSTOMER EXPRESSLY WAIVES, AND TRILLIUM EXPRESSLY DISCLAIMS, ANY AND ALL REPRESENTATIONS OR WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING THOSE OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY STATUTORY WARRANTIES THAT ARE INCONSISTENT WITH THE WARRANTIES PROVIDED IN THE CONTRACT ARE EXPRESSLY DISCLAIMED BY TRILLIUM AND WAIVED BY THE CUSTOMER. TRILLIUM'S OBLIGATIONS CONTAINED IN ANY WARRANTY PROVIDED BY TRILLIUM TO THE CUSTOMER UNDER THE CONTRACT SHALL CONSTITUTE TRILLIUM'S SOLE LIABILITY AND THE CUSTOMER'S EXCLUSIVE REMEDY WITH RESPECT TO THE ISSUE(S) GIVING RISE TO THE WARRANTY CLAIM, IRRESPECTIVE OF TRILLIUM'S FAULT, NEGLIGENCE OR LIABILITY WITHOUT FAULT.

11. INTELLECTUAL PROPERTY

11.1 **Trillium IP.** The Customer acknowledges that, unless otherwise agreed in the Purchase Order, all Intellectual Property Rights in any Goods, Deliverables, designs, drawings, documents and/or software or any items related thereto, or any other items provided to the Customer during the performance of the Contract (collectively referred to as "**Trillium IP**"), belong solely and exclusively to Trillium or to Trillium's licensor(s) (as applicable). Subject to the terms of the Contract, Trillium grants the Customer a revocable, non-exclusive, non-transferrable, non-sublicensable license to use the Trillium IP, to the extent such Trillium IP is embedded in Goods or Services provided by Trillium to the Customer under the Contract, solely for the purpose and to the extent necessary to enable the Customer to exercise its rights under the Contract (including to operate and maintain the Goods or to receive the Services) in accordance with its terms (the "**Permitted Purpose**"). The Customer undertakes that it will not use, except for the Permitted Purpose, nor make available to any third party (in any form) any Trillium IP without the prior written consent of Trillium. Subject to clause 5.2, this clause shall not prohibit the Customer's right to sell Goods in the ordinary course of the Customer's business. For the avoidance of doubt and notwithstanding any other provisions in the Contract, Trillium shall not be required to provide to the Customer, and no license is granted under the Contract to use, shop or manufacturing drawings nor any of Trillium's confidential manufacturing drawings, designs, in-house standards or know-how, nor the confidential details of manufacturing practices, processes or operations belonging to Trillium or its licensors (as applicable).

11.2 **Customer Materials**. Intentionally Omitted.

12. CONFIDENTIALITY.

Any document, data, drawings, plans, designs, images, specifications, technical data and any other material that is clearly marked as Confidential as part of the Contract or any other written documentation during the performance of the Contract ("**Confidential Information**"), shall be treated as strictly confidential and shall not be divulged by the Recipient to any person, except as required by law or to the Recipient's personnel, subcontractors or professional advisors, who need to know such Confidential Information in order for the Recipient to comply with its obligations under, or receive the benefit of, the Contract and provided that such recipients are subject to obligations of confidentiality in respect of such Confidential Information. As between the Recipient and the Discloser, the Discloser retains title to all of its Confidential Information. Trillium acknowledges that the City of Denton must strictly comply with the Public Information Act, Chapter 552, *Texas Government Code* in responding to any request for public information related to this Agreement. This obligation supersedes any conflicting provisions of this Agreement. Any portions of such material claimed by Trillium to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, chapter 552, and *Texas Government Code*.

13. PROCESSING OF PERSONAL DATA. Intentionally Omitted.

14. COMPLIANCE WITH LAW AND REGULATIONS

14.1 **Applicable Law.** The Customer represents and warrants that it is, and will remain, fully compliant with all Applicable Law, instructions and policies, including, but not limited to all statutory licenses or permits required for the receipt of the Goods and/or Services and the performance of its obligations under the Contract. Each party shall comply with all Applicable Law in connection with bribery or anti-corruption. If required by Trillium, the Customer shall complete and sign an end user certificate before the Customer receives the Goods or Services. Unless otherwise agreed in writing, Trillium accepts no responsibility or liability for failure to comply with statutory or local regulations or by-laws that affect the siting, construction or operation of the Goods supplied under the Contract. Any relevant consents or approvals required shall be the responsibility of, and obtained by, the Customer.

14.2 **Export and Dual Use Law.** The Customer acknowledges that Trillium is required to comply with all applicable export laws, controls and regulations relating to the sale, exportation, transfer, assignment, disposal, and

usage of Goods to be supplied under the Contract, as well as any laws or regulation relating to "dual use" goods, including, but not limited to, U.S., United Kingdom and European Union export rules and any export license requirements (collectively, the "**Export and Dual Use Law**"). The Customer agrees it shall not at any time directly or indirectly use, export, sell, transfer, assign or otherwise dispose of the Goods in a manner which will result in non-compliance with applicable Export and Dual Use Law. If any of the Goods fall under the definition of "dual use" item, the Customer shall cooperate with Trillium for the purpose of obtaining any required licenses and approvals and shall provide any and all information necessary. The Contract may also involve information or items that are subject to military defense or nuclear export controls, and the Customer agrees that it will comply with said controls and shall not export or re-export, directly or indirectly, any hardware, software, defense service, information or technical data provided by, through, or with the cooperation of Trillium, to any party, including persons employed by or associated with, or under contract with, the Customer or the Customer's lower-tier suppliers without the prior written consent of Trillium and without first obtaining any required export license or other approval.

14.3 **Restricted Party Lists.** The Customer represents that neither the Customer nor any of its Affiliates are included on any of the restricted, denied, or sanctioned party lists maintained by the government of the country(ies) in which Trillium or its Affiliates are based. The Customer shall promptly notify Trillium in writing if the Customer is, or becomes, listed in any such lists or if the Customer's export privileges are otherwise denied, suspended, or revoked in whole or in part by any governmental authority.

14.4 **Article 12g - Council Regulation (EU) No. 833/2014.** Customer shall not sell, export or re-export, directly or indirectly through third parties, to the Russian Federation or for use in the Russian Federation any Goods supplied by Trillium under or in connection with the Contract that fall under the scope of Article 12g of Council Regulation (EU) No. 833/2014. Any violation of this clause 14.4 shall constitute a material breach of the Contract and Trillium shall be entitled to seek appropriate remedies, including but not limited to termination of the Contract and/or payment of any penalties. Customer shall immediately inform Trillium about any violation or problems enforcing clause 14.4, including any relevant activities by third parties that could frustrate the purpose of this clause 14.4, and Trillium shall have the right, upon written request, to seek information from Customer regarding compliance with clause 14.4.

15. TERMINATION

15.1 **Termination.** The Customer may terminate the Contract or any part thereof for any reason by written notice to Trillium, provided that (other than where such termination is due to a material default of the Contract by Trillium) the Customer shall pay to Trillium the total costs which have been incurred by Trillium as of the date such termination is effective plus a reasonable profit margin, less any payments previously received. In addition, the Customer shall reimburse Trillium all reasonable documented direct and indirect costs incurred by Trillium as a result of the termination and, if any, costs Trillium may incur from its vendors as a result of the Customer's termination. Without affecting any other right or remedy available to it, Trillium may terminate the Contract (in whole or in part) immediately by written notice to the Customer, if the Customer: (a) is in material or continuing breach of any provision of the Contract, which cannot be remedied or is not remedied within fourteen (14) days of notice of breach from Trillium; or (b) becomes bankrupt or insolvent, has a receiving order made against it, makes agreement with its creditors, commences to be wound up (except for a voluntary winding up for the purpose of solvent reconstruction or amalgamation), or carries on its business under a receiver for the benefit of its creditors or any of them.

15.2 **Consequences of Termination.** Upon the Contract ending for any reason, the Customer shall return all of Trillium's documents, drawings and any other items or information (including all Confidential Information) in the Customer's possession subject to Customer's record retention requirements.

16. GENERAL

16.1 **Notices.** Any notice given by a party under the Contract shall be: (a) in writing and in English; (b) signed by, or on behalf of, the party giving it (except for notices sent by email); (c) sent to the relevant party at the address set out in the Contract; and (d) served by: (i) email (in a form that identifies the sender and clearly indicates the subject matter of the notice in the subject heading of the email) to the email address set out in the Contract or as otherwise notified from time to time, and it will be deemed to have been duly given or made (and duly received by the addressee) at the time of transmission by the sender (as recorded on the device of the sender); or (ii) hand (which will include by courier, whether local or international) to the address set out in the Contract or as otherwise notified from time to time, and it will be deemed to have been duly given or made (and duly received by the addressee) at the time of delivery. The parties may not serve documents relating to formal legal proceedings by email.

16.2 **Force Majeure.** If, by reason of an event of Force Majeure, either of the parties shall be delayed in, or prevented from, performing any of the provisions of the Contract (other than the Customer's obligation to make payments in accordance with the Contract) then, provided that the affected party promptly notifies the other in writing, within five (5) calendar days, of the nature and extent of such event as soon as practicable, such delay or non-performance shall not be deemed to be a breach of that party's obligations under the Contract and no loss or damage shall be claimed by either of the parties hereto from the other by reason thereof. If Trillium suffers delay and/or incurs any costs by reason of an event of Force Majeure, Trillium shall be entitled to an extension of time under the Contract (including time for demobilization and redeployment of Trillium Personnel or any Sub-Supplier Personnel). If the Force Majeure event continues to delay or prevent either party's performance of the provisions of the Contract for a continuous period of more than sixty (60) days, either party may terminate the Contract by written notice to the other party.

16.3 **COVID-19.** Intentionally Omitted.

16.4 **No Employment.** Trillium and each of its Sub-Suppliers shall act as an independent contractor with respect to the Services and neither Trillium Personnel nor any Sub-Supplier Personnel shall be deemed to be employees, personnel or a representative of the Customer.

16.5 **Cumulative and Equitable Remedies.** Trillium's and Customer's rights and remedies provided in the Contract are cumulative and not exclusive of any rights and remedies provided by Applicable Law and shall not be affected by termination of the Contract. The Customer and Trillium recognize that any breach or threatened breach of the Contract may cause Trillium or the Customer irreparable harm for which damages may not be an adequate remedy. Accordingly, in addition to any other remedies and damages available to Trillium or the Customer, the Customer and Trillium acknowledge and agrees that Trillium and the Customer are entitled to the remedies of specific performance, injunction and other equitable relief without proof of special damages.

16.6 **Assignment and Subcontracting.** Trillium may at any time assign, transfer, subcontract or otherwise deal in any other manner with any or all of its rights or obligations under the Contract without the Customer's prior consent. The Customer shall execute any documents reasonably required by Trillium to give effect to Trillium's rights under this clause. The Customer may not assign, transfer, mortgage, charge, subcontract, delegate, declare a trust over or deal in any other manner with any of its rights or obligations under the Contract without the prior written approval of Trillium.

16.7 **No Partnership.** The parties are independent persons and are not partners, principal and agent or employer and employee and the Contract does not establish any joint venture, trust, fiduciary or other relationship between them, other than the contractual relationship expressly provided for in it. Neither party shall have, nor shall represent that it has, any authority to make any commitments on the other party's behalf.

16.8 **Variation.** No variation of the Contract shall be binding unless expressly agreed in writing and executed by a duly authorized signatory on behalf of each of Trillium and the Customer, respectively. Changes to the Contract are subject to clause 2.3.

16.9 **Severability and Survival.** All terms of the Contract are severable, and any provision of the Contract held to be invalid, illegal, or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality, or unenforceability without affecting the validity, legality, and enforceability of the remaining provisions hereof or thereof. The invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. Those provisions that are expressed, or by their nature are required, to survive expiry or termination of the Contract, shall survive expiry or termination of the Contract.

16.10 **Entire Agreement.** The Contract, including Customer contract 8751, constitutes the entire agreement between Trillium and the Customer and supersedes any prior oral or written understandings and representations between Trillium and the Customer relating to its subject matter. Each party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in the Contract. Each party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in the Contract. The United Nations Convention on Contracts for the International Sale of Goods does not apply to the sale of any Goods by Trillium to the Customer under the Contract.

17. GOVERNING LAW AND JURISDICTION

17.1 The Contract will be governed by and construed in accordance with the laws of the State of Texas, without giving effect to any choice of law or conflict provision or rule that would cause the laws of any other jurisdiction to be applied. Where this clause 17.1 applies, all disputes arising out of or in connection with the Contract must be brought in a state or federal court sitting in Denton County, Texas, and each party hereby irrevocably submits itself to the exclusive jurisdiction of each such court in any such action or proceeding and waives any objection it may now or hereafter have to venue or convenience of forum. THE PARTIES HEREBY IRREVOCABLY WAIVE THEIR RIGHT TO TRIAL BY JURY.

17.2 **Outside of the Americas.** Intentionally Omitted.

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

Exhibit C
City of Denton
Standard Purchase Terms and Conditions

These standard Terms and Conditions and the Terms and Conditions, Specifications, Drawings and other requirements included in the City of Denton's contract are applicable to contracts/purchase orders issued by the City of Denton hereinafter referred to as the City or Buyer and the Seller or respondent herein after referred to as Contractor. Any deviations must be in writing and signed by a representative of the City's Procurement Department and the Contractor . No Terms and Conditions contained in the seller's proposal response, invoice, or statement shall serve to modify the terms set forth herein. If there is a conflict between the provisions on the face of the contract/purchase order these written provisions will take precedence.

The Contractor agrees that the Contract shall be governed by the following terms and conditions, unless exceptions are duly noted and fully negotiated. Unless otherwise specified in the Contract, Sections 3, 4, 5, 6, 7, 8, 20, and 21 shall apply only to a solicitation to purchase goods, and sections 9, 10, 11, and 22 shall apply only to a solicitation to purchase services to be performed principally at the City's premises or on public rights-of-way.

1. **CONTRACTOR'S OBLIGATIONS**. The Contractor shall fully and timely provide all deliverables described in the Solicitation and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable federal, State, and local laws, rules, and regulations.

2. **EFFECTIVE DATE/TERM**. Unless otherwise specified in the Solicitation or Exhibit A, this Contract shall be effective as of the date this Contract is signed by the City and shall continue in effect until all obligations are performed in accordance with the Contract.

3. **CONTRACTOR TO PACKAGE DELIVERABLES**: The Contractor will package deliverables in accordance with good commercial practice and shall include a packing list showing the description of each item, the quantity and unit price unless otherwise provided in the Solicitation or Contractor's Offer, each shipping container shall be clearly and permanently marked as follows: (a) The Contractor's name and address, (b) the City's name, address, purchase order or purchase release number, and the price agreement number, if applicable, (c) container number and total number of containers, e.g. box 1 of 4 boxes, and (d) the number of the container bearing the packing list. The Contractor shall bear cost of packaging. Deliverables shall be suitably packed to secure lowest transportation costs and to conform to all the requirements of common carriers and any applicable specification. The City's count or weight shall be final and conclusive on shipments not accompanied by packing lists.

4. **SHIPMENT UNDER RESERVATION PROHIBITED**: The Contractor is not authorized to ship the deliverables under reservation and no tender of a bill of lading will operate as a tender of deliverables.

5. **TITLE & RISK OF LOSS**: Title to and risk of loss of the deliverables shall pass to the City only when the City actually receives and accepts the deliverables.

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

6. **DELIVERY TERMS AND TRANSPORTATION CHARGES**: Deliverables shall be shipped F.O.B. point of delivery unless otherwise specified in the Solicitation or Contractor's Offer. Unless otherwise stated in the Contractor's Offer, the Contractor's price shall be deemed to include all delivery and transportation charges. The City shall have the right to designate what method of transportation shall be used to ship the deliverables. The place of delivery shall be that set forth in the purchase order.

7. **RIGHT OF INSPECTION AND REJECTION**: The City expressly reserves all rights under law, including, but not limited to the Uniform Commercial Code, to inspect the deliverables at delivery before accepting them, and to reject defective or non-conforming deliverables. If the City has the right to inspect the Contractor's, or the Contractor's Subcontractor's, facilities, or the deliverables at the Contractor's, or the Contractor's Subcontractor's, premises, the Contractor shall furnish, or cause to be furnished, without additional charge, all reasonable facilities and assistance to the City to facilitate such inspection.

8. **NO REPLACEMENT OF DEFECTIVE TENDER**: Every tender or delivery of deliverables must fully comply with all provisions of the Contract as to time of delivery, quality, and quantity. Any non-complying tender shall constitute a breach and the Contractor shall not have the right to substitute a conforming tender; provided, where the time for performance has not yet expired, the Contractor may notify the City of the intention to cure and may then make a conforming tender within the time allotted in the contract to perform but not afterward. If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

9. **PLACE AND CONDITION OF WORK**: This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way. The City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner, in accordance with and subject to the applicable security laws, rules, and regulations. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the Contract. The Contractor hereby releases and holds the City harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.

The Contractor shall, at all times, exercise reasonable precautions for the safety of their employees, City Staff, participants and others on or near the City's facilities.

10. **WORKFORCE** This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way.

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

A. The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.
B. The Contractor, its employees, Subcontractors, and Subcontractor's employees may not (1) while engaged in, participating, or responding to a solicitation; or (2) while in the course and scope of delivering goods or services under a City of Denton contract; or (3) on the City's property.

i. use or possess a firearm, including a concealed handgun that is licensed under State law, except as required by the terms of the contract; or

ii. use or possess alcoholic or other intoxicating beverages, illegal drugs, or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs.
C. If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

IMMIGRATION: THE CONTRACTOR REPRESENTS AND WARRANTS THAT IT SHALL COMPLY WITH THE REQUIREMENTS OF THE IMMIGRATION REFORM AND CONTROL ACT OF 1986 AND 1990 REGARDING EMPLOYMENT VERIFICATION AND RETENTION OF VERIFICATION FORMS FOR ANY INDIVIDUALS HIRED ON OR AFTER NOVEMBER 6, 1986, WHO WILL PERFORM ANY LABOR OR SERVICES UNDER THE CONTRACT AND THE ILLEGAL IMMIGRATION REFORM AND IMMIGRANT RESPONSIBILITY ACT OF 1996 ("IIRIRA) ENACTED ON SEPTEMBER 30, 1996, AND SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM ANY ACTION ARISING RELATED THERETO.

11. **COMPLIANCE WITH HEALTH, SAFETY, AND ENVIRONMENTAL REGULATIONS**: This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way. The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules, and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. **THE CONTRACTOR SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM AND AGAINST ALL CLAIMS, DEMANDS, SUITS, ACTIONS, JUDGMENTS, FINES, PENALTIES AND LIABILITY OF EVERY KIND ARISING FROM THE BREACH OF THE CONTRACTOR'S OBLIGATIONS UNDER THIS PARAGRAPH.**

Environmental Protection: The Contractor shall be in compliance with all applicable standards, orders, or regulations issued pursuant to the mandates of the Clean Air Act (42 U.S.C. §7401 *et seq*.) and the Federal Water Pollution Control Act, as amended, (33 U.S.C. §1251 *et seq*.).

12. **INVOICES**:
A. The Contractor shall submit separate invoices on each purchase order or purchase release after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.
B. **Proper Invoices must include a unique invoice number, invoice date, the purchase order number, and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department**. Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. The Contractor's name, remittance address and, if

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

applicable, the tax identification number on the invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice.

C. Invoices for labor shall include a copy of all time-sheets with trade labor rate and deliverables order number clearly identified. Invoices shall also include a tabulation of work-hours at the appropriate rates and grouped by work order number. Time billed for labor shall be limited to hours actually worked at the work site.

D. Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.

E. Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

13. **PAYMENT**:

A. All proper invoices need to be sent to Accounts Payable – accountspayable@cityofdenton.com. Approved invoices will be paid within thirty (30) calendar days of the invoice being received in Accounts Payable.

B. **If payment is not timely made, (per paragraph A); interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, including, but not limited to, those in Paragraph D, below, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.**

C. If partial shipments or deliveries are authorized by the City, the Contractor will be paid for the partial shipment or delivery, as stated above, provided that the invoice matches such shipment or delivery.

D. The City may withhold or set off the entire payment or part of any payment otherwise due to the Contractor to such extent as may be necessary on account of:

i. delivery of defective or non-conforming deliverables by the Contractor;

ii. third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;

iii. failure of the Contractor to pay Subcontractors, or for labor, materials, or equipment;

iv. damage to the property of the City or the City's agents, employees, or contractors, which is not covered by insurance required to be provided by the Contractor;

v. reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;

vi. failure of the Contractor to submit proper invoices with purchase order number, all required attachments, and supporting documentation; or

vii. failure of the Contractor to comply with any material provision of the Contract Documents.

E. Notice is hereby given to any awarded firm who is in arrears to the City for delinquent taxes of any kind or otherwise indebted to the City that the City shall be entitled to counterclaim and/or offset against any such debt, claim, demand, or account owed to the City through payment withholding until the debt is paid in full, and no assignment of such debt, claim, demand, or account after the said taxes or debt are due shall affect the right of the City to offset the said taxes or debt against same.

F. Payment will be made by check unless the parties mutually agree to payment by credit card or

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic funds transfer.
G. The Contractor acknowledges and agrees that the awarding or continuation of this Contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds appropriated and available for this Contract. The absence of appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not appropriated or available and any deliverables delivered but unpaid shall be returned to the Contractor. The City will not incur a debt or obligation to pay Contractor any amounts the City does not have the current funds available to pay. The City shall provide the Contractor written notice of the failure of the City to make an adequate appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of none or inadequate appropriation of funds, there will be no penalty or liability to the City, nor removal fees, cancellation fees, or the like charged to the City.

14. **TRAVEL EXPENSES**: All travel, lodging, and per diem expenses in connection with the Contract shall be paid by the Contractor, unless otherwise stated in the Contract Documents. During the term of this Contract, the Contractor shall bill and the City shall reimburse Contractor for all reasonable and approved out of pocket expenses which are incurred in the connection with the performance of duties hereunder. Notwithstanding the foregoing, expenses for the time spent by the Contractor in traveling to and from City facilities shall not be reimbursed, unless otherwise negotiated.

15. **FINAL PAYMENT AND CLOSE-OUT**:
A. If a DBE/MBE/WBE Program Plan is agreed to and the Contractor has identified Subcontractors, the Contractor is required to submit a Contract Close-Out MBE/WBE Compliance Report to the Purchasing Manager no later than the fifteenth (15^{th}) calendar day after completion of all work under the contract. Final payment, retainage, or both may be withheld if the Contractor is not in compliance with the requirements as accepted by the City.
B. The making and acceptance of final payment will constitute:

i. a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and

ii. a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

16. **SPECIAL TOOLS & TEST EQUIPMENT**: If the price stated on the Contractor's Offer includes the cost of any special tooling or special test equipment fabricated or required by the Contractor for the purpose of filling this order, such special tooling equipment and any process sheets related thereto shall become the property of the City and shall be identified by the Contractor as such.

17. **RIGHT TO AUDIT**:
A. The Contractor agrees that the City shall, until the expiration of five (5) years after final payment under this Contract unless required to be retained for longer under applicable law, have

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

electronic access to and the right to examine all books, records, and computations pertaining to this Contract. If necessary, the City shall have the right to audit and make copies of the books, records, and computations pertaining to the Contract. The Contractor shall retain such books, records, documents, and other evidence pertaining to the Contract period and five (5) 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 ten (10) business days of written request. All books and records will be made available within a fifty (50) mile radius of the City of Denton if the vendor is not able to provide electronic access. The cost of the audit will be borne by the City 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 (5) business days of receipt of an invoice.

B. The Contractor further agrees to include in all its subcontracts hereunder a provision to the effect that the Subcontractor, material supplier, or other payee agrees that the City shall, until the expiration of five (5) years after final payment under the subcontract unless required to be retained for longer under applicable law, have electronic access to and the right to examine all books, records, documents, and other evidence of the Subcontractor, material supplier, or other payee involving transactions relating to the subcontract. If necessary, the City maintains the right to photocopy any physical books, documents, papers, and records of the subconsultant involving transactions relating to the subcontract. All books and records will be made available within a fifty (50) mile radius of the City of Denton. The cost of the audit will be borne by the City 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 (5) business days of receipt of an invoice.

C. Failure to comply with the provisions of this section shall be a material breach of the Contract and shall constitute, in the City'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.

18. **SUBCONTRACTORS**:

A. If the Contractor-identified subcontractors ("Subcontractor") in a DBE/MBE/WBE agreed-to plan (the "Plan"), the Contractor shall comply with all requirements approved by the City. The Contractor shall not initially employ any subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing. No acceptance by the City of any subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract Awards and Expenditures Report to the Procurement Manager, no later than the tenth calendar day of each month.

B. Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the Contract Documents, and shall contain provisions that:

i. require that all deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract;

ii. prohibit the Subcontractor from further subcontracting any portion of the Contract

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;

iii. require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;

iv. require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and

v. require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.

C. The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.

D. The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten (10) calendar days after receipt of payment from the City.

19. **WARRANTY-PRICE**:

A. The Contractor warrants the prices quoted in the Contractor's Offer are no higher than the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.

B. The Contractor certifies that the prices in the Contractor's Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.

C. In the event Contractor breaches this warranty, in addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like deliverables under similar terms of purchase, or in the alternative, the City may cancel this Contract without liability to Contractor for breach.

20. **WARRANTY – TITLE**: **The Contractor warrants that it has good and indefeasible title to all deliverables furnished under the Contract, and that the deliverables are free and clear of all liens, claims, security interests, and encumbrances. The Contractor shall indemnify and hold the City harmless from and against all adverse title claims to the deliverables.**

21. **WARRANTY – DELIVERABLES**: The Contractor warrants and represents that all deliverables sold the City under the Contract shall be free from defects in design, workmanship, or manufacture, and conform in all material respects to the specifications, drawings, and descriptions in the Contract Documents, to any samples furnished by the Contractor, to the terms, covenants, and conditions of the Contract, and to all applicable State, federal, or local laws, rules, and regulations, and industry codes and standards. Unless otherwise stated in the Solicitation, the deliverables shall be new or recycled merchandise, and not used or reconditioned. In addition, Contractor warrants that the goods sold to City shall conform to the standards promulgated by the

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

U.S. Department of Labor under the Occupational Safety and Health Act (OSHA). In the event the product does not conform to OSHA standards, City may return the product for correction or replacement at the Contractor's expense. In the event Contractor fails to make the appropriate correction within a reasonable time, correction made by City will be at Contractor's expense.

A. Recycled deliverables shall be clearly identified as such.

B. The Contractor may not limit, exclude, or disclaim the foregoing warranty or any warranty implied by law; and any attempt to do so shall be without force or effect.

C. Unless otherwise specified in the Contract or required by the Solicitation, the warranty period shall be at least one (1) year from the date of acceptance of the deliverables or from the date of acceptance of any replacement deliverables. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand either repair the non-conforming deliverables, or replace the non-conforming deliverables with fully conforming deliverables, at the City's option and at no additional cost to the City. All costs incidental to such repair or replacement, including but not limited to, any packaging and shipping costs shall be borne exclusively by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach of warranty, but failure to give timely notice shall not impair the City's rights under this section.

D. If the Contractor is unable or unwilling to repair or replace defective or non-conforming deliverables as required by the City, then in addition to any other available remedy, the City may reduce the quantity of deliverables it may be required to purchase under the Contract from the Contractor, and purchase conforming deliverables from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such deliverables from another source.

E. If the Contractor is not the manufacturer, and the deliverables are covered by a separate manufacturer's warranty, the Contractor shall transfer and assign such manufacturer's warranty to the City. If for any reason the manufacturer's warranty cannot be fully transferred to the City, the Contractor shall assist and cooperate with the City to the fullest extent to enforce such manufacturer's warranty for the benefit of the City.

F. Contractor shall not limit, exclude, or disclaim any implied warranties, and any attempt to do so shall be without force or effect, or alternatively, at the City's option, render this Contract voidable.

22. **WARRANTY – SERVICES**: The Contractor warrants and represents that all services to be provided to the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable federal, State, and local laws, rules or regulations.

A. The Contractor may not limit, exclude, or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect, or alternatively, at the City's option, render this Contract voidable.

B. Unless otherwise specified in the Contract, the warranty period shall be at least one (1) year from the date of acceptance of the work. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the City's rights under this section.

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

C. If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.

23. **ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES**: If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses, and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

24. **RIGHT TO ASSURANCE**: Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified (being a minimum of 5 days) after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

25. **STOP WORK NOTICE**: The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.

26. **DEFAULT**:
A. The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely, and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under Paragraph 25, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by the Contractor to the City.
B. In the event the City terminates the awarded contract for default or any other reason, the Contractor shall not be relieved of liability to the City for damages sustained by the City by reason of any default of the contract by the Contractor or otherwise, and the City may withhold any payments to the Contractor for the purpose of an offset until such time as the amount of damages due the City from the Contractor can be determined.

27. **TERMINATION FOR CAUSE:** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs,

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. Additionally, in the event of a default by the Contractor, the City may remove the Contractor from the City's vendor list for three (3) years and/or any offer submitted by the Contractor may be disqualified for up to three (3) years. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law. The requirements of Subchapter J, Chapter 552 of the Texas Government Code, may apply to this Contract and the Contractor agrees that the Contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

28. **TERMINATION WITHOUT CAUSE**: The City shall have the right to terminate the Contract, in whole or in part, without cause and/or for convenience any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof, provided such payment amount is not disputed by City. The City reserves all rights, causes of action, and remedies available under law or in equity with respect to any dispute under this Contract and a termination under this provision does not waive such rights, causes of action, and remedies.

29. **FRAUD**: Fraudulent statements by the Contractor in any offer, Contract Document, or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.

30. **DELAYS**:

A. The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified in Paragraph 53. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.

B. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such party. In the event of default or delay in Contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

31. **TIME OF COMPLETION AND LIQUIDATED DAMAGES**: Contractor agrees and acknowledges that completing the services and/or delivering the goods described in this Contract in a timely manner is very important to the City. Contractor agrees to perform all obligations within the timeframes required. As it is impracticable and extremely difficult to fix the actual damages, if any, that may proximately result from a failure by Contractor to provide the goods or

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

perform the service, should Contractor fail to timely perform its obligations, Contractor agrees to pay to City, or have withheld and offset from monies due it, the amount stated in the Contract Documents as liquidated damages for each calendar day of delay or nonperformance. Any sums due and payable hereunder by the Contractor shall be payable, not as a penalty, but as liquidated damages representing an estimate of delay damages likely to be sustained by the City, estimated at the time of executing this Contract. Execution of the Contract shall constitute agreement by the City and Contractor that said amount is the minimum value of the costs and actual damage caused by the Contractor's failure to timely perform. Adjustments to the contract times can only be made as provided in the Contract Documents and any conditions or specifications referenced therein.

32. **INDEMNITY**:

A. Definitions:

i. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments, and liability of every character, type, or description, including all reasonable costs and expenses of litigation, mediation, or other alternate dispute resolution mechanism, including attorney and other professional fees for: (1) damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and Subcontractors; the officers, agents, and employees of such Subcontractors; and third parties); and/or (2) death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's Subcontractors, and third parties), ii. "Fault" shall include the sale of defective or non-conforming deliverables, negligence, willful misconduct or a breach of any legally imposed strict liability standard.

B. **THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.**

33. **LIMITATION OF LIABILITY**: This Contract does not, and shall not be interpreted to, contain an artificial limitation of liability (e.g. liability limited to contract price or liability capped at an amount actually paid in previous 3 months, etc.) or an artificial statute of limitations (e.g. any lawsuit must be commenced within one year of the event).

34. **INSURANCE**: The Contractor shall procure and maintain insurance of the types and in the minimum amounts acceptable to the City of Denton outlined in the Insurance Exhibit attached hereto, if applicable. The insurance shall be written by a company licensed to do business in the State of Texas and satisfactory to the City of Denton. The City of Denton reserves the right to add insurance during the contract term.

B. Specific Coverage Requirements: Specific insurance requirements are contained in the

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

Solicitation and the Insurance Exhibit.

35. **CLAIMS**: If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse effect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Denton City Attorney. Personal delivery to the City Attorney shall be to City Hall, 215 East McKinney Street, Denton, Texas 76201.

36. **NOTICES**: Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the Contractor shall be sent to the address specified in the Contractor's Offer, or at such other address as a party may notify the other in writing. Notices to the City shall be addressed to the City at 901B Texas Street, Denton, Texas 76209 and marked to the attention of the Purchasing Manager.

37. **RIGHTS TO BID, PROPOSAL AND CONTRACTUAL MATERIAL**: All material submitted by the Contractor to the City shall become property of the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, and Texas Government Code. The requirements of Subchapter J, Chapter 552 of the Texas Government Code, may apply to this Contract and the Contractor agrees that the Contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

38. **INDEMNIFICATION AGAINST INFRINGEMENTS**: The Contractor represents and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the deliverables and (ii) the deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the deliverables and the Contractor does not know of any valid basis for any such claims. Moreover, Contractor does not know of any valid basis for any such claims. **THE CONTRACTOR SHALL, AT ITS SOLE EXPENSE, DEFEND, INDEMNIFY, AND HOLD THE CITY HARMLESS FROM AND AGAINST ALL LIABILITY, DAMAGES, AND COSTS (INCLUDING COURT COSTS AND REASONABLE FEES OF ATTORNEYS AND OTHER PROFESSIONALS) ARISING OUT OF OR RESULTING FROM: (I) ANY CLAIM THAT THE CITY'S EXERCISE ANYWHERE IN THE WORLD OF THE RIGHTS ASSOCIATED WITH THE CITY'S' OWNERSHIP, AND IF APPLICABLE, LICENSE RIGHTS, AND ITS USE OF THE DELIVERABLES INFRINGES THE INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY; OR (II) THE CONTRACTOR'S BREACH OF ANY OF CONTRACTOR'S REPRESENTATIONS OR WARRANTIES STATED IN THIS CONTRACT. IN THE EVENT OF ANY SUCH CLAIM, THE CITY SHALL HAVE THE**

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

RIGHT TO MONITOR SUCH CLAIM OR AT ITS OPTION ENGAGE ITS OWN SEPARATE COUNSEL TO ACT AS CO-COUNSEL ON THE CITY'S BEHALF. FURTHER, CONTRACTOR AGREES THAT THE CITY'S SPECIFICATIONS REGARDING THE DELIVERABLES SHALL IN NO WAY DIMINISH CONTRACTOR'S WARRANTIES OR OBLIGATIONS UNDER THIS PARAGRAPH AND THE CITY MAKES NO WARRANTY THAT THE PRODUCTION, DEVELOPMENT, OR DELIVERY OF SUCH DELIVERABLES WILL NOT IMPACT SUCH WARRANTIES OF CONTRACTOR. THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

39. **CONFIDENTIALITY**: In order to provide the deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Contract, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.

40. **OWNERSHIP AND USE OF DELIVERABLES**: The City shall own all rights, titles, and interests throughout the world in and to the deliverables.

A. Patents. As to any patentable subject matter contained in the deliverables, the Contractor agrees to disclose such patentable subject matter to the City. Further, if requested by the City, the Contractor agrees to assign and, if necessary, cause each of its employees to assign the entire right, title, and interest to specific inventions under such patentable subject matter to the City and to execute, acknowledge, and deliver and, if necessary, cause each of its employees to execute, acknowledge, and deliver an assignment of letters patent, in a form to be reasonably approved by the City, to the City upon request by the City.

B. Copyrights. As to any deliverables containing copyrightable subject matter, the Contractor agrees that upon their creation, such deliverables shall be considered as work made-for-hire by the Contractor for the City and the City shall own all copyrights in and to such deliverables, provided however, that nothing in this Paragraph 41 shall negate the City's sole or joint ownership of any such deliverables arising by virtue of the City's sole or joint authorship of such deliverables. Should by operation of law, such deliverables not be considered works made-for-hire, the Contractor hereby assigns to the City (and agrees to cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver an assignment to the City of) all worldwide right, title, and interest in and to such deliverables. With respect to such work made-for-hire, the Contractor agrees to execute, acknowledge, and deliver and cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver a work-made-for-hire agreement, in a form to be reasonably approved by the City, to the City upon

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

delivery of such deliverables to the City or at such other time as the City may request.
C. Additional Assignments. The Contractor further agrees to, and if applicable, cause each of its employees to, execute, acknowledge, and deliver all applications, specifications, oaths, assignments, and all other instruments which the City might reasonably deem necessary in order to apply for and obtain copyright protection, mask work registration, trademark registration and/or protection, letters patent, or any similar rights in any and all countries and in order to assign and convey to the City, its successors, assigns and nominees, the sole and exclusive right, title, and interest in and to the deliverables. The Contractor's obligations to execute, acknowledge, and deliver (or cause to be executed, acknowledged, and delivered) instruments or papers such as those described in this Paragraph 41 A., B., and C. shall continue after the termination of this Contract with respect to such deliverables. In the event the City should not seek to obtain copyright protection, mask work registration or patent protection for any of the deliverables, but should desire to keep the same secret, the Contractor agrees to treat the same as Confidential Information under the terms of Paragraph 40 above.

41. **PUBLICATIONS**: All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.

42. **ADVERTISING**: The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent necessary to comply with proper requests for information from an authorized representative of the federal, State, or local government.

43. **NO CONTINGENT FEES**: The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

44. **GRATUITIES**: The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Denton with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.

45. **PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS**: The Contractor agrees to comply with the conflict of interest provisions of the City of Denon Code of Ordinances and/or State law. 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

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

solicitation as defined in the City's Ethic Ordinance codified at Chapter 2, Article XI and in the City Charter Section 14.04, as amended. 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 Contractor shall complete and submit the City's Conflict of Interest Questionnaire. The Contractor agrees to maintain current, updated disclosure of information on file with the Procurement Department throughout the term of this Contract.

46. **NO SUBCONTRACTING BID AFTER AWARD**: Following the award of the Contract, no subcontracting except that specifically identified in the response to the Solicitation will be permitted without the express prior written consent of the City.

47. **NO GIFT OF PUBLIC PROPERTY**: The City will not agree to any terms or conditions that cause the City to lend its credit or grant public money or anything of value to the selected Contractor.

48. **INDEPENDENT CONTRACTOR**: The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City of Denton, Texas for the purposes of income tax, withholding, social security taxes, vacation or sick leave benefits, worker's compensation, or any other City employee benefit. The City shall not have supervision and control of the Contractor or any employee of the Contractor, and it is expressly understood that Contractor shall perform the services hereunder according to the attached specifications at the general direction of the City Manager of the City of Denton, Texas, or their designee under this Contract. The Contractor is expressly free to advertise and perform services for other parties while performing services for the City.

49. **ASSIGNMENT-DELEGATION**: The Contract shall be binding upon and enure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this Paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there are no third party beneficiaries to the Contract.
The Vendor shall notify the City's Purchasing Manager, in writing, of a company name, ownership, or address change for the purpose of maintaining updated City records. The president of the company or authorized official must sign the letter. A letter indicating changes in a company name or ownership must be accompanied with supporting legal documentation such as an updated W-9, documents filed with the state indicating such change, copy of the board of director's resolution approving the action, or an executed merger or acquisition agreement. Failure to do so may adversely impact future invoice payments.

50. **WAIVER**: No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character. No delay, failure, or waiver of either party's exercise or partial exercise of any right or remedy under the Contract shall operate to limit, impair, preclude, cancel, waive or otherwise affect such right or remedy.

51. **MODIFICATIONS**: The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document submitted to the City by Contractor shall have any force or effect to change the terms, covenants, and conditions of the Contract.

52. **INTERPRETATION**: The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this agreement even though the accepting or acquiescing party has knowledge of the performance and opportunity for objection. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

53. **DISPUTE RESOLUTION**:

A. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute, however any decision requiring approval of the City Council of the City will be required to be submitted to the City Council and the senior level person shall have authority to recommend approval of any resolution. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.

B. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option; the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Denton County Alternative Dispute Resolution Program (DCAP). The parties agree to participate in mediation in good faith

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.
C. The parties shall not be required to submit to binding arbitration.

54. **JURISDICTION AND VENUE**: The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Denton County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.

55. **INVALIDITY**: The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

56. **HOLIDAYS:** The following holidays are observed by the City:

New Year's Day (observed)
Martin Luther King, Jr. Day
Memorial Day
Juneteenth
Independence Day
Labor Day
Veteran's Day
Thanksgiving Day
Friday After Thanksgiving
Christmas Eve (observed)
Christmas Day (observed)

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday. Normal hours of operation shall be between 8:00 am and 4:00 pm, Monday through Friday, excluding City of Denton Holidays. Any scheduled deliveries or work performance not within the normal hours of operation **must be approved** by the City Manager of Denton, Texas or their authorized designee.

57. **SURVIVABILITY OF OBLIGATIONS:** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract for fifteen (15) years.

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

58. **NON-SUSPENSION OR DEBARMENT CERTIFICATION:**
The City of Denton is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Denton Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Denton.

59. **EQUAL OPPORTUNITY** Contractor agrees that during the performance of its contract it will:
A. Treat all applicants and employees without discrimination as to race, color, religion, sex, national origin, marital status, age, or handicap.
B. Identify itself as an "Equal Opportunity Employer" in all help wanted advertising or request. The Contractor shall be advised of any complaints filed with the City alleging that Contractor is not an Equal Opportunity Employer. The City reserves the right to consider its reports from its human relations administrator in response to such complaints in determining whether or not to terminate any portion of this contract for which purchase orders or authorities to deliver have not been included, however, the Contractor is specifically advised that no Equal Opportunity Employment complaint will be the basis for cancellation of this contract for which a purchase order has been issued or authority to deliver granted.
C. **Americans with Disabilities Act (ADA) Compliance:** No Contractor, or Contractor's agent, shall engage in any discriminatory employment practice against individuals with disabilities as defined
in the ADA.

60. **BUY AMERICAN ACT-SUPPLIES (Applicable to certain federally funded requirements)**
The following federally funded requirements are applicable. A. Definitions. As used in this paragraph –
i. "Component" means an article, material, or supply incorporated directly into an end product.
ii. "Cost of components" means -
(1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or
(2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the end product.
iii. "Domestic end product" means-
(1) An unmanufactured end product mined or produced in the United States; or
(2) An end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as those that the agency determines are not mined, produced, or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality are treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic.

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

iv. “End product” means those articles, materials, and supplies to be acquired under the contract for public use.
v. “Foreign end product” means an end product other than a domestic end product.
vi. “United States” means the 50 States, the District of Columbia, and outlying areas.
B. The Buy American Act (41 U.S.C. 10a - 10d) provides a preference for domestic end products for supplies acquired for use in the United States.
C. The City does not maintain a list of foreign articles that will be treated as domestic for this Contract; but will consider for approval foreign articles as domestic for this product if the articles are on a list approved by another Governmental Agency. The Contractor shall submit documentation with their offer demonstrating that the article is on an approved Governmental list.
D. The Contractor shall deliver only domestic end products except to the extent that it specified delivery of foreign end products in the provision of the Solicitation entitled “Buy American Act Certificate”.

61. **RIGHT TO INFORMATION:** The City of Denton reserves the right to use any and all information presented in any response to this Contract, whether amended or not, except as prohibited by law. Selection of rejection of the submittal does not affect this right.

62. **LICENSE FEES OR TAXES:** Provided the solicitation requires an awarded contractor or supplier to be licensed by the State of Texas, any and all fees and taxes are the responsibility of the respondent.

63. **PREVAILING WAGE RATES:** The 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).

64. **COMPLIANCE WITH ALL STATE, FEDERAL, AND LOCAL LAWS:** The Contractor or supplier shall comply with all State, federal, and local laws and requirements. The Contractor must comply with all applicable laws at all times, including, without limitation, the following: (i) §36.02 of the Texas Penal Code, which prohibits bribery; (ii) §36.09 of the Texas Penal Code, which prohibits the offering or conferring of benefits to public servants; and (iii) Chapter 552 of the Texas Government Code, which outlines policy for public information. The Contractor shall give all notices and comply with all laws and regulations applicable to furnishing and performance of the Contract.

65. **FEDERAL, STATE, AND LOCAL REQUIREMENTS:** Contractor shall demonstrate on-site compliance with the provisions of federal law dealing with issuance of Form W-2’s to common law employees. Contractor is responsible for both federal and State unemployment insurance coverage and standard Workers’ Compensation insurance coverage. Contractor shall ensure compliance with all federal and State tax laws and withholding requirements. The City of Denton shall not be liable to Contractor or its employees for any Unemployment or Workers’ Compensation coverage, or federal or State withholding requirements. Contractor shall indemnify the City of Denton and shall pay all costs, penalties, or losses resulting from Contractor’s omission or breach of this Section.

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

66. **ATTORNEY'S FEES; LEGAL COSTS:** Contractor and City agree that the City will not be required to pay Contractor's attorney's fees or legal costs under any circumstances, unless expressly required by law.

67. **DRUG FREE WORKPLACE:** The Contractor shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (Public Law 100-690, Title V, Subtitle D; 41 U.S.C. 701 ET SEQ.) and maintain a drug-free work environment; and the final rule, government-wide requirements for drug-free work place (grants), issued by the Office of Management and Budget and the Department of Defense (32 CFR Part 280, Subpart F) to implement the provisions of the Drug-Free Work Place Act of 1988 is incorporated by reference and the Contractor shall comply with the relevant provisions thereof, including any amendments to the final rule that may hereafter be issued.

68. **CONTRACTOR LIABILITY FOR DAMAGE TO GOVERNMENT PROPERTY:** The Contractor shall be liable for all damages to government-owned, leased, or occupied property and equipment caused by the Contractor and its employees, agents, subcontractors, and suppliers, including any delivery or cartage company, in connection with any performance pursuant to the Contract. The Contractor shall notify the City of Denton Procurement Manager in writing of any such damage within one (1) calendar day.

69. **FORCE MAJEURE:** The City of Denton, any Customer, and the Contractor shall not be responsible for performance under the Contract should it be prevented from performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributable to the fault or negligence of the City of Denton. In the event of an occurrence under this Section, the Contractor will be excused from any further performance or observance of the requirements so affected for as long as such circumstances prevail and the Contractor continues to use commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay. The Contractor shall immediately notify the City of Denton Procurement Manager by telephone (to be confirmed in writing within five (5) calendar days of the inception of such occurrence) and describe at a reasonable level of detail the circumstances causing the non-performance or delay in performance.

70. **NON-WAIVER OF RIGHTS:** Failure of a Party to require performance by another Party under the Contract will not affect the right of such Party to require performance in the future. No delay, failure, or waiver of either Party's exercise or partial exercise of any right or remedy under the Contract shall operate to limit, impair, preclude, cancel, waive or otherwise affect such right or remedy. A waiver by a Party of any breach of any term of the Contract will not be construed as a waiver of any continuing or succeeding breach.

71. **NO WAIVER OF SOVEREIGN IMMUNITY:** The Parties expressly agree that no provision of the Contract is in any way intended to constitute a waiver by the City of Denton of any immunities from suit or from liability that the City of Denton may have by operation of law.

72. **RECORDS RETENTION:** The Contractor shall retain all financial records, supporting documents, statistical records, and any other records or books relating to the performances called for in the Contract. The Contractor shall retain all such records for a period of four (4) years after the expiration of the Contract, or until the CPA or State Auditor's Office is satisfied that all audit and litigation matters are resolved, whichever period is longer. The Contractor shall grant access

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

to all books, records and documents pertinent to the Contract to the CPA, the State Auditor of Texas, and any federal governmental entity that has authority to review records due to federal funds being spent under the Contract. In the event the value of this Contract is One Million ($1,000,000) Dollars or greater: (i) all contracting information related to this contract will be preserved for the duration of the Contact; (ii) the Contractor shall provide any contracting information in its possession promptly upon request by the City; and (iii) at the expiration of this Contract, the Contractor will either provide all contracting information in its possession to the City or preserve same as required by the record retention requirements of the State of Texas.

73. **PROCUREMENT LAWS**: The City will not agree to any terms or conditions that cause the City to violate any federal, State, or local procurement laws, including its own Charter or Procurement Policy and any such laws included in boilerplate terms, online terms or other terms provided by the Contractor are considered null and void.

74. **AUTHORITY**: Contractor represents and warrants to the other that (a) it has company authority to execute and perform this Contract; (b) executing this Contract does not constitute a material conflict with, breach, or default under any applicable law, its respective organizational documents, or any documents, agreements, contracts or instruments which are binding upon it; and (c) this Contract creates valid, legal, and binding obligation enforceable against it, subject to applicable insolvency and bankruptcy laws. Contractor recognizes and agrees that a violation of this provision constitutes a material breach under this Contract.

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

Exhibit D
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.

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) and by City of Denton Ethics Code, Ordinance 18-757.
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.**

Trillium Pumps USA, Inc.

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.**

_____
Name of Officer

Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relations hip with the local government 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 DocuSigned by:
Shelley Plubus
40BF5E450BD9480...
Signature of vendor doing business with the governmental entity

5/23/2025
Date

Docusign Envelope ID: FE3DA4AE-BD3C-4860-8B2A-551710363A40

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/ Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(A) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

City of Denton Ethics Code Ordinance Number 18-757

Definitions:

Relative: a family member related to a City Official within the third 3rd degree of affinity (marriage) or consanguinity (blood or adoption)

City Official: for purpose of this article, the term consists of the Council Members, Department Heads, or member of the Board of Ethics, Planning and zoning Commission Members, Board of Adjustment, Historic Landmark Commission, or Public Utilities Board

Vendor: a person who provides or seeks to provide goods, services, and/or real property to the City in exchange for compensation. This definition does not include those property owners from whom the City acquires public right-of-way or other real property interests for public use.

Per the City of Denton Ethics Code, Section 2-273. – Prohibitions

(3) It shall be a violation of this Article for a Vendor to offer or give a Gift to City Official exceeding fifty dollars ($50.00) per gift, or multiple gifts cumulatively valued at more than two hundred dollars ($200.00) per a single fiscal year.

Per the City of Denton Ethics Code, Section 2-282. – Disposition (b), (5) Ineligibility

If the Board of Ethics finds that a Vendor has violated this Article, the Board may recommend to the City Manager that the Vendor be deemed ineligible to enter into a City contract or other arrangement for goods, services, or real property, for a period of one (1) year.

Certificate Of Completion

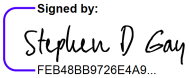
Envelope Id: FE3DA4AE-BD3C-4860-8B2A-551710363A40
Status: Sent
Subject: Please DocuSign: City Council Contract 8751 WEMCO Pump Replacement
Source Envelope:
Document Pages: 60
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Gabby Leeper
901B Texas Street
Denton, TX 76209
Gabby.Leeper@cityofdenton.com
IP Address: 198.49.140.104

Record Tracking

Status: Original
5/23/2025 8:26:49 AM
Holder: Gabby Leeper
Gabby.Leeper@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Gabby Leeper gabby.leeper@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: 198.49.140.104	Sent: 5/23/2025 8:33:40 AM Viewed: 5/23/2025 8:34:39 AM Signed: 5/23/2025 8:35:00 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	DS  Signature Adoption: Pre-selected Style Using IP Address: 47.184.122.38	Sent: 5/23/2025 8:35:03 AM Viewed: 5/23/2025 9:59:19 AM Signed: 5/23/2025 10:00:14 AM
Marcella Lunn marcella.lunn@cityofdenton.com Senior Deputy City Attorney City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	DocuSigned by:  4B070831B4AA438... Signature Adoption: Pre-selected Style Using IP Address: 166.198.250.44 Signed using mobile	Sent: 5/23/2025 10:00:17 AM Viewed: 5/23/2025 11:06:49 AM Signed: 5/23/2025 11:09:06 AM
Shelley Phebus Shelley.Phebus@trilliumflow.com Technical Sales Scheduler Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 5/23/2025 11:35:59 AM ID: 89f4507f-f675-4815-941f-9ef48226bdd3	DocuSigned by:  40BF5E450BD9480... Signature Adoption: Pre-selected Style Using IP Address: 34.213.225.135	Sent: 5/23/2025 11:09:13 AM Viewed: 5/23/2025 11:35:59 AM Signed: 5/23/2025 2:40:33 PM

Signer Events	Signature	Timestamp
Stephen D Gay Stephen.Gay@cityofdenton.com General Manager Water Utilities Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 5/23/2025 2:55:37 PM ID: 786ae4c2-4cd0-4109-b5e0-24be8ecc20d2	Signed by:  FEB48BB9726E4A9... Signature Adoption: Pre-selected Style Using IP Address: 172.56.3.119 Signed using mobile	Sent: 5/23/2025 2:40:39 PM Viewed: 5/23/2025 2:55:37 PM Signed: 5/23/2025 2:58:45 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: 5/23/2025 2:58:50 PM
Sara Hensley sara.hensley@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Lauren Thoden lauren.thoden@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: 5/23/2025 8:35:02 AM
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None)	COPIED	Sent: 5/23/2025 2:58:50 PM

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		
Rusty Willard rusty.willard@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	5/23/2025 8:33:40 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.

File #: ID 25-1189, **Version:** 1

AGENDA CAPTION

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive proposals under RFP 8767 for 345kV Autotransformers for Denton Municipal Electric; and providing an effective date (RFP 8767). The Public Utilities Board recommends approval (5 - 0).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: July 15, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive proposals under RFP 8767 for 345kV Autotransformers for Denton Municipal Electric; and providing an effective date (RFP 8767). The Public Utilities Board recommends approval (5 - 0).

INFORMATION/BACKGROUND

Denton Municipal Electric (DME) solicited bids for the manufacture, testing, and delivery of up to five (5) 700MVA and 800MVA, 345kV/138kV autotransformers for use in approved projects incorporated with DME's Capital Improvement Plan (CIP).

DME received proposals from four (4) companies representing manufacturers of the autotransformers described in the technical specification. Due to the high costs, long lead times, and technically complex assembly of this equipment, the proposals were evaluated with extreme care. All proposals lacked understanding of what was technically required, or they were incomplete in descriptions of the product being proposed, and the cost was much higher than anticipated. DME is recommending the rejection of all proposals.

The autotransformers are a critical piece of equipment in the DME system. Accepting any of the proposals submitted, as a part of this RFP, could bring substantial risk to DME's infrastructure and customer base. Failure of an autotransformer could cause overloading and stress on transmission lines and equipment, which could impact system reliability. DME plans to resolicit this item.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 23, 2025, the Public Utilities Board (PUB) recommended this item to the City Council for consideration.

RECOMMENDATION

Staff recommends rejection of all proposals for RFP 8767 345kV Autotransformers.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this, contact: Mark Zimmerer, 940-349-7169.

Legal point of contact: Marcella Lunn at 940-349-8333.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, REJECTING ANY AND ALL COMPETITIVE PROPOSALS UNDER RFP 8767 FOR 345KV AUTOTRANSFORMERS FOR DENTON MUNICIPAL ELECTRIC; AND PROVIDING AN EFFECTIVE DATE (RFP 8767).

WHEREAS, the City has solicited, received, and tabulated competitive proposals to evaluate for 345kV Autotransformers (RFP 8767) in accordance with the procedures of state laws and the City's ordinances; and

WHEREAS, the City staff recommends, and the City Council has determined, that it is in the best interest of the City that the herein described proposals should be rejected; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. All competitive proposals, as described in the "Request for Proposal", "Bid Proposals", or plans and specifications on file in the Office of the City's Purchasing Agent filed according to the bid number assigned herein (RFP 8767 – 345kV Autotransformers) are hereby rejected.

SECTION 2. The City Manager, or their designee, is hereby authorized to execute all necessary documents for the rejection of said proposals. The City Manager, or their designee, is hereby authorized, in their discretion, to re-advertise to receive competitive bids, or proceed otherwise, to procure goods and services described in RFP 8767.

SECTION 3. 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 the RFP 8767 to reject said proposals to the City Manager, or their designee.

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 _____. This ordinance was passed and approved by the following vote [___ - ___]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Marcella Lunn _____

File #: ID 25-1190, **Version:** 1

AGENDA CAPTION

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, ratifying the expenditure of funds by the City Manager for the repair and replacement of cylinder heads for the Denton Energy Center; and providing an effective date (File 8860 - awarded to Wartsila North America, Inc., in the not-to-exceed amount of $188,483.04). The Public Utilities Board recommends approval (5 - 0).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: July 15, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, ratifying the expenditure of funds by the City Manager for the repair and replacement of cylinder heads for the Denton Energy Center; and providing an effective date (File 8860 – awarded to Wartsila North America, Inc., in the not-to-exceed amount of $188,483.04). The Public Utilities Board recommends approval (5 - 0).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

INFORMATION/BACKGROUND

The Denton Energy Center (DEC) provides power at times when renewable energy sources are not readily available. The DEC is a component of the City of Denton's future commitment to providing the citizens of Denton with 100% of electricity from renewable sources of energy. Recently, we declared an emergency purchase for repair services and replacement of cylinder heads from failure caused by premature valve recession on the exhaust valves of heads, causing forced outages on May 4, 2025.

During the forced outage, a complete inspection and valve recession check was performed, determining the cause of failure. The inspection determined that the engine has multiple cylinder heads that failed or are failing due to excessive valve recession. The recession resulted in the failed operation of the exhaust valves on E6 cylinder B1, not allowing the engine to operate.

Purchase order 211156 was issued to Wartsila on May 19, 2025, to release heads to be shipped. Repair of E6 cylinder B1 was started and completed on May 22, 2025. All onsite inventory has been exhausted; the unit has additional heads needing repair. Six (6) cylinder heads have been removed and are waiting to be picked up and sent to the manufacturer for inspection and repairs.

In order to promptly return the unit to service for the City of Denton energy demands and to fulfill our ERCOT obligations, the purchase of cylinder heads and the prompt repair of the cylinder heads are necessary to reduce the outage time, to replenish onsite spares. Additionally, Denton Municipal Electric is currently in the procurement process of repairing all DEC cylinder heads due to valve recession.

Wartsila North America, Inc. is the Original Equipment Manufacturer for the engines, as well as the only authorized sales and service representative of cylinder heads with upgraded 20-degree valves for valve

recession. Wartsila North America Inc. was able to provide the needed service and delivery for the DEC. The cylinder head spare purchase cost is $74,414.

Wartsila North America, Inc. will also repair and return the failed cylinder heads to the DEC. The total repair cost was quoted at $114,069.04 to have six (6) cylinder heads repaired to ensure spares are onsite to reduce unit downtime, ensuring availability for dispatch. Repair/delivery time is 7-30 days from the fully accepted order.

In efforts to outsource the components, it's been found that only Wartsila North America can provide the newly designed valve angles to install in cylinder heads. These components are manufactured by Wartsila and are not authorized for sale by other suppliers.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 23, 2025, the Public Utilities Board (PUB) recommended this item to the City Council for consideration.

RECOMMENDATION

Approve the emergency repairs and replacement of cylinder heads for the Denton Energy Center in the estimated expenditure amount of $188,483.04.

PRINCIPAL PLACE OF BUSINESS

Wartsila North America, Inc.
Houston, TX

ESTIMATED SCHEDULE OF PROJECT

Purchase Order #211156 was issued on May 19, 2025, for this single purchase processed as an Emergency Declaration to return the units from a forced outage once all on-hand parts were exhausted. The service took place immediately to repair the unit, and the parts requiring rebuilding were sent to the manufacturer. Delivery of the items will occur within 30 days after receipt of the order.

FISCAL INFORMATION

These items will be funded from Denton Energy Center account 600105.6525.5500. Purchase Order #211156 has been entered into the system. The budgeted amount for this item is $188,483.04.

EXHIBITS

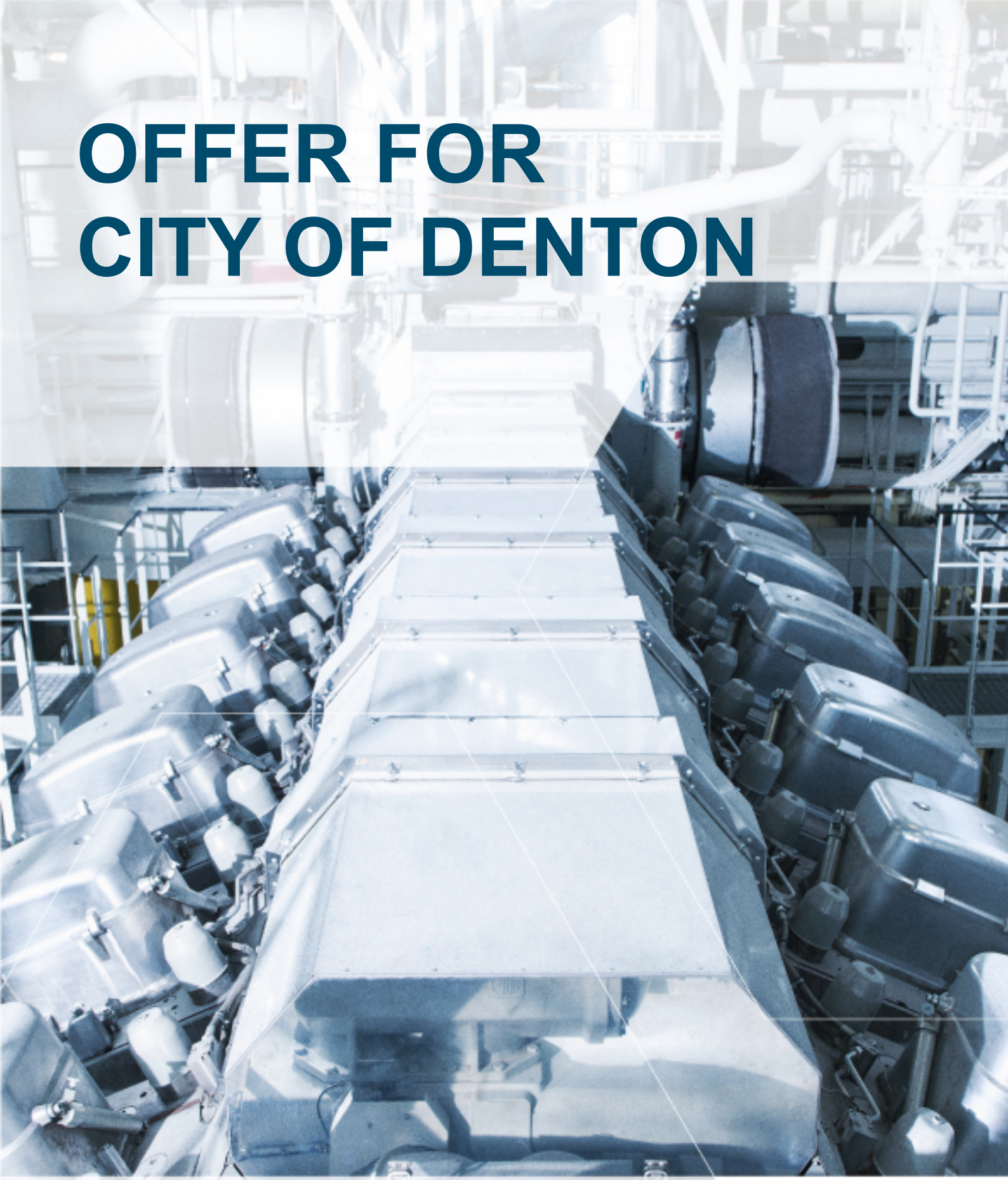
Exhibit 1: Agenda Information Sheet
Exhibit 2: Quote
Exhibit 3: Ordinance

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Arthur Pando, 940-349-8653.

Legal point of contact: Marcella Lunn at 940-349-8333.

OFFER FOR CITY OF DENTON



CITY OF DENTON
DENTON ENERGY CENTER

WÄRTSILÄ

534

Offer number: SO-127749-1
Date: May 7, 2025

Customer
City of Denton
1659 Spencer Road
Denton Texas 76205

Your Contact Arthur Pando
Your Inquiry Date May 5, 2025
Your Reference
Terms of Payment 30 days net
Offer Valid To Jun 6, 2025

RECONDITIONED CYLINDER HEADS FOR DENTON ENERGY CENTER

Dear Arthur,

Please see below our offer for QTY (2) Reconditioned Cylinder head for Wartsila 18V50SG Engine.

This offer is valid for the following equipment:
DENTON ENERGY CENTER
PAAE317353 WÄRTSILÄ 18V50SG

2 x Reconditioned Cylinder Heads / Like New Includes: Two (2) complete reconditioned cylinder heads with all new components installed including 20° exhaust valves & valves seats. Also, includes shipping.	USD 74,414.00
Estimated total price excluding VAT/Tax	USD 74,414.00
Total price	**USD 74,414.00**

Will be invoiced according to actual hours

Workshop

PAAE317353 WÄRTSILÄ 18V50SG

2 x Reconditioned Cylinder Heads / Like New	Quantity
• 2 x Cylinder Heads	1.00

Terms of offer

Offer specific terms

This offer has a fixed price sale for Qty (2) Reconditioned Cylinder heads
Shipping cost is included in the above price.

Deliverables

Wärtsilä will provide a complete service work report after completion of the service attendance. This report will include all measurements taken during the service and recommendations.

Offer number: SO-127749-1
Date: May 7, 2025

Additional work

If the service measures will reveal the necessity for any additional required measures or spare parts, this will be offered separately. The Customer will be notified to obtain approval prior to commencement of work. Additional ordered parts during execution will be invoiced after completion.

Change of requirements

Any change in requirement and/or scope of supply will be subject to review and may affect prices offered. For any changes to the specification requested after acceptance of the order, we reserve the right to amend prices and delivery dates accordingly.

Conditions

This Offer is governed by Wärtsilä's General Terms and Conditions, attached, unless a signed framework or maintenance agreement between the parties takes precedence. The applicability of any other Terms and Conditions is expressly rejected. Validity of this document is subject to the full payment of all the overdue invoices and approved credit review by Wärtsilä.

Appendices

EN-EN General Terms and Conditions - Services 2025

Sincerely

Wärtsilä North America, Inc.
Andrew Corbitt
Account Manager, Energy Services
andrew.corbitt@wartsila.com

Wärtsilä North America, Inc.
Nisar Ahmed
Senior Lifecycle Proposal Engineer, USA & Canada
nisar.ahmed2@wartsila.com

WÄRTSILÄ GENERAL TERMS AND CONDITIONS SERVICES (2025)

1. INTRODUCTION, CONTRACT FORMATION, SCOPE, AND CHANGES

1.1 These General Terms and Conditions – Services (2025) (the "Conditions") shall, unless otherwise agreed in writing, apply to all services performed ("Service Work") by any authorized member, agent, or representative of the Wärtsilä Group (the "Contractor") for a customer (the "Customer").

1.2 Offers are non-binding until accepted and confirmed by a purchase order issued by the Customer in compliance with these Conditions. Upon receipt of the Customer's purchase order, the Contractor may issue an order acknowledgement or begin work, in either case forming a "Contract". These Conditions shall form an integral part of the Contract.

1.3. Any Customer-introduced terms inconsistent with or additional to the Conditions are hereby disclaimed, shall not be incorporated into the Contract, and shall have no effect unless signed by the Contractor's authorised representative.

1.4 The Contractor's offers are conditional on credit approval and discharge of any existing debts. The Contractor may rescind any offer or suspend or terminate the Contract without liability to the Customer if the Customer does not discharge existing debts or is deemed, at the Contractor's sole discretion, not credit worthy.

1.5 The Customer may not change or cancel any purchase order after it has been received by the Contractor unless the Contractor has agreed in writing to such change or cancellation. The Customer shall pay any applicable rescheduling, cancellation, or variation order fees as per the Contractor's latest rates.

1.6 Depending on conditions encountered or discovered after formation of the Contract, the Contractor may recommend reasonable changes to the scope of the Service Work or Physical Work and the Customer shall pay for any additional Service Work provided by the Contractor because of such changes.

1.7 The Customer shall compensate the Contractor for any increases in the Contractor's cost of performing the Service Work arising after the Contractor's offer because of the actions or omissions of the Customer or a third party not under Contractor's control (such as, but not limited to a change of law or a Force Majeure event) if such increases are not foreseeable at the time of the offer or are not reasonably preventable by the Contractor's actions.

2. SCOPE OF SERVICES

2.1 The Contractor shall perform the Service Work specified in the Contractor's order acknowledgement. Service Work may be delivered onsite or remotely.

2.2 Service Work may include: (1) ***"Field Service***", that is, the attendance of a service technician or technical manpower ("Primary Service Technician") provided by the Contractor to perform installation, commissioning, repair, reconditioning or maintenance of the Customer equipment; (2) ***"Workshop Services"***, that is, the inspection, overhaul, replacement or reconditioning of the Customer's parts at the Contractor's workshop; (3) ***"Technical Advisory Services",*** that is, the provision of technical advice by the Contractor's technical expert(s) ("Technical Advisor"); (4) "***Investigation Services***", that is, the inspection or investigation of the condition or performance of the Customer parts or equipment; (5) "**Underwater Services**", that is, any Field Service or Investigation Service that is performed underwater or that is wholly or partially performed by diving; or (6) other services as specified in the Contractor's order acknowledgement.

2.3 If the Contractor is providing Technical Advisory Services, the Contractor is not responsible for performing any installation, repair, or maintenance of equipment (the "Physical Work"). The Customer shall provide adequate Primary Service Technician(s) to complete the Physical Work and ensure that they fully cooperate with the Contractor's Technical Advisor(s). The Customer shall have no right to employ the Contractor's personnel for Physical Work unless the Contractor has undertaken that its Technical Advisor(s) will perform such work in its order acknowledgement. A Technical Advisor is not a supervisor or superintendent over the Primary Service Technician(s) or of the Physical Work. Where providing Technical Advisory Services, the Contractor disclaims all responsibility for Physical Work performed by the Customer's Primary Service Technician(s). Any Physical Work directly performed by the Contractor's Technical Advisor(s), and any participation by the Contractor's Technical Advisor(s) in the Physical Work, shall, unless duly recorded in the Service Report as Physical Work performed by the Contractor's Technical Advisor(s), be deemed ancillary and incidental to their role, and shall not give rise to any additional warranty obligations or liability. Physical Work duly recorded in the Service Report as having been performed by or with the involvement of the Contractor's Technical Advisor(s) shall be treated as Field Service.

2.4 Unless otherwise stated in the Contractor's offer or order acknowledgement, Workshop Services does not include transportation of the Customer's parts to and from the Contractor's workshop. The Customer shall arrange to deliver the parts DDP Contractor's workshop, and to pick up the parts FCA Contractor's workshop once the Service Work is completed.

2.5 Investigation Services do not include any guarantee as to the results or condition of the Customer equipment or part investigated, and do not give rise to a warranty.

2.6 The Contractor may prepare a service report describing, e.g., the Service Work it has performed, the conditions it encountered – including the prior condition of the equipment being serviced -- and any relevant observations and recommendations for the Customer (the "**Service Report**"). Service Reports are prepared, shared and stored at the Contractor's sole discretion and for the Contractor's benefit, and the Contractor has no obligation to preserve Service Reports for the Customer's benefit unless separately agreed in writing. Service Reports are not works made for hire, and copyright shall vest and remain with the Contractor. If copyright to such Service Reports vests to the Customer under applicable law, the Customer agrees to take all necessary actions (at its own expense) to assign such copyright to the Contractor. If a Service Report is shared with the Customer, it is provided on an 'as is' basis with no warranty whatsoever, express or implied. The Contractor makes no representation that Service Reports are accurate, complete, or timely. Irrespective of any Customer confidential information they may contain, Service Reports shall be deemed solely confidential information of the Contractor under Section 3.1 of these Conditions.

3. CONFIDENTIALITY AND INTELLECTUAL PROPERTY

3.1 Neither party shall copy or disclose to a third party any document or data provided by the other party on a confidential basis (as clearly indicated in writing at the time of the initial disclosure) without the prior written consent of the other party or use them for purposes other than those for which they were provided. Intellectual property rights associated with the Service Work, or any document or data provided by the Contractor in connection therewith shall remain the Contractor's property. The Customer shall defend, indemnify, and hold harmless the Contractor against all claims, losses, and damages, including reasonable attorneys' fees, arising out of, or resulting from any reuse, modification, reproduction or publication of the Contractor's intellectual property documents or data. To the extent there is a conflict between the foregoing provisions regarding confidentiality and intellectual property and any terms or conditions of any software license agreement, the terms and conditions of such software license agreement shall prevail.

3.2 Notwithstanding anything to the contrary, companies belonging to Wärtsilä Group shall have the right to collect data from sensors, instruments, monitors, data collectors, industrial control or SCADA devices located at Customer's sites or on the equipment delivered, or if agreed between the parties through any digital platform managed by the Customer or an authorized third party for storing such data, and use such data, including but not limited, to support and develop its products, solutions and services. Data may be transferred within Wärtsilä Group and to third parties who act for or on its behalf for processing the data. Companies belonging to Wärtsilä Group shall own any enrichment, report or derivative work developed or derived from such data. The rights granted hereunder shall survive any termination or expiration of the Contract.

3.3 Subject to the Customer´s compliance with the Contract and these Conditions, the Contractor grants the Customer a non-exclusive license to use any software supplied with the Service Work ("Software") in connection with the normal and proper use of the applicable products. If Software is supplied as part of the Service Work, the term Service Work shall be deemed to include Software whenever used in these Conditions. The Customer may make copies of the Software only where essential for its lawful operation or for necessary back-up purposes. The following terms apply to the Software: (1) Customer shall not copy, modify, create derivative works from, disassemble or otherwise attempt to derive the source code; (2) supply of Software does not include updates, upgrades, maintenance, support or other additional services and any such items shall be subject to separate written agreement and additional cost; (3) the use of the Software may be subject to separate terms of use or third-party software terms as updated from time to time; (4) any onward supply of the Software to the Customer's customers or other end users, shall be subject to the applicable terms of the Contract and these conditions (or substantially equivalent terms). If any cloud-based service is supplied in connection with the Services ("Cloud Service") then the Customer may access the Cloud Service for the duration agreed in the Contract.

4. PERFORMANCE, DELIVERY, ACCEPTANCE

4.1 The Customer shall be deemed to have accepted the Service Work performed by the Contractor and the quality and quantity of any parts delivered as part of the Service Work as being in accordance with the Contract

unless the Customer has notified the Contractor of any non-conformity, shortages, or damage within three (3) days following the last day on which the Service Work was performed. Any date or period for dispatching or completion stipulated or quoted shall be deemed to be an estimate only, and there shall be no express or implied time limit in dispatching or completing any Service Work.

4.2 If the Customer anticipates that the Service Work cannot be commenced or a delivery accepted as agreed in the Contract due to reasons attributable to the Customer, the Customer shall notify the Contractor in writing stating the reason and the time when the Customer anticipates that the Service Work could commence, or the delivery be accepted. The Contractor may by notice require the Customer to set a final reasonable time for when the Service Work should commence, or the delivery be accepted. Any additional costs related to such delay shall be borne by the Customer, including as further described in Clauses 1.6 and 9.3.

4.3 All references to trade terms shall be interpreted in accordance with Incoterms® 2020. Any date or period for delivery or completion of services stipulated or quoted by the Contractor shall be deemed to be an estimate only. Packing materials shall not be returned to the Contractor.

4.4 The Contractor has a right to suspend the performance of its obligations under the Contract if it is reasonably clear from the circumstances that the Customer will not be able to perform its obligations as stated in the Contract.

5. COMPENSATION, PAYMENT, AND OWNERSHIP

5.1 If not expressly agreed otherwise in writing, the Contract's price is based on the Service Work performed during normal working hours. Time sheets for each week shall be provided by the Contractor to the Customer and shall be promptly checked and attested by the Customer. The time sheets provided by the Contractor shall be deemed to be evidence of the working hours invoiced by the Contractor. Hourly rates, overtime rates and daily allowances shall be as specified in the Contractor's standard rates then in effect (such rates are subject to change from time to time). The Customer will be charged a daily allowance for each of the Contractor's personnel based on the number of working days from the date of departure of such personnel until their return. Unless otherwise agreed in writing, a normal working week is comprised of forty (40) hours; eight (8) hours per working day, spread over five (5) working days. Local holidays shall be observed. Unless otherwise agreed, any Service Work done outside normal working hours shall be charged to the Customer as overtime. Any waiting and/or stand-by time for which the Contractor is not responsible shall be charged to the Customer as normal working time. Time spent by the Contractor's personnel travelling to and from the Contractor's office, the work site and the Customer-provided lodging shall be for the Customer's account. The daily remuneration and allowances shall be payable during incapacity caused by sickness of or accident to any of the Contractor's personnel if caused by failure of the Customer to maintain safety in the work site environment.

5.2 All travel expenses, plus ten percent (10%) handling cost, incurred in connection with the Contract shall be for the account of the Customer. Travel expenses include: (a) fares for journey by rail, sea, air, car and/or bus; (b) carriage, freight and customs duties as well as insurance due in connection with personal effects, instruments and tools required for the Service Work, including necessary costs for overweight on air freight; and (c) all out-of-pocket expenses incurred by the Contractor for the Service Work ordered by the Customer, such as internet use, facsimile and telephone calls.

5.3 In the event of any illness or accident affecting any of the Contractor's personnel, whether during the performance of Service Work or otherwise, necessitating medical attention or hospital treatment, the Customer shall ensure that the best and appropriate medical facilities and medications are made available to the Contractor's personnel. If it is necessary to repatriate an ill, injured, or deceased member of the Contractor's personnel, the Customer shall assist the Contractor in arranging for such repatriation in the safest and most expedient manner. All costs incurred under this Clause 4.3 shall be borne by the Contractor.

5.4 Unless otherwise agreed, payment shall be made by bank remittance in the currency and to the bank account set forth in the invoice within twenty (20) days following the date of the invoice. Payment shall be made in full without any set off, counterclaim or deduction, all expenses for remitting payments being borne by the Customer. The Customer shall pay interest on overdue payments from the maturity date until the actual date of payment at the rate of one and one quarter percent (1.25%) per month, compounded monthly. The Customer shall pay the Contractor all costs related to the collection of overdue amounts, including reasonable attorneys' fees. In the event any payment is more than thirty (30) days late, the Contractor shall be entitled to suspend or terminate the Contract by written notice to the Customer, and such remedies shall not be exclusive of the Contractor's additional rights under contract or law. Title to any part, material, equipment, supplies, consumables or replacement and any other items furnished, provided, or supplied by the Contractor in performance of the Service Work shall pass to the Customer only when payment in full has been received by the Contractor. The Contractor may as a precondition for the performance of the Service Work, request that the Customer provides the Contractor with security covering any unpaid amount already owed to the Contractor or one of its affiliates.

5.5 Any assistance or work performed by the Contractor outside the scope of Contract shall be charged as extra work in accordance with the Contractor's standard rates then in effect and with these Conditions.

5.6. All prices quoted in the Contractor's offer, order acknowledgement, price lists(s) or invoices are net and exclude taxes, duties, tariffs and similar assessments which are payable in addition as applicable. The Contractor reserves the right to make changes to its price list(s) without prior notice.

6. WARRANTY

6.1 For Service Work where the Contractor is providing Field Service, Underwater Field Service, or Workshop Services, the Contractor shall re-perform, in whole or in part, at its sole discretion, any defective Service Work which appears during the warranty period. If providing Technical Advisory Services, the Contractor shall revise or supplement any erroneous technical advice discovered during the warranty period but provides no warranty or remedy for Physical Work performed by the Customer's Primary Service Technician(s) or warranty as to the general condition of equipment with respect to which the Contractor has provided Technical Advisory Services. Investigation Services do not give rise to any warranty. Service Work does not create a general warranty for the equipment, part or component serviced, and the Contractor's sole warranty obligation is to re-perform any defective Service Work.

6.2 The Customer shall immediately take appropriate steps to prevent any defect from becoming more serious, and to enable the Contractor to perform its warranty obligations under Clause 6.1.

6.3 All warranty claims shall be made in writing without delay and not later than fourteen (14) days following discovery of such defect during the warranty period. The Customer shall have the responsibility to establish that its claim is covered by this warranty. Parts replaced by the Contractor under warranty shall become the Contractor's property and upon the Contractor's request, be returned at the Contractor's cost. Delivery of repairs or re-performance under this warranty will be made in accordance with the original Contract delivery terms. The Contractor warrants that any Software shall not contain any material non-conformance with the Contractor's technical specification for such software during the warranty period and that the Cloud Service will perform substantially in accordance with the Contract and the Contractor´s technical specifications for the duration of the applicable term provided in the Contract.

6.4 The warranty period for the Service Work begins on the date of delivery and ends six (6) months from the last day of performance of the applicable Service Work. The warranty period in respect of Service Work which has been re-performed under the warranty shall expire six (6) months following the last day on which the Service Work was re-performed under the warranty. The warranty for re-performed Service Work shall be subject to the same terms, conditions, and liability limitations applicable to the original Service Work. Under no circumstances shall the warranty period of any Service Work (whether original or re-performed) extend beyond the date that is twelve (12) months following the date of commencement of the original warranty period as stipulated above in the first sentence of this Clause.

6.5 The Contractor shall not be liable for, and the warranty of this Clause does not apply to any defect due to or arising in connection with: (1) any Physical Work performed by Primary Service Technicians provided by the Customer, (2) any materials, components, tools, designs or software provided by the Customer; (3) negligence or wilful misconduct of the Customer or third parties; (4) parts, accessories or attachments other than those supplied by the Contractor in the course of performance of the Service Work; (5) improper service work, installation or alterations carried out by the Customer; (6) normal wear and tear; (7) use of unsuitable material or consumables by the Customer; (8) fluctuation in the grid; (9) any use, service or operation of any equipment, parts or components upon which Service Work was performed which is not in conformity with manuals, instructions or specifications provided by the Contractor or which is otherwise not in accordance with normal industry practice; or (10) any non-conformities, defects (including latent defects), damage, vulnerabilities, or problems with the Customer's equipment or parts which predate the Service Work, even where the Service Work specifically includes Investigative Services intended to identify such pre-existing conditions or Workshop Services to re-condition a part. The Contractor's warranty obligation does not include any cranage, electricity, scaffolding, docking, towage costs, demounting or mounting costs and expenses of the Contractor's personnel or representatives, taxes, and duties, and all such costs and expenses shall be reimbursed by the Customer to the Contractor when applicable. The Contractor's warranty obligation also does not include diving or sub-sea work, except if the Contractor originally provided Underwater Services. If, after the Contractor's warranty investigation, the Contractor (at its sole discretion) concludes that the Customer does not have a warranty claim within the scope of these Conditions, then the Customer shall be responsible for all applicable costs and expenses incurred by the Contractor in investigating or responding to the warranty claim.

6.6 THIS CLAUSE 6 SETS FORTH THE ONLY WARRANTY APPLICABLE TO THE SERVICE WORK AND IS IN LIEU OF ANY OTHER WARRANTIES, GUARANTEES, OBLIGATIONS AND LIABILITIES EXPRESS OR IMPLIED INCLUDING WARRANTIES, GUARANTEES, OBLIGATIONS OR LIABILITIES AGAINST NON-CONFORMITY OR DEFECTS. THE CUSTOMER HEREBY WAIVES ALL OTHER REMEDIES, WARRANTIES, GUARANTEES AND LIABILITIES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE (INCLUDING WITHOUT LIMITATION FITNESS FOR PURPOSE, MERCHANTABILITY OR SATISFACTORY QUALITY) WITH RESPECT TO ANY NON-CONFORMITY, DEFECT, ERROR, OR OMISSION ASSOCIATED WITH THE SERVICE WORK. THE CUSTOMER ACCEPTS THE SOFTWARE AND CLOUD SERVICE "AS IS" AND AS AVAILABLE. THE CONTRACTOR DOES NOT GUARANTEE THAT THE SOFTWARE OR CLOUD SERVICE WILL BE ERROR-FREE, VIRUS-FREE, UNINTERRUPTED OR FREE FROM VULNERABILITIES, OR THAT THE CONTRACTOR WILL CORRECT ALL ERRORS. THE CUSTOMER ACKNOWLEDGES THAT THE CONTRACTOR DOES NOT CONTROL THE TRANSFER OF DATA OVER COMMUNICATIONS FACILITIES, INCLUDING THE INTERNET, AND THAT THE CLOUD SERVICE MAY BE SUBJECT TO

LIMITATIONS, DELAYS AND OTHER PROBLEMS INHERENT IN THE USE OF SUCH COMMUNICATIONS FACILITIES. THE CONTRACTOR IS NOT RESPONSIBLE FOR ANY DOWNTIME OR OTHER PROBLEMS IN THE CUSTOMER'S OR ANY OTHER THIRD PARTY'S SYSTEMS. THE CONTRACTOR IS NOT LIABLE FOR DELAYS, DELIVERY FAILURES OR OTHER DAMAGE RESULTING FROM SUCH PROBLEMS.

7. CONTRACTOR'S LIABILITY

7.1 IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT, BREACH OF WARRANTY, TORT LIABILITY (INCLUDING NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE, SHALL THE CONTRACTOR BE LIABLE FOR ANY INDIRECT, CONTINGENT, SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, HOWEVER CAUSED OR ARISING (WHETHER ACTUAL OR ANTICIPATED) NOR FOR LOSSES OR DAMAGES (WHETHER ACTUAL OR ANTICIPATED) CAUSED BY REASON OF UNAVAILABILITY OF THE EQUIPMENT OR THE FACILITY, SHUTDOWNS OR SERVICE INTERRUPTIONS, LOSS OF USE, LOSS OF PROFITS OR REVENUE, LOSS OF SAVINGS, LOSS OF REPUTATION, INVENTORY OR USE CHARGES, COST OF PURCHASED OR REPLACEMENT POWER, INTEREST CHARGES OR COST OF CAPITAL, ANY CLAIMS OF THE CUSTOMER'S CUSTOMERS, PUNITIVE OR EXEMPLARY DAMAGES, THE COST OF SUBSTITUTED EQUIPMENT, SPARE PARTS OR SERVICES OR REPLACEMENT, REMOVAL OR REINSTALLATION SERVICE WORK NOT ARISING FROM THE WARRANTY PROVIDED HEREIN, TOWAGE CHARGES, POLLUTION REMEDIATION COSTS, COSTS OF DOCKING, DIVING OR SUB-SEA WORK, DAMAGE TO ANY VESSEL, ENGINE ROOM OR POWER PLANT SITE, YARD OR OTHER PROPERTY (INCLUDING DAMAGE TO GOODS OWNED BY THE CUSTOMER), DAMAGE TO ANY EQUIPMENT OR PROPERTY OTHER THAN THE EQUIPMENT, COMPONENTS OR PARTS ON WHICH SERVICE WORK WAS DIRECTLY PERFORMED HEREUNDER, COSTS FOR ANY ADDITIONAL TESTS, SEA TRIALS, DEBRIS REMOVAL OR FOR LOSS OF TIME OR USE OF ANY EQUIPMENT, INSTALLATION SYSTEM, OPERATION OR SERVICE, LOSS OR CORRUPTION OF DATA.

7.2 NOTWITHSTANDING ANY OTHER PROVISION OF THE CONTRACT, IN NO EVENT SHALL THE CONTRACTOR'S AGGREGATE LIABILITY TO THE CUSTOMER UNDER THIS CONTRACT, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR ANY OTHER LEGAL THEORY OR EQUITY, EXCEED THIRTY PERCENT (30%) OF THE CONTRACT PRICE.

7.3 The Contractor shall not be liable for any work carried out by the Customer, the Customer's Primary Service Technician(s), or by any third party, even though carried out under the direction or supervision of, with assistance from, or vetted by the Contractor's personnel or Technical Advisor(s). The Customer shall bear the risk of loss of its equipment and other goods in connection with the Service Work, even if such equipment or goods are in facilities used by the Contractor.

7.4 The Contractor shall not be liable for any harm, injury or damages due to or arising in connection with: (1) limited, inaccurate, or insufficient visibility, information or situational awareness where the Service Work is performed remotely, (2) software provided by the Customer; (2) monitoring, digital and/or cybersecurity-related systems other than those provided by the Contractor; or (3) improper service work, installation or alterations carried out by the Customer on any monitoring, digital and/or cybersecurity-related systems. Improper service work includes any act or omission which contradicts the recommendations regarding maintenance, configuration or operation issued by the supplier or manufacturer of the system resulting in detrimental reliability or increased possibility of failure.

8. INSURANCE

Each of the Contractor, the Customer, and any subcontractor of the Customer providing Primary Service Technician(s) to the Customer, shall at its own cost provide for and maintain comprehensive insurance coverage to protect its own property and personnel and cover its general liability.

Each party shall obtain a waiver of all rights of recourse and subrogation against the other party from its insurers as well as indemnify and hold the other party harmless for all claims of or by either of the parties' insurers.

9. FORCE MAJEURE AND OTHER EXCUSABLE DELAYS

9.1 Neither the Contractor nor the Customer shall be liable for any failure or delay in performing its obligations hereunder, or for any loss or damage resulting therefrom, caused by, or arising from an event of force majeure ("Force Majeure"). Force Majeure means any events or circumstances (whether foreseen or unforeseen) which are beyond the reasonable control of the party affected, and includes without limitation acts of God, wars whether declared or not, any events involving ammunitions of war, civil wars and riots, hostilities, public disorder, acts of terrorism and severe threat of terrorism, cyber incidents, any measures taken by public authorities in connection with threat of terrorism, embargos and import or export restrictions, acts of civil or military authorities, any lawful or unlawful restrictions and actions of any public authority or government, sanctions, boycotts, fire, flood, accidents, strikes, failure of a subcontractor or sub-supplier of the Contractor to provide manpower, materials or goods caused by an event that qualifies under this Clause 8.1, shortage of transportation, the imposition of transport restrictions or customs clearance problems, epidemics, unusually severe weather affecting either party, or causes beyond their control.

9.2 Once a party is aware that its performance under the Contract is affected by Force Majeure, the affected party shall, without undue delay, give written notice to the other party briefly setting out relevant details of the delay.

9.3 If the Service Work cannot be commenced as agreed or is interrupted due to reasons of Force Majeure or for other reasons not attributable to the Contractor, the costs for maintaining personnel at or near the work site (including, without limitation, wages and lodging) will be borne by the Customer. If the interruption continues for more than one week, the Contractor may, at its own discretion, withdraw such personnel to their home location or another reasonable location. All expenses in relation to such withdrawal and/or subsequent return shall be borne by the Customer. All reasonable additional costs incurred by the Contractor because of the suspension and any subsequent resumption or completion of the Service Work shall be reimbursed by the Customer.

9.4 If the period of suspension exceeds two (2) months, either party may terminate the Contract by three (3) days' notice in writing to the other party without prejudice to the rights of either party up to the date of termination. Any termination because of Force Majeure shall not affect a party's right to receive payment in respect of all costs incurred, as at the date of the termination notice, in pursuit of its obligations.

10. SECURITY AGREEMENT

To the extent permitted by law, the Customer hereby grants to the Contractor a lien on and a continuing security interest, and when applicable a maritime lien for necessaries, in and to all equipment, parts and components upon which the Service Work is performed and all products and proceeds derived from the sale or lease thereof as security for the payment in full of such Service Work. The Customer hereby waives all claims, defences, and causes of action that the Customer may have in connection with the exercise of any such lien rights by the Contractor.

11. THE CUSTOMER'S ADDITIONAL PERFORMANCE OBLIGATIONS

The Customer shall comply with all laws, rules, and regulations applicable to the performance of the Service Work. The Customer shall provide or secure for the Contractor, at no cost, all the following facilities, rights and services which must be in English or another language acceptable to the Contractor's personnel, and of sufficient type, quality and/or quantity for the Contractor's performance of the Service Work, unless otherwise agreed to in writing by the parties:

11.1 Ancillary manpower equipped with appropriate tools (such as drills and hand lamps), heavy duty hoisting and transport facilities along with the necessary fuel, lubricants, water, electricity, compressed air and cleaning facilities for the Contractor's performance of the Service Work;

11.2 Heated and/or air-conditioned facilities with available drinking water for the Contractor's personnel near the work site as follows:

(a) service storage sheds with locks, equipped with shelves and bins for tools, equipment and supplies of the Contractor's personnel;
(b) changing rooms, provided with locks, toilet and washing facilities for the use of the Contractor's personnel; and
(c) furnished offices with locks, equipped with telephones, facsimile, internet, and other communication requirements of the Contractor's personnel.

11.3 Heated and/or air-conditioned boarding and lodging facilities for the Contractor's personnel that must:

(a) be safe, secure, clean, and free of health risks;
(b) have a satisfactory level of comfort and privacy, allowing for a good rest;
(c) have a toilet and shower, with privacy, located near the cabin or the lodging facility;
(d) have freedom to access leisure or social activities after work;
(e) have access to internet;
(f) lodge a maximum of 2 persons per cabin or room, without "Hot bedding", and clean laundry provided at regular intervals; and
(g) have choice of hot meal.

11.4 Assistance requested by the Contractor with the customs formalities required for the import and export of the Customer's parts and the Contractor's equipment and tools, free of all duties and taxes.

11.5 Assistance to ensure that the Contractor's personnel obtain visas and any other official entry, exit, residence, working, or activity-specific permits (e.g. diving permits) that may be required by the authorities or commercial entities controlling the work site, including to secure free ingress to and egress from the work site and freedom to carry out the Service Work.

11.6 Information concerning: (i) the local laws and regulations applicable to the Service Work; (ii) any dangerous conditions or unusual risks that may be encountered in the Customer's country, at the work site or in the use of any equipment or tools provided by the Customer; and any information about specific conditions, including weather and ocean conditions, at the work site that the Contractor may reasonably request.

11.7 Additional safety or accommodation measures reasonably requested by the Contractor, as may be specified in bulletins or minimum work site safety and accommodation requirements for its personnel published by the Contractor from time to time.

11.8 Any reasonable assistance from the Customer's employees and subcontractors as needed for the Contractor to perform its Service Work.

11.9 The right to access the location where the Service Work will be performed, including securing such right from third parties if the premises are owned or controlled by a third party (such as a shipyard), without the need for the Contractor to undertake any additional obligations or liabilities beyond this Contract as a precondition to access.

11.10 In the event the Customer is unable or unwilling to provide a facility, right or service specified in this Clause 11, the Contractor may, at its option, terminate or suspend the Contract without liability to the Customer, or itself secure such facility or service at the expense of the Customer.

12. ENVIRONMENTAL, HEALTH AND SAFETY RESPONSIBILITIES

12.1 The Customer shall adhere to the Contractor's then-current Safety and Well-Being Pledge, which is available at https://www.wartsila.com/general-terms-conditions.The Contractor may support with any remediations needed to bring the Customer into compliance with the Safety and Well-Being Pledge as additional Service Work, and the Customer shall pay for such additional Service Work that it requests the Contractor to perform.

12.2 If, in the Contractor's reasonable opinion, the health, safety, welfare or security of personnel or the work site is, or is apt to be, imperilled by security risks, terrorist acts or threats, the presence of or threat of exposure to hazardous materials or unsafe working conditions or environment (whether or not specific to the site), the Contractor and its representatives have the same responsibility and authority as the Customer to stop the Service Work. The Contractor may, in addition to other rights or remedies available to it, (i) evacuate some or all its personnel from the work site, (ii) suspend performance of all or any part of the Contract, and/or (iii) remotely perform or supervise the Service Work. Any such occurrence shall be considered an excusable event without any liability to the Contractor. The Customer shall reasonably assist in any such evacuation. All reasonable additional costs incurred by the Contractor because of the suspension and any subsequent resumption or completion of the Service Work shall be reimbursed by the Customer.

12.3 Operation of the Customer's equipment is the responsibility of the Customer. The Customer shall ensure sufficient safety measures and procedures are followed, when implementing the Contractor's instructions or advice.

12.4 The Contractor has no responsibility or liability for the pre-existing condition of the Customer's equipment or the work site.

12.5 The Customer shall disclose to the Contractor industrial hygiene and environmental monitoring data regarding conditions that may affect the Contractor's work or personnel at the work site. The Customer shall immediately inform the Contractor of changes in any such conditions.

12.6 The Customer represents and warrants to the Contractor and agrees to ensure that the work site, surrounding environment, all equipment provided or otherwise made available to the Contractor's representative in connection with the Service Work rendered in connection with this Contract and all products and equipment serviced or otherwise worked on by the Contractor's representatives in connection with this Contract, shall at all times be safe, suitable and sufficient for the designated tasks, free of Hazardous Materials and/or contaminated substances, risks of infectious disease or outbreak of illness, elements or waste of any kind that are restricted by applicable laws or regulations and hazardous to the health or safety of the Contractor's representatives. If the Customer is in breach of any such representation, warranty or covenant, the Contractor may immediately cease performance under this Contract and the Customer shall be liable for the full amount of the fees due under this Contract for all services provided through the date of such termination.

12.7 The Contractor shall notify the Customer if the Contractor becomes aware of: (i) conditions at the work site differing materially from those disclosed by the Customer; or (ii) previously unknown physical conditions at work site differing materially from those ordinarily encountered and generally recognized as inherent in Service Work of the character provided for in the Contract; (iii) changes in conditions, such as metocean or meteorological conditions, that would render it unsafe to continue the Service Work; or (iv) the work assignment extending beyond the acceptable daily limit (as detailed in the Safety and Well-Being Pledge) or the applicable legal limit of work hours, whichever is shorter, in a single work shift. If any such conditions cause an increase in the Contractor's cost of, or the time required for, performance of any part of the Service Work under the Contract, an equitable adjustment in price and schedule and the Contractor's rest cycle shall be made.

12.8 If the Contractor encounters Hazardous Materials in the Customer's equipment or at the work site that require special handling or disposal, the Contractor is not obligated to continue Service Work affected by the hazardous conditions. In such an event, the Customer shall eliminate the hazardous conditions in accordance with applicable laws and regulations so that the Contractor's Service Work under the Contract may safely proceed, and the Contractor shall be entitled to an equitable adjustment of the price and schedule to compensate for any increase in the Contractor's cost of, or time required for, performance of any part of the Service Work. The Customer shall properly store, transport, and dispose of all Hazardous Materials introduced, produced, or generated during the Contractor's Service Work at the work site. The Customer shall be responsible for all costs and expenses related to the management, handling, clean-up, removal and/or disposal of all Hazardous Materials and/or contaminated substances, elements or waste of any kind as defined by applicable laws and regulations or applicable to the Service Work supplied.

12.9 The Customer shall indemnify the Contractor for any and all claims, damages, losses, fines, penalties and expenses arising out of or relating to any unsafe working conditions, hazardous conditions, Hazardous Materials and/or contaminated substances, elements or waste of any kind that are restricted by applicable laws or regulations which are or were: (i) present in or about the Customer's equipment or the work site prior to the commencement of the Contractor's Service Work; (ii) improperly handled or disposed of by the Customer or the Customer's employees, agents, contractors or subcontractors; or (iii) brought, generated, produced or released on the work site by parties other than the Contractor.

13. PARTS NOT SUPPLIED BY WARTSILA

13.1 The Contractor may inspect the Customer equipment and parts before or during the performance of the Service Work to identify the presence of parts other than those supplied by the Contractor.

13.2 If parts other than those supplied by the Contractor are discovered during the inspection or in the course of performing the Service Work, the Contractor may: (i) immediately cease all work on or using the affected equipment and/or part(s); (ii) require the Customer to provide clear and sufficient evidence that the parts were manufactured in accordance with industry-standard quality assurance processes (e.g. ISO 9001:2015 certification) and, if applicable, comply with emission regulations such as the NOx emission standards under Marpol Annex VI Regulation 13; and/or (iii) with no liability to the Contractor, terminate the Contract or suspend the Contract until such parts are replaced with Wärtsilä parts.

13.3 If the Customer fails to provide the evidence described in Section 13.2(ii) the Contractor may, without liability: (i) refuse to perform any further work on or using the affected equipment and/or parts, and (ii) suspend or terminate the Contract.

13.4 The Customer agrees to fully cooperate with the Contractor in identifying the parts other than those supplied by the Contractor, as well as their origin.

14. CYBERSECURITY PROTECTION

14.1 Unless otherwise agreed, upon delivery of any equipment provided by the Contractor, the Customer shall be solely responsible for system integrations and/or system security engineering for any equipment not provided by the Contractor. It is the Customer's sole responsibility to protect the equipment and its logic-bearing system components (e.g. hardware, firmware, and software hereinafter referred to as the "Critical Components") from any External Cybersecurity Threat or Internal Cybersecurity Threat, including against hardware and software vulnerabilities. In recognition of the foregoing, the Customer agrees and covenants that it shall use the degree of care appropriate to prevent unauthorized access, use, or hacking of the Critical Components provided in connection with any equipment provided by the Contractor and shall do so in a manner that is no less rigorous than any recommendations provided by the Contractor and accepted industry practices. The Contractor is not liable for cyber incidents or breaches, any unauthorized access, interference, intrusion, leakage and/or theft of data or information within the Customer´s Information Technology (IT) or Operational Technology (OT) systems. If either party becomes aware of any IT or OT security breach or cyber incident that impacts either party's ability to perform its duties relevant to the scope of work under the Contract, that party shall notify the other party without undue delay.

14.2 "External Cybersecurity Threat" is any threat, act, attack, or other incident which negatively affects the reliable workings of any equipment provided by the Contractor, which originated outside of the physical site housing such equipment.

14.3 "Internal Cybersecurity Threat" is any threat, act, attack, or other incident which negatively affects the reliable workings of any equipment provided by the Contractor, which originated inside of the physical site housing such equipment.

15. DUTIES, TAXES AND FEES

Notwithstanding anything to the contrary, the Customer shall pay all duties, tariffs, withholding and other taxes, customs fees and charges and all charges and fees by a classification or inspection society (collectively, "Taxes, Duties & Fees"). Moreover, notwithstanding the delivery terms, any increases in Taxes, Duties & Fees that occur after the date the Contractor's offer shall be paid by the Customer. All such documentation or approvals which are required by applicable laws, and any applicable modifications of such laws, shall be the responsibility of and paid by the Customer.

16. EXPORT CONTROLS AND TRADE SANCTIONS

16.1 The parties agree that the Service Work shall be provided subject to all applicable export controls, sanctions or restrictions imposed on services and goods by any country or organization or nation which are enforceable in the jurisdiction of the Contractor, its affiliates or parent company, including the Contractor's country, the United Nations, the European Union, and the United States of America. The Customer acknowledges that the Service Work, any parts, or components, and all related technical information, documents and materials may not be imported or exported, re-exported, transhipped, traded, diverted, or transferred, directly or indirectly, contrary to such controls, sanctions, or restrictions. The Customer shall comply with the sanctions detailed in the Wärtsilä Supplemental Export Control and Sanctions Annex available at https://www.wartsila.com/general-terms-conditions, and warrants not to place the Contractor in a situation where it would be violating such sanctions.

16.2 Upon request by the Contractor, the Customer shall furnish the Contractor with all the relevant certificates relating to export control laws, regulations, sanctions, and restrictions.

16.3 The Contractor has no liability resulting from any delay, cancellation or amendment of the Service Work resulting from export controls, sanctions, or other applicable restrictive measures.

17. GOVERNING LAW AND DISPUTE RESOLUTION

17.1 The Contract shall be governed by and interpreted in accordance with the laws in force at the registered office of the Contractor, excluding the conflict of law rules applicable in such jurisdiction. Any controversy, claim or dispute between the parties hereto shall be submitted to the International

Court of Arbitration of the International Chamber of Commerce for final and binding arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce by three (3) arbitrators appointed in accordance with the said Rules. The arbitration proceedings shall be in the English language and shall take place in Paris, France.

17.2 Nothing contained in this Clause shall preclude the Contractor from bringing legal action or proceeding against the Customer for purposes of enforcement, injunctive relief or interim or remedial measures in the courts of any jurisdiction where the Customer or any of its property or assets may be found or located, and the Customer hereby irrevocably submits to the jurisdiction of any such court.

17.3 Any and all claims by the Customer for an alleged negligent act, error, or omission by the Contractor in relation with these Conditions or the Service Work shall be presented by Customer to the Contractor in writing, immediately upon discovery by the Customer or as soon as is reasonably practicable and in no event later than fourteen (14) Days thereafter. The liability of the Contractor shall in all cases expire twelve (12) Months after completion of Service Work or termination of the Conditions, whichever occurs earlier.

18. DATA PROTECTION

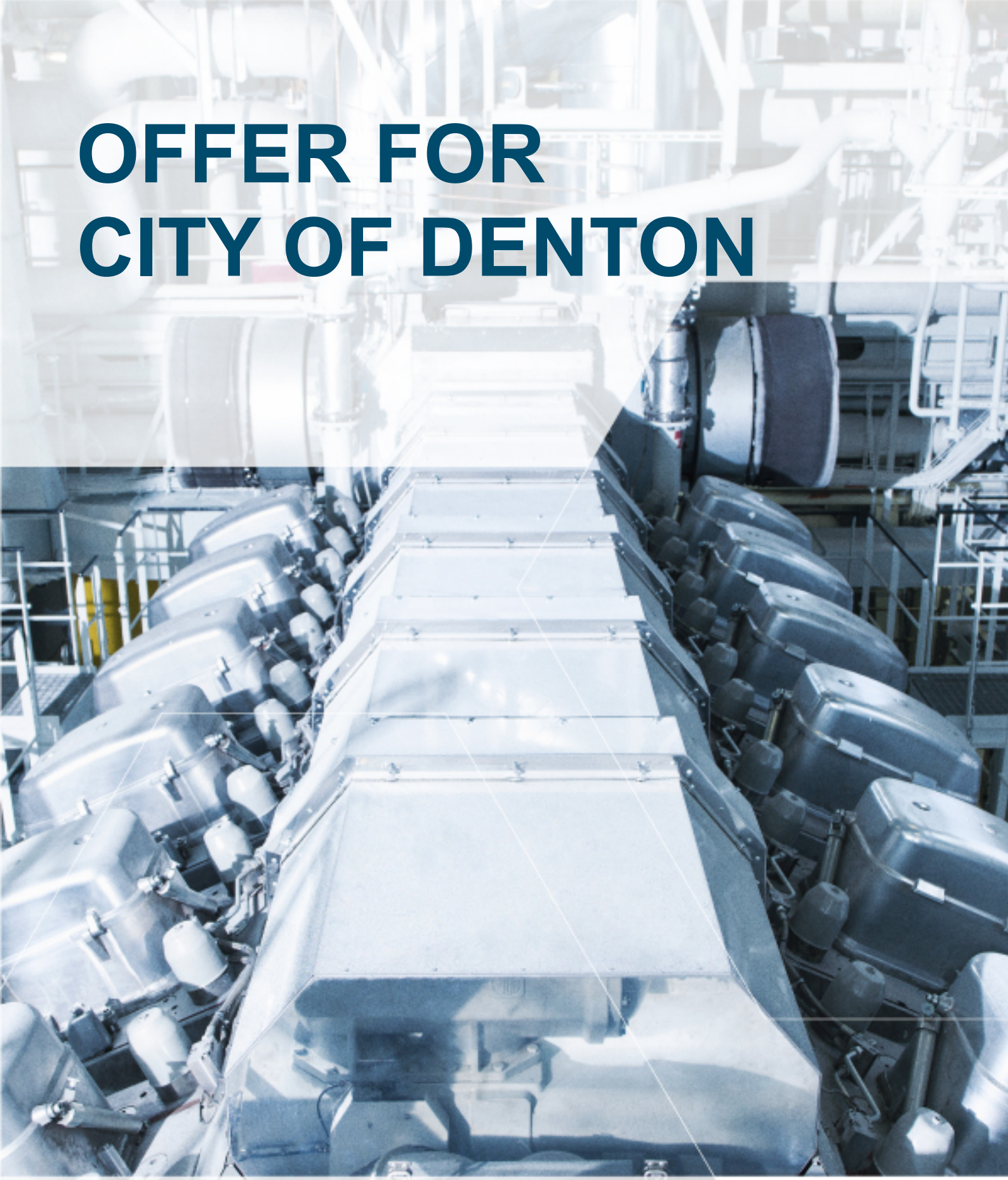
The Contractor's personal data processing activities are set out in the Contractor's Privacy Notice which is available at: https://www.wartsila.com/legal-privacy/privacy and incorporated herein by reference. The parties agree that in relation to any personal data shared between them, unless otherwise provided in the General Data Protection Regulation (EU 2016/679) ("GDPR"), or agreed between the parties, both are acting as data controllers as described in GDPR.

19. ENTIRE AGREEMENT

These Conditions, along with any additional terms, annexes or addendums referenced in these Conditions, referenced in the Contractor's offer or order acknowledgement, or mutually agreed in the Contract contain the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings relating to such subject matter. The sale of any parts purchased from the Contractor by the Customer shall be in accordance with the Contractor's General Terms and Conditions – Parts (latest version then in effect). If a provision of these Conditions is at variance with necessary requirements of applicable law, then these Conditions shall be deemed to be amended to the minimum extent necessary to comply with such applicable law. No terms, conditions, representations, warranties, or covenants contained in any correspondence, catalogue, or in any other form shall be applicable unless incorporated herein by express written agreement of the parties hereto.



OFFER FOR CITY OF DENTON



CITY OF DENTON
DENTON ENERGY CENTER

WÄRTSILÄ

542

Offer number: SO-127657-1
Date: May 6, 2025

Customer
City of Denton
1659 Spencer Road
Denton Texas 76205

Your Contact Arthur Pando
Your Inquiry Date May 4, 2025
Your Reference
Terms of Payment 30 days net
Offer Valid To Jun 5, 2025

QTY (6) CYLINDER HEAD WORKSHOP SERVICE OFFER FOR DENTON ENERGY CENTER

Dear Arthur,

Thank you for allowing Wartsila to provide an offer for your service. Please see below our Workshop service offer to overhaul six (6) W50SG Cylinder heads.

This offer is valid for the following equipment:
DENTON ENERGY CENTER
PAAE317355 WÄRTSILÄ 18V50SG

4S CYLINDER HEAD - OVERHAUL Includes the following for 6 x Cylinder heads: • Inspection of parts at receipt / Complete disassembly / Cleaning and measurement / Inspection of landing surfaces / Pressure test • Overhaul valve rotators / Overhaul valves and valve seats / Check contact of valves / Pressure test / Clean gasket surfaces of threaded holes / Re-assembly of components / Preserve, package and report • Exchange Valve Guide, Exchange EX Seat Ring, Heating for Pressure Ring, Machine EX Seat Ring Pocket, Paint to Customer Color.	USD 36,480.00
Spare Parts: 301087011	USD 64,589.04
Other costs Includes estimated shipping costs both ways for the cylinder head	USD 13,000.00
Estimated total price excluding VAT/Tax	USD 114,069.04
Total price	**USD 114,069.04**

Will be invoiced according to actual hours

Workshop

New Orleans Workshop Location:
1313 MacArthur Ave Harvey,
LA 70058, New Orleans, USA

Offer number: SO-127657-1
Date: May 6, 2025

PAAE317355 WÄRTSILÄ 18V50SG

4S CYLINDER HEAD - OVERHAUL	Quantity
• Cylinder head - Inspection	6.00
• Cylinder head - Overhaul	6.00
• Exchange valve guide (per one)	12.00
• Machine cylinder head sealing surface	6.00
• Exchange EX seat ring (per one)	12.00
• Exchange IN seat ring (per one)	12.00
• Heating for pressure testing	6.00
• Machine EX seat ring pocket (per one)	12.00
• Paint to customer color	6.00

Note: Any additional Inspection Dependent activity is not included in this offer. If in case such activities are required based on inspection, Wartsila will provide an additional accurate cost to accomplish those activities once inspection completed

Spare parts

Please see quote#301087011. This includes spare parts for the workshop service.

Terms of offer

Offer specific terms

Estimated transportation costs are included on the above price. Actual transportation costs will be invoiced at cost +10%

Notes

Any additional parts to be identified and handled separately after detailed inspection.

Customer responsibilities

- Dismounting and mounting of cylinder heads
- Package cylinder heads for transportation

Deliverables

Wärtsilä will provide a complete service work report after completion of the service attendance. This report will include all measurements taken during the service and recommendations.

Additional work

If the service measures will reveal the necessity for any additional required measures or spare parts, this will be offered separately. The Customer will be notified to obtain approval prior to commencement of work. Additional ordered parts during execution will be invoiced after completion.

Change of requirements

Any change in requirement and/or scope of supply will be subject to review and may affect prices offered. For any changes to the specification requested after acceptance of the order, we reserve the right to amend prices and delivery dates accordingly.

Offer number: SO-127657-1
Date: May 6, 2025

Conditions

This Offer is governed by Wärtsilä's General Terms and Conditions, attached, unless a signed framework or maintenance agreement between the parties takes precedence. The applicability of any other Terms and Conditions is expressly rejected. Validity of this document is subject to the full payment of all the overdue invoices and approved credit review by Wärtsilä.

Appendices

301087011_06.05.2025_0820
Wartsila Safety Commitment

We hope our offer meets your expectations and we are looking forward to receiving your order.

Sincerely

Wärtsilä North America, Inc.
Andrew Corbitt
Account Manager, Energy Services
andrew.corbitt@wartsila.com

Wärtsilä North America, Inc.
Nisar Ahmed
Senior Lifecycle Proposal Engineer, USA & Canada
nisar.ahmed2@wartsila.com

Quotation

Wärtsilä North America, Inc.

Sold-to address
City of Denton
1659 Spencer Road
Denton TX 76205

Date 2025-05-05, 02:27 pm (UTC)
Print out date 2025-05-06, 07:25 pm (UTC)
Quotation number 301087011
Installation
DENTON ENERGY CENTER

Our contact person **Phone**
Syeda Pealy +1 905-550-9807
SYEDA.N.PEALY@WARTSILA.COM
Your contact person
nisar ahmed
Your reference
Cylinder Head Overhaul
Your order date
2025-05-05
End customer reference
Cylinder Head Overhaul
Mode of delivery
TO BE COLLECTED
Terms of delivery
FCA Kampen Incoterms 2020
Customer number
92018
VAT Number

Shipping address
Denton Energy Center
C/O Wärtsilä North America, Inc
8161 Jim Christal Road
DENTON TX 76207
USA

Notify address
syeda.n.pealy@wartsila.com

Terms of payment
30 Days Net
Quotation valid to 2025-06-04

This transaction shall be governed solely by the Parties# Master Services Agreement by and between the City of Denton and Wartsila North America, Inc. as effective July 16th, 2019 without reference to any other terms except as explicitly contemplated therein.

Item PO. Item	Part no. Product no. Country/HSN code	Description Product type Availability	Net Weight/ Total	Qty	Unit	Price/unit	Total
Subject to prior sales. Availability is given according to current availability, lead times and on FCA basis. In case of urgency availability can be rechecked upon requests. The price is for the given quantity.							
000100	120081	Valve guide					
	PAAE317355	W18V50	4.075/ 48.900 KG	12	PC	332,35 USD	3.988,20
		IN STOCK		12	PC		
	FI/IT/84099900						

Delivered from: Kampen, Netherlands

Continued on page 2

Quotation

Wärtsilä North America, Inc.

Date 2025-05-05
Quotation number 301087011

Item PO. Item	Part no. Product no. Country/HSN code	Description Product type Availability	Net Weight/ Total	Qty	Unit	Price/unit	Total
000200	120242	O-ring					
	PAAE317355	W18V50	0.011/ 0.132 KG	12	PC	109,46 USD	1.313,52
		IN STOCK		12	PC		
	IT/39269097						
Delivered from:		Kampen, Netherlands					
000400	121010	Exhaust valve					
	PAAE317355	W18V50	9.400/ 112.800 KG	12	PC	2.085,98 USD	25.031,76
		IN STOCK		12	PC		
	JP/84099900						
	The price is for the given quantity.This item has to be specially procured, and shall not be cancelled or returned. The price is for the given quantity. This item has to be specially procured, and shall not be cancelled or returned.						
Delivered from:		Kampen, Netherlands					
000500	121004	O-ring					
	PAAE317355	W18V50	0.002/ 0.048 KG	24	PC	21,32 USD	511,68
		IN STOCK		24	PC		
	IT/39269097						
Delivered from:		Kampen, Netherlands					
000700	120103	VALVE SEAT RING EXHAUST OVERSIZED 0.5 M+					
	PAAE317355	W18V50	2.330/ 27.960 KG	12	PC	2.403,13 USD	28.837,56
		IN STOCK		12	PC		
	FI/84099900						
Delivered from:		Kampen, Netherlands					

Continued on page 3

Wärtsilä North America, Inc.
11710 North Gessner Road, Suite A
Houston, TX 77064
Tel. +1 281 233 6200
Fax +1 281 233 6233
www.wartsila.com

Wire Transfer Information (USD):
Nordea Bank AB (publ), NY Branch
1211 Avenue of the Americas
New York, NY 10036
Account No. 7049163001
ABA No. 026010786
Swift No. NDEAUS3N

Lock Box Information
Wartsila North America, Inc.
Lockbox # 892450
Dept 2450
P.O. Box 122450
Dallas, TX 75312-2450

Bank: Nordea Bank Abp
Bank code no.: 026010786
Wire Transfer Information (EUR):
Nordea Bank AB (publ), Finnish Branch
Satamaradankatu 5, 5th floor, Helsinki
FI-00020 NORDEA, Finland
Account Name: Wartsila North America Inc.
IBAN No. FI0816603001059727
Swift No. NDEAFIHH

Quotation

Wärtsilä North America, Inc.

Date 2025-05-05
Quotation number 301087011

Item PO. Item	Part no. Product no. Country/HSN code	Description Product type Availability	Net Weight/ Total	Qty	Unit	Price/unit	Total
000800	120012	Seat ring, inlet					
	PAAE317355	W18V50	1.947/ 23.364 KG	12	PC	408,86 USD	4.906,32
		IN STOCK		12	PC		
	FI/IT/84099900						

This is standard size Seat Ring. Please confirm if you need oversized seat ring.

Delivered from: Kampen, Netherlands

Goods total	**64.589,04**
	0,00
Total amount	**USD 64.589,04**

Validity of this quotation is subject to the full payment of all the overdue invoices and approved credit review by Wärtsilä
EU HS and Origin codes might be preliminary and could be subject to change.

Yours faithfully,

Wärtsilä North America, Inc.

For Parts and Services: If not otherwise stated in this document, the latest Wärtsilä General Terms and Conditions Parts and/or the latest Wärtsilä General Terms and Conditions Services are applied. These General Terms and Conditions are available on the web http://www.wartsila.com/general-terms-conditions. Purchaser#s (General) Terms and Conditions are hereby expressly excluded as are any other (General) Terms and Conditions not explicitly mentioned or referred to in this document. Interest will accrue from the invoice due date at the rate stated in Wärtsilä GTC, unless otherwise defined in the Contract between the Customer and the Wärtsilä Company. A surcharge shall be added in case an order value is lower than the minimum order value of 200 EUR or equivalent currency value excluding freight. Possible claims regarding invoices must be made within 14 days after the date of invoice. Wärtsilä uses data gathered from equipment and software to improve and develop our products and services.

Wärtsilä North America, Inc.
11710 North Gessner Road, Suite A
Houston, TX 77064
Tel. +1 281 233 6200
Fax +1 281 233 6233
www.wartsila.com

Wire Transfer Information (USD):
Nordea Bank AB (publ), NY Branch
1211 Avenue of the Americas
New York, NY 10036
Account No. 7049163001
ABA No. 026010786
Swift No. NDEAUS3N

Lock Box Information
Wartsila North America, Inc.
Lockbox # 892450
Dept 2450
P.O. Box 122450
Dallas, TX 75312-2450

Bank: Nordea Bank Abp
Bank code no.: 026010786
Wire Transfer Information (EUR):
Nordea Bank AB (publ), Finnish Branch
Satamaradankatu 5, 5th floor, Helsinki
FI-00020 NORDEA, Finland
Account Name: Wartsila North America Inc.
IBAN No. FI0816603001059727
Swift No. NDEAFIHH

Offices located in Ft. Lauderdale, New Orleans, Seattle, Long Beach, Annapolis Cranford and Juneau

WÄRTSILÄ'S QUALITY, ENVIRONMENTAL, HEALTH AND SAFETY POLICY

Wärtsilä is a global leader in smart technologies and complete lifecycle solutions for the marine and energy markets.

Protecting the environment, enhancing customer business, and contributing to a sustainable future is the essence of what we do. Our solutions and operations are safe, reliable, efficient, environmentally sound, and compliant with regulatory and other applicable requirements.

We give the highest priority to preventing occupational injuries and illnesses by assuring safe and healthy workplaces in all of our business operations, and we authorise work to be stopped if conditions are considered unsafe, or if quality is being compromised.

We set objectives and continually improve our QEHS performance. We actively eliminate defects and hazards, and reduce QEHS associated risks.

We communicate and consult with employees and other relevant stakeholders to ensure that our QEHS practices are enforced and constantly improved.

Our skilled organization acts as a responsible global citizen.

Approved by Wärtsilä Board of Management 15.04.2021



Håkan Agnevall

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, RATIFYING THE EXPENDITURE OF FUNDS BY THE CITY MANAGER FOR THE REPAIR AND REPLACEMENT OF CYLINDER HEADS FOR THE DENTON ENERGY CENTER; AND PROVIDING AN EFFECTIVE DATE (FILE 8860 – AWARDED TO WARTSILA NORTH AMERICA, INC., IN THE NOT-TO-EXCEED AMOUNT OF $188,483.04).

WHEREAS, state law and city policy requires that certain contracts requiring an expenditure or payment by the city in an amount exceeding $50,000 be by competitive bids, except in the case of public calamity where it becomes necessary to act at once to appropriate money to relieve the necessity of the citizens of the city, or in case of unforeseen damage to public property, machinery, or equipment, or where the procurement is necessary to preserve or protect the public health or safety of the city's residents under Section 252 of the Local Government Code; and

WHEREAS, the City Manager has recommended to the City Council that it is necessary to ratify the purchase of goods or services due to the following emergency conditions outlined in the memorandum referenced herein; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Council hereby determines that there is a public calamity that makes it necessary to act at once to appropriate money to relieve the necessity of the citizens of the city, or to provide for unforeseen damage to public property, machinery, or equipment, or to preserve or protect the public health or safety of the city's residents, and by reason thereof, the following emergency purchases of materials, equipment, supplies, or services, as described in the "Declaration of Emergency Memorandum" referenced herein and on file in the office of the Purchasing Agent, are hereby approved:

FILE NUMBER	VENDOR	AMOUNT
8860	Wartsila North America, Inc.	$188,483.04

SECTION 2. Because of such emergency, the City Manager, or a designated employee, is hereby authorized to purchase the materials, equipment, supplies, or services as described in the Memorandum on file in the office of the Purchasing Agent, and to make payment therefore in the amounts therein stated. Such emergency purchases, being in accordance with the provisions of state law, exempt such purchases by the city from the requirements of competitive bids.

SECTION 3. 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 4. 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:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Marcella Lunn

File #: ID 25-1191, **Version:** 1

AGENDA CAPTION

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, ratifying the expenditure of funds by the City Manager for the emergency purchase and installation of a replacement 2500kva transformer for the Lake Lewisville Water Treatment Plant; and providing an effective date (File 8861 - awarded to Shermco Industries, Inc., in the not-to-exceed amount of $147,500.00). The Public Utilities Board recommends approval (5 - 0).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: July 15, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, ratifying the expenditure of funds by the City Manager for the emergency purchase and installation of a replacement 2500kva transformer for the Lake Lewisville Water Treatment Plant; and providing an effective date (File 8861 – awarded to Shermco Industries, Inc., in the not-to-exceed amount of $147,500.00). The Public Utilities Board recommends approval (5 - 0).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

INFORMATION/BACKGROUND

One of two utility power transformers that supply power to the Lake Lewisville Water Treatment Plant has failed and cannot be repaired. The average life cycle for this type of transformer is 20 to 30 years. The transformer in question was installed in 1993 and is now beyond its expected service life.

This transformer provides critical power to the high-service pumps that deliver treated drinking water to the City's distribution system. During the failure, the redundant onsite utility transformer (manufactured in 2012) was utilized to power the entire high-service pump station.

Operating the high-service pump station with only one transformer places unnecessary stress on the electrical system. If the remaining transformer were to fail, the plant would be unable to supply water to the city. The redundant utility transformer is designed to share and balance the electrical load under normal operating conditions, not to handle the full electrical load for extended periods.

Under current market conditions, utility transformers of this type can have lead times of up to three years. Staff was able to source the correct replacement transformer locally. Installation, commissioning, and return to normal operations were completed on June 26, 2025.

Project Description	Estimated Expenditures
Installation of 2500kva Transformer	$147,500.00
1 Year Service Warranty	Included
Removal of old transformer and oil	Included
Installation of Infrared viewing windows	Included
Total	**$147,500.00**

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 23, 2025, the Public Utilities Board (PUB) recommended this item to the City Council for consideration.

RECOMMENDATION

Staff recommends ratifying the emergency purchase and installation of a replacement 2500kva transformer for the Lake Lewisville Water Treatment Plant, in the estimated expenditure amount of $147,500.

PRINCIPAL PLACE OF BUSINESS

Shermco Industries, Inc.
Irving, TX

ESTIMATED SCHEDULE OF PROJECT

Delivery and installation are estimated to occur on June 25, 2025.

FISCAL INFORMATION

These services will be funded from LLWTP DOE Transformers account 630559517.1360.40100. Purchase Order #211157 has been entered into the Purchasing software system in the amount of $147,500. The budgeted amount for this item is $147,500.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Quote
Exhibit 3: Ordinance

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: John Dillard, 940-349-7628.

Legal point of contact: Marcella Lunn at 940-349-8333.

PROPOSAL PREPARED FOR:

John Dillard
City of Denton - Lake Lewisville Water Treatment Plant

PROJECT NAME:

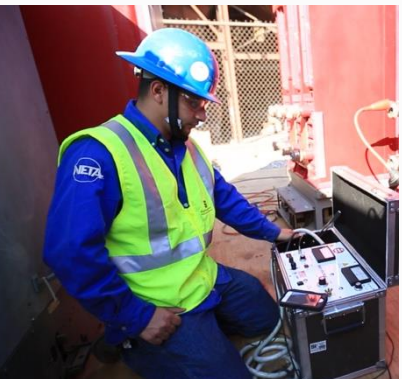
City of Denton LLWTP - 2500 KVA Transformer Replacement

SHERMCO QUOTE NUMBER: SIQ-00010142-25

APPROVED BY: Lee Dawkins

May 14, 2025

Dallas Service Center
2425 E. Pioneer Dr., Irving, TX 75061
Office (972) 793-5523






May 14, 2025

John Dillard
City of Denton - Lake Lewisville Water Treatment Plant
1701-B Spencer Road
Denton, Texas, 76249

Re: City of Denton LLWTP - 2500 KVA Transformer Replacement
SHERMCO Quote # SIQ-00010142-25

Shermco Industries is pleased to offer this proposal for the scope of work listed below:

FIXED PRICE $147,500.00

Payment terms net 30 days from the date of the invoice. Pricing does not include any applicable taxes, permits and licensing fees. All sales subject to Shermco Industries, Inc. standard terms and conditions dated 9-14-2023. All freight will be prepaid and added to the invoice.

EQUIPMENT

Qty: 1 ea. 3-Phase Padmount Transformer
Remanufactured 2500 kVA 3-Ph Padmount Transformer
High Voltage: 13200 GY 7620, 95 kV BIL
Low Voltage: 2400 D, 30 kV BIL
Taps: 13860, 13530, 13200, 12870, 12540
HV Bushings: (3) 200A Wells & Inserts (dead front, radial feed)
LV Bushings: (4) 2-Hole Spades (common H0/X0)
Fluid: Mineral Oil
Frequency: 60 Hz
Temperature Rise: 65°C
Cooling Class: ONAN
Conductor: Al / Al
Features & Accessories:
Pressure Relief Valve

WORKSCOPE

Shermco will provide NETA certified technician(s) to remove existing 2500 KVA Transformer , Supply & test replacement transformer with (2) IR Windows & Dispose of existing Transformer

**NOTE: Optional testing is not included in the pricing listed above.*

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, RATIFYING THE EXPENDITURE OF FUNDS BY THE CITY MANAGER FOR THE EMERGENCY PURCHASE AND INSTALLATION OF A REPLACEMENT 2500KVA TRANSFORMER FOR THE LAKE LEWISVILLE WATER TREATMENT PLANT; AND PROVIDING AN EFFECTIVE DATE (FILE 8861 – AWARDED TO SHERMCO INDUSTRIES, INC., IN THE NOT-TO-EXCEED AMOUNT OF $147,500.00).

WHEREAS, state law and city policy requires that certain contracts requiring an expenditure or payment by the city in an amount exceeding $50,000 be by competitive bids, except in the case of public calamity where it becomes necessary to act at once to appropriate money to relieve the necessity of the citizens of the city, or in case of unforeseen damage to public property, machinery, or equipment, or where the procurement is necessary to preserve or protect the public health or safety of the city's residents under Section 252 of the Local Government Code; and

WHEREAS, the City Manager has recommended to the City Council that it is necessary to ratify the purchase of goods or services due to the following emergency conditions outlined in the memorandum referenced herein; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Council hereby determines that there is a public calamity that makes it necessary to act at once to appropriate money to relieve the necessity of the citizens of the city, or to provide for unforeseen damage to public property, machinery, or equipment, or to preserve or protect the public health or safety of the city's residents, and by reason thereof, the following emergency purchases of materials, equipment, supplies, or services, as described in the "Declaration of Emergency Memorandum" referenced herein and on file in the office of the Purchasing Agent, are hereby approved:

FILE NUMBER	VENDOR	AMOUNT
8861	Shermco Industries, Inc.	$147,500.00

SECTION 2. Because of such emergency, the City Manager, or a designated employee, is hereby authorized to purchase the materials, equipment, supplies, or services as described in the Memorandum on file in the office of the Purchasing Agent, and to make payment therefore in the amounts therein stated. Such emergency purchases, being in accordance with the provisions of state law, exempt such purchases by the city from the requirements of competitive bids.

SECTION 3. 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 4. 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:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Marcella Lunn
_____

File #: ID 25-1192, **Version:** 1

AGENDA CAPTION

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 Northstar Construction, LLC, for the construction of a neighborhood park in The Villages of Carmel for the Parks and Recreation Department; providing for the expenditure of funds therefor; and providing an effective date (CSP 7985 - awarded to Northstar Construction, LLC, in the not-to-exceed amount of $2,788,364.70).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: July 15, 2025

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 Northstar Construction, LLC, for the construction of a neighborhood park in The Villages of Carmel for the Parks and Recreation Department; providing for the expenditure of funds therefor; and providing an effective date (CSP 7985 – awarded to Northstar Construction, LLC, in the not-to-exceed amount of $2,788,364.70).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Strengthen Community and Quality of Life.

INFORMATION/BACKGROUND

The City purchased a 6.5-acre park site in 2018, currently known as Villages of Carmel, located at the corner of Edwards Road and Swisher Road. In 2021, the City hired Valley Quest Design to develop a master plan for the park. The master process included extensive public engagement, which shaped the final concept plan adopted in 2023. Following its adoption, staff applied for a Texas Parks and Wildlife Department Grant (Local Parks) and were awarded a matching amount of $621,562. Key elements of the park include a playground, pavilion, amphitheater, sidewalks, trails, wayfinding and programmatic signage, a small parking lot, native trees, shrubs, grass plantings, and irrigation.

Project Description	Price
Total Amount	$2,534,877.00
Contingency 10%	253,487.70
Total	**$2,788,364.70**

This park's development supports two goals outlined in the 2022 Parks, Recreation and Trail System Master Plan:

1) To provide access to public parks and trails within a 10-minute walk of residences
2) To incorporate quality and cost-effective park system amenities that are responsive to community needs and desires.

The construction of a neighborhood park in The Villages of Carmel has a total estimated cost of $2,788,364.70. This estimate includes a $2,534,877 total base bid amount and a contingency of $253,487.70. A contingency allowance, if any, is for the sole use of the City and will be subject to written authorization by the City's Project Manager and Program Manager.

Competitive Sealed Proposals were sent to 1,117 prospective suppliers, including 76 Denton firms. In addition, specifications were placed on the Procurement website for prospective suppliers to download and advertised in the local newspaper. Nine (9) proposals were received, references were checked, and proposals were evaluated based upon published criteria including personnel, schedule, safety, price, and quality, ability, and reputation. Based upon this evaluation, Hammett Excavation Inc. was ranked the highest and determined to be the best value for the City.

NIGP Code Used for Solicitation:	913 – Construction Services, Heavy (Incl. Maintenance & Repair Services)
Notifications sent for Solicitation sent in IonWave:	1,117
Number of Suppliers that viewed Solicitation in IonWave:	47
HUB-Historically Underutilized Business Invitations sent out:	125
SBE-Small Business Enterprise Invitations sent out:	375
Responses from Solicitation:	9

RECOMMENDATION

Award a contract with Northstar Construction, LLC, for the construction of a neighborhood park in The Villages of Carmel for the Parks and Recreation Department, in a not-to-exceed amount of $2,788,364.70.

PRINCIPAL PLACE OF BUSINESS

Northstar Construction, LLC
Haltom City, TX

SUSTAINABILITY MEASURES

This purchase supports the 2020 Simply Sustainable Framework as follows:

Land Use and Open/Natural Space
Preserve open space, natural areas, and tree canopy, as well as create and improve park and open space opportunities within 10 minutes' walking distance of residents' homes. This will also support the tree planting goal to increase the tree canopy to 40 percent by 2040.

ESTIMATED SCHEDULE OF PROJECT

This project will be started upon approval, with a completion date by March 31, 2026.

FISCAL INFORMATION

These construction services will be funded from the following accounts:

Villages of Carmel Park – TPWD Grant	400336348	$621,562.00
Villages of Carmel Park – 2023 Bond Election	400336475	250,000.00
Villages of Carmel Park – Park Dedication Fees	400336915	308,099.60
Villages of Carmel Park – Park Development Fees	400336916	624,708.07
Park Gas Well Revenue	400336456	84,527.00
Park Gas Well – Other	400336291	204,187.00
*Park Acquisition and Improvements Fund Interest OR Additional Park Impact Fee (915/916) Funds	916101.8411	706,281.03

Requisition #170772 has been entered into the Purchasing software system in the amount of $2,799,364.70. The budgeted amount for this item is $2,788,364.70.

Staff anticipates additional Park Impact Fee monies (915/916) to come in during construction. However, if these additional funds do not come in, the contingency is to use Park Acquisition and Improvements Fund Interest 916101.8411.

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: Colleen Fitzpatrick, 940-349-7747.

Legal point of contact: Marcella Lunn at 940-349-8333.

Exhibit 2
CSP 7985 - Pricing Evaluation for Villages of Carmel Park Construction

Respondent's Business Name: / Principal Place of Business (City and State):	**Northstar Construction, LLC** **Haltom City, TX**	C. Green Scaping, LP Fort Worth, TX	A&C Construction, Inc. Irving, TX	Perfect Finish Landscaping Denton, TX	The Fain Group Fort Worth,	2L Construction LLC Rhome, TX	Jerdon Enterprise L.P. Houston, TX	Tegrity Contractors Inc. Allen, TX	Harper Smith & Associates Rowlett, TX
Description									
Total Base Amount	**$2,534,877.00**	$2,876,059.33	$2,925,800.00	$2,701,650.00	$3,443,441.00	$2,794,079.80	$3,166,683.76	$3,568,777.00	$3,407,936.20

Contingency 10%:	**$253,487.70**
Contract Total:	**$2,788,364.70**

Evaluation

Scoring Criteria	**Northstar Construction, LLC**	C. Green Scaping, LP	A&C Construction, Inc.	Perfect Finish Landscaping	The Fain Group	2L Construction LLC	Jerdon Enterprise L.P.	Tegrity Contractors Inc.	Harper Smith & Associates
Offerors Key Personnel - 15%	**10.00**	10.00	11.00	12.00	13.00	9.00	8.00	8.00	9.00
Quality, Reputation and Ability to Complete Similar Projects on Schedule within Budget - 25%	**16.67**	18.33	18.33	15.00	20.00	16.67	16.67	15.00	11.67
Detailed Schedule and Written Plan - 15%	**14.00**	10.00	9.00	9.00	10.00	9.00	10.00	9.00	7.00
Offerors Safety Record - 5%	**4.67**	3.67	3.67	1.67	2.67	2.33	4.00	4.67	2.33
Price - 40%	**40.00**	35.25	34.66	37.53	29.45	36.29	32.02	28.41	29.75
Total Score:	**85.34**	77.25	76.66	75.20	75.12	73.29	70.69	65.08	59.75

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH NORTHSTAR CONSTRUCTION, LLC, FOR THE CONSTRUCTION OF A NEIGHBORHOOD PARK IN THE VILLAGES OF CARMEL FOR THE PARKS AND RECREATION DEPARTMENT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (CSP 7985 – AWARDED TO NORTHSTAR CONSTRUCTION, LLC, IN THE NOT-TO-EXCEED AMOUNT OF $2,788,364.70).

WHEREAS, the City has solicited, received, and evaluated competitive proposals for the construction of a neighborhood park in The Villages of Carmel for the Parks and Recreation 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 competitive sealed 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 competitive sealed proposal for materials, equipment, supplies, or services shown in the "Competitive Sealed 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 competitive sealed proposal.

CSP NUMBER	CONTRACTOR	AMOUNT
7985	Northstar Construction, LLC	$2,788,364.70

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 _____. This ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____



Scott Bray
Deputy City Attorney

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Docusign City Council Transmittal Coversheet

RFP	CSP 7985
File Name	Villages of Carmel Park Construction
Purchasing Contact	Erica Garcia
City Council Target Date	
Piggy Back Option	Not Applicable
Contract Expiration	
Ordinance	

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

STIPULATED SUM VERTICAL CONSTRUCTION CONTRACT

BY AND BETWEEN

CITY OF DENTON

AND

NORTHSTAR CONSTRUCTION, LLC

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

TABLE OF CONTENTS

1 THE CONTRACT DOCUMENTS
2 THE WORK OF THIS CONTRACT
3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION
4 CONTRACT SUM
5 PAYMENTS
6 DISPUTE RESOLUTION
7 TERMINATION OR SUSPENSION
8 MISCELLANEOUS PROVISIONS
9 ENUMERATION OF CONTRACT DOCUMENTS

EXHIBIT A GENERAL CONDITIONS
EXHIBIT B DRAWINGS AND SPECIFICATIONS; ON FILE WITH THE PURCHASING AGENT
EXHIBIT C KEY PERSONNEL
EXHIBIT D ALTERNATES – NONE
EXHIBIT E ALLOWANCE – NONE
EXHIBIT F UNIT PRICE PROPOSAL FORM
EXHIBIT G INITIAL SCHEDULE OF VALUES - NONE
EXHIBIT H CONTRACTOR’S CONSTRUCTION SCHEDULE
EXHIBIT I ESCROW AGREEMENT - NONE
EXHIBIT J CONFLICT OF INTEREST QUESTIONNAIRE
EXHIBIT K PROPOSAL FORM
EXHIBIT L PREVAILING WAGE RATES
EXHIBIT M INSURANCE AND BONDS (TO BE COMPLETED AFTER CONTRACT AWARD)

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

STIPULATED SUM VERTICAL CONSTRUCTION CONTRACT

This Stipulated Sum Vertical Construction Contract (this "Agreement") made as of the ____ day of _____ in the year 20____ (the "Effective Date") between City of Denton, a Texas home rule municipal corporation located at 215 East McKinney Street Denton, Texas 76201 (the "Owner" or "City") and Northstar Construction, LLC at 2112 Solona Street, Haltom City, TX 76117 (the "Contractor") for the following Project:

Villages of Carmel CSP# 7985

The Owner and Contractor agree as follows:

Article 1. THE CONTRACT DOCUMENTS

Section 1.1 The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary, and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in the above table of contents, documents issued as part of the solicitation for the Project, this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. An enumeration of the Contract Documents, other than a Modification, appears in Article 9. In the event any provision contained in this Agreement conflicts with any provision contained in the Contract Documents, the more stringent provision for the Contractor, as interpreted by the Owner, shall govern.

Section 1.2 If, and to the extent of, any inconsistency, ambiguity, discrepancy or error in the Contract Documents (referred to collectively in this Section 1.2 as discrepancy), the Contractor shall immediately seek clarification from (Insert Name and Firm of Design Professional) (the "Design Professional" or "Architect" or "Engineer" as reference may be made in the Contract Documents) and notify the Owner and Contractor that clarification has been requested. In the event that the Design Professional fails to clarify such discrepancy, within a reasonable time under the circumstances, the Contractor shall proceed with the Work without the clarification based on written permission from the Owner, and give precedence to the Contract Documents in the following descending order of priority:

a. Modifications issued after execution of the Owner-Contractor Agreement, including all exhibits not specifically referenced in this Section 1.2;
b. the Owner-Contractor Agreement;

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

c. Addenda issued prior to the execution of the Owner-Contractor Agreement, with the Addenda bearing the latest date taking precedence;
d. the General Conditions of the Contract for Construction;
e. Exhibit “B” - Drawings and Specifications;

Article 2. THE WORK OF THIS CONTRACT

Section 2.1 The Contractor shall in a good workmanlike manner, fully execute the Work described in, and reasonably inferable by the Contractor as necessary to provide the results intended by fully execute the Work described in the Contract Documents, except as specifically indicated in the Contract Documents to be the responsibility of others: and the Contractor at its sole cost, risk, and expense shall construct, equip, provide purchase, pay for, and furnish all of the Work in accordance with such Contract Documents. and governmental codes and regulations as they apply to performance of the Work.

Section 2.2 An Index of Drawings and Specifications which have been furnished to the Contractor as of the date of this Agreement is set forth in Exhibit “B” – Drawings and Specifications.

Section 2.3 The Contractor shall not be entitled to any adjustments in the Contract Sum or the Contract Time as a result of any action, or failure to act, in connection with any work or other services performed by the Contractor, or any entity affiliated with the Contractor, for portions of the Project other than the Work, such as, without limitation, other projects for this Owner or nearby the Project site, whether such work or other services are performed under contract with the Owner or an independent third party.

Section 2.4 The Contractor shall proceed with performance of the Work as required by the Contract Documents and shall not modify such requirements unless such modifications are accepted by the Owner in a Change Order or Construction Change Directive. The Contractor shall not be entitled to receive any additional fees as a result of any modification requests or recommendations submitted by the Contractor.

Section 2.5 The Contractor shall furnish only skilled and properly trained staff for the performance of the Work. The key members of the Contractor's staff shall be persons agreed upon with the Owner and Contractor and identified in Exhibit "C" – Key Personnel, which is attached hereto and incorporated herein for all purposes.

a. Such key members of the Contractor's staff shall not be changed without the written consent of the Owner and Contractor, unless such person becomes unable to perform any required duties due to death, disability or termination of employment with the

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Contractor. If a key member is no longer capable of performing in the capacity described in Exhibit "C" – Key Personnel, the Owner, Design Professional, and the Contractor shall agree on a mutually acceptable substitute.

b. During the performance of the Work, the Contractor shall keep a competent superintendent at the Project site, who is fully authorized to act on behalf of the Contractor. Notice from the Owner, Contractor or the Design Professional to such superintendent, in connection with defective Work, instructions for performance of the Work or any and all other issues shall be considered notice of such issues to the Contractor.

Article 3. DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

Section 3.1 The construction of the Work to be performed under this Contract shall be commenced within three (3) calendar days after receipt of a building permit and Owner's Notice to Proceed.

Issuance of a Notice to Proceed for construction of the Work is subject to Owners acceptance of the Contractor's proposed Construction Management Plan, and receipt of a building permit.

The Contractor shall notify the Owner in writing, with confirmation of receipt, not less than three (3) business days before commencing the Work on the Project site to permit timely filing of mortgages, mechanics' liens, and other security interests.

Section 3.2 The Contract Time shall be measured from the date of Notice to Proceed.

Section 3.3 Substantial Completion

a. Subject to adjustments of the Contract Time as provided in the Contract Documents, the Contractor shall diligently prosecute the Work and shall achieve Substantial Completion of the entire Work by *240* days.
b. If the Contractor fails to achieve Substantial Completion as provided in this Section 3.3, liquidated damages, shall be as specified in Section 8.6 of Exhibit A - General Conditions for the Contract for Construction.

Section 3.4 Final Completion

a. Subject to adjustments of the Contract Time as provided in the Contract Documents, the Contractor shall diligently prosecute the Work and shall achieve final completion of the entire Work by *300* days.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

b. If the Contractor fails to achieve final completion as provided in this Section 3.3, liquidated damages, shall be as specified in Section 8.6 of Exhibit A - General Conditions for the Contract for Construction.

Article 4. CONTRACT SUM

Section 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be Two Million Five Hundred Thirty Four Thousand Eight Hundred Eight Seven Dollars ($2,534,877.00), subject to additions and deductions as provided in the Contract Documents. At the sole option of the City, *Ten* (*10*) percent contingency in the amount of Two Hundred Fifty Three Four Hundred Eighty Seven Dollars and Seventy Cents ($253,487.70) may be used for a total not-to-exceed amount of Two Million Seven Hundred Eighty Eight Thousand Three Hundred Sixty Four Dollars and Seventy Cents ($2,788,364.70).

Section 4.2 Alternates

a. Alternates, if any, included in the Contract Sum:

   See Exhibit "D" – Alternates

b. Subject to the conditions noted below, the following alternates may be accepted by the Owner following execution of this Agreement. Provided, however, that the Contractor shall furnish the Owner with no less than fourteen (14) days prior written notice of the date upon which any of the alternatives set forth in Exhibit "D" – Alternates, must be accepted by the Owner in order for the Contractor to perform the Work covered by such alternates for the price(s) set forth therein; and without any adjustment to a Contractual Milestone date, the Contractor's Construction Schedule or the Contract Time. Upon acceptance, the Owner shall issue a Modification to this Agreement.

   See Exhibit "D" – Alternates

Section 4.3 Allowances, if any, included in the Contract Sum:

See Exhibit "E" – Allowances

Section 4.4 Unit prices, if any are set forth in Exhibit "F" – Unit Costs, and such unit prices are considered complete and include all materials, equipment, labor, delivery, installation, overhead, and profit; and any other costs or expenses in connection with, or incidental to, the performance of that portion of the Work to which such unit prices apply.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

See Exhibit “F” – Unit Costs

Section 4.5 Liquidated damages, if any:
See Exhibit A - General Conditions for the Contract for Construction

Section 4.6 Other: By executing this Agreement and furnishing the Owner with both Exhibit “E” – Allowances and Exhibit “G” – Initial Schedule of Values, the Contractor represents and warrants that the Contract Documents, materials, and information furnished by the Contractor as of the date of this Agreement, and the ongoing discussions and meetings between the Contractor and the Owner and Design Professional have described the scope, construction requirements and design intent for the Work in detail sufficient to enable the Contractor to firmly establish the Contract Sum and the Contract Time. The Contractor shall not be permitted to claim any adjustment in either the Contract Sum or Contract Time prior to Notice to Proceed in connections with the completion of the Work except as described in the Contract Documents.

Article 5. PAYMENTS

Section 5.1 Progress Payments

a. Based upon Applications for Payment including all supporting documentation required by the Owner and submitted to the Design Professional and Owner by the Contractor; its review by the Design Professional and Owner; and Certificates for Payment issued by the Design Professional and Certificates for Payment issued by the Design Professional, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.
b. The period covered by each Application for Payment shall be one calendar month ending on the last day of the month.
c. Provided that a certifiable Application for Payment is approved by the Design Professional not later than the «twenty-fifth (25th) » day of a month, the Owner shall make payment of the amount certified to the Contractor not later than the « thirtieth (30th) » day of the « following » month. If a certifiable Application for Payment is received by the Design Professional after the application date fixed above, payment of the amount certified shall be made by the Owner not later than « thirty » (« 30 ») calendar days after the Design Professional approves the Application for Payment.
d. Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor and approved in advance by the Owner and Design Professional in accordance with the Contract Documents and the Construction Management Plan. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work and be prepared in such form, and supported by such

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

data to substantiate its accuracy, as the Owner and Design Professional may require. This schedule of values, unless objected to by the Owner or Design Professional, shall be used as a basis for reviewing the Contractor's Applications for Payment.

e. Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

f. In accordance with Exhibit A - General Conditions for the Contract for Construction, and subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

   i. The amount of each progress payment shall first include:

      .1 That portion of the Contract Sum properly allocable to completed Work;

      .2 That portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction, or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing; and

      .3 That portion of Construction Change Directives that the Design Professional determines, in the Design Professional's professional judgment, to be reasonably justified.

   ii. The amount of each progress payment shall then be reduced by:

      .1 The aggregate of any amounts previously paid by the Owner;

      .2 The amount, if any, for Work that remains uncorrected and for which the Contractor or Design Professional has previously withheld or nullified a Certificate for Payment as provided in Article 9 of Exhibit A - General Conditions for the Contract for Construction;

      .3 Any amount for which the Contractor does not intend to pay a Subcontractor or material supplier, unless the Work has been performed by others the Contractor intends to pay;

      .4 For Work performed or defects discovered since the last payment application, any amount for which the Design Professional may withhold payment, or nullify a Certificate of Payment in whole or in part, as provided in Article 9 of Exhibit A - General Conditions for the Contract for Construction; and

      .5 Retainage withheld pursuant to Section 5.1.g.

      .6

g. Retainage

   i. For each progress payment made prior to Final Completion of the Work, the Owner may withhold the following amount, as retainage, from the payment otherwise due:

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Five Percent (5.0%)

h. Omitted.

i. Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

j. Each Application for Payment shall, without limitation, conform with the requirements of Exhibit A - General Conditions for the Contract for Construction, as amended.

k. In taking action on the Contractor's Applications for Payment, the Owner and Design Professional shall be entitled to rely on the accuracy and completeness of the information furnished by the Contractor and shall not be deemed to represent that the Owner or Design Professional have made a detailed examination, audit or arithmetic verification of the documentation submitted in accordance with this Section 5.1.k or other supporting data; that the Owner or Design Professional have made exhaustive or continuous on-site inspections; or that the Owner or Design Professional have made examinations to ascertain how or for what purposes the Contractor has used amounts previously paid on account of the Contract. Such examinations, audits and verifications, if required by the Owner, will be performed by the Owner's auditors acting in the sole interest of the Owner.

l. Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site, and even with such approval the Contractor shall follow the procedures in the Contract Documents for such payments.

m. In addition to other required items, the final Application for Payment shall be accompanied by the following, all in form and substance satisfactory to the Owner and in compliance with applicable statutes of the State of Texas all in a form acceptable to the Owner:

.1 A current sworn statement from the Contractor setting forth all Subcontractors and any material suppliers with whom the Contract has entered into subcontracts; the amount of each such subcontract; the amount requested for any Subcontractor or material supplier in the Application for Payment; and the amount to be paid to the Contractor from such final payment;

.2 A current, duly executed waiver of mechanics' and material suppliers' liens from the Contractor conditional upon establishing receipt of payment or satisfaction of the payment requested by the Contractor in the current Application for Payment;

.3 A current Subcontractor's lien waiver for the current period, conditional only on payment from the Contractor, and duly executed, acknowledged sworn statement showing all Sub-subcontractors and material suppliers with whom the Subcontractor has entered into sub-subcontracts, the amount of each such sub-

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

subcontract, the amount requested for any Sub-subcontractor and material supplier in the requested progress payment, and the amount to be paid to the Sub-subcontractor from such final payment to the Subcontractor;

.4 A current, duly executed unconditional final waiver of mechanics' and material suppliers' liens from the Contractor and all Subcontractors and, when deemed appropriate by the Owner and Design Professional, from material suppliers and Sub-subcontractors establishing payment or satisfaction of payments of all amounts requested by the Contractor on behalf of such entities or persons in any previous Applications for Payment;

.5 A final certificate of occupancy issued by the appropriate governmental body in which the project is located;

.6 All maintenance and operating manuals;

.7 Digitally marked, fully accessible electronic files (not "plot files" or "PDFs") of both field record drawings and specifications reflecting "as-built" conditions;

.8 Digitally marked, accurately dimensioned, and fully accessible electronic files (not "plot files" or "PDFs") of drawings reflecting the location of any concealed utilities, mechanical or electrical systems, and components;

.9 any special guarantees or warranties required by the Contract Documents;

.10 assignments of all guarantees and warranties from subcontractors, vendors, suppliers, or manufacturers;

.11 a list of the primary contact names, email addresses, physical addresses, and telephone numbers of all Subcontractors and any other persons providing guarantees and warranties;

.12 all information and materials required to comply with the requirements of the Contract Documents or reasonably requested by the Owner, or the Design Professional; and

.13 If required by the Owner's title insurer, if any, the Contractor shall execute a personal gap undertaking in form and substance satisfactory to such title insurer.

Section 5.2 Final Payment

a. Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when

.1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Article 12 of Exhibit A - General Conditions for the Contract for Construction, and to satisfy other requirements, if any, which necessarily survive beyond final payment; and

.2 a final Certificate for Payment has been issued by the Design Professional; and.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

.3 the Contractor has provided, and the Owner has accepted as correct, all the information and documents required under Section 5.1.m above; and

.4 a complete release of all claims arising out of, related to or connected with Contractor's performance of the respective Phase under this Agreement, and any claims of Subcontractors, subject to any claims reserved in accordance with the terms of the General Conditions and an affidavit that so far as Contractor has knowledge or information, the release includes and covers all materials and services over which Contractor has control for which a claim could be filed, subject to any claims reserved in accordance with the terms of the General Conditions.

b. The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Design Professional's final Certificate for Payment and the Contractor has provided Owner with all required documentation.

Section 5.3 Interest

Payments are due and payable within thirty (30) days of the date the Owner receives the Construction Manager's approvable invoice, unless a different date for payment is provided under this Agreement. Amounts unpaid shall bear interest at the legal rate allowed by Texas Government Code Ch. 2251.

Article 6. DISPUTE RESOLUTION

Section 6.1 Initial Decision Maker

The Owner will serve as the Initial Decision Maker pursuant to Article 15 of Exhibit A - General Conditions for the Contract for Construction.

Section 6.2 Binding Dispute Resolution

For any Claim subject to, but not resolved by, mediation or other alternative dispute resolution method as mutually agreed by the parties ("ADR") pursuant to Article 15 of Exhibit A - General Conditions for the Contract for Construction, the method of binding dispute resolution shall be litigation in a court of competent jurisdiction.

Article 7. TERMINATION OR SUSPENSION

Section 7.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of Exhibit A - General Conditions for the Contract for Construction, as amended.

If the Contract is terminated for the Owner's convenience in accordance with Article 14 of Exhibit A - General Conditions for the Contract for Construction, then the Owner shall pay the

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Contractor a compensation calculated in the manner as specified in Section 14.4.c of Exhibit A - General Conditions for the Contract for Construction, as amended.

Section 7.2 The Work may be suspended by the Owner as provided in Article 14 of Exhibit A - General Conditions for the Contract for Construction, as amended.

Section 7.3 In the event of such termination by the Owner, the amount to be paid to the Contractor shall not exceed the amount the Contractor would have been entitled to receive under Article 5 above.

Section 7.4 In no event shall the Contractor be entitled to receive "Lost Opportunity Costs", defined as unabsorbed overhead costs or unrealized profit on this Work, future work for this Owner, other owner(s), other work, foregone opportunities for the Contractor, or other costs not directly and verifiably associated with services actually performed or Work successfully completed under this Agreement.

Article 8. MISCELLANEOUS PROVISIONS

Section 8.1 All references in this Agreement to Exhibit A, shall mean the Exhibit A - General Conditions for the Contract for Construction, as modified and amended by the parties hereto. Where reference is made in this Agreement to a provision of another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

Section 8.2 The Owner's representative:

City of Denton
Ryan Brumfield
Project Manager
321 E. McKinney Street
Denton, Texas 76201
(940) 349-8471
Ryan.Brumfield@cityofdenton.com

Section 8.3 The Contractor's representative:

Michael Heimlich
Northstar Construction, LLC
President

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

2112 Solona Street
Fort Worth, TX 76117
Mike@northstar93.com

Section 8.4 Neither the Owner's nor the Contractor's representative shall be changed without ten days' prior notice to the other party.

Section 8.5 Insurance and Bonds

a. The Owner and the Contractor shall purchase and maintain insurance as set forth in Exhibit A - General Conditions for the Contract for Construction, Insurance and Bonds, and elsewhere in the Contract Documents.

Section 8.6 « Not Used. »

Section 8.7 Other Conditions and Services:

a. The Contractor represents and warrants the following to the Owner (in addition to any other representation and warranties contained in the Contract Documents) as a material inducement to the Owner to execute this Agreement, which representations and warranties shall survive the execution and delivery of this Agreement, any termination of this Agreement, and final completion of the Work:

.1 The Contractor is financially solvent, capable of obtaining adequate insurance, able to pay all debts as they mature and possessed of sufficient working capital to complete the Work and perform all obligations hereunder;

.2 The Contractor is able to furnish the physical infrastructure, tools, materials, supplies, equipment and supervision, and labor required to complete the Work and perform its obligations hereunder and has sufficient experience and competence to do so;

.3 The Contractor is authorized to do business in the City of Denton, and the State of Texas and is properly licensed by all necessary governmental and public and quasi-public authorities having jurisdiction over the Contractor and over the Work and the Project;

.4 The Contractor's execution of this Agreement and performance thereof is within the Contractor's duly-authorized powers;

.5 The Contractor's duly-authorized representative has visited the site of the Project and is familiar with the local conditions under which the Work is to be performed and has correlated its observations with the requirements of the Contract Documents;

.6 The Contractor possesses a high level of experience and expertise in the business administration, construction, construction management and superintendence of projects of this size, complexity and nature of this particular

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Project and will perform the Work with the care, skill and diligence of such a contractor;

.7 The foregoing warranties are in addition to, and not in lieu of, any and all other liability imposed upon the Contactor by law with respect to the Contractor's duties, obligations, and performance hereunder; and

.8 The Contractor acknowledges that the Owner is relying upon the Contractor's skill and experience in connection with the proper, timely and diligent prosecution of the Work.

b. In the event any provision contained in this Agreement conflicts with any provision contained in the Contract Documents, the more stringent provision for the Contractor, as interpreted by the Owner, shall govern.
c. Some or all of the Owner's duties, approvals and actions required under this Agreement may be provided by third parties by mutual agreement of the Owner and such third parties. When notified in writing of the specific duties and responsibilities of such third party, the Contractor will recognize the actions and approvals of the third party as sufficient to fulfill the Owner's responsibilities under this Agreement.
d. The Contractor shall provide sufficient supporting documentation in form and with a level of detail wholly acceptable to the Owner and Contractor to substantiate any Application for Payment, request for Change to the Contract Sum or Contract Time, and all contract Allowances provided within the Contractor's Contract Sum for this scope of work. Failure to timely provide all supporting documentation, in and of itself, may result in rejection of the Application for Payment or requested change to the Contract Sum or Contract Time, or payment for work charged to the Allowance(s).
e. Proof of purchase and warehouse insurance naming the Owner, Contractor and Design Professional as additional insureds, together with inspection rights for the Owner, Contractor and Design Professional is to be provided for any billed materials by the Contractor for the work not physically stored at the Project site.
f. Time limits set out in or under this Agreement are solely for the protection and benefit of the Owner and create no third-party beneficiary rights in any other party.
g. Notices. All legal notices, consents, approvals, demands, requests or other communications provided for or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given or served when delivered by hand delivery or when deposited in the U.S. mail by registered or certified mail, return receipt requested, postage prepaid, and addressed as follows:

If to Owner:

Ryan Brumfield
Project Manager
City of Denton

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

321 E. McKinney Street
Denton, Texas 76201
Ryan.Brumfield@cityodenton.com

City of Denton
ATTN: Contract 7985; Purchasing Manager
901B Texas Street
Denton, Texas 76209
purchasing@cityofdenton.com

And with a copy to City Attorney's point of contact:

City Attorney
City of Denton
215 East McKinney St.
Denton, TX 76201
legal@cityofdenton.com

If to Contractor:

Michael Heimlich
Northstar Construction, LLC
President
2112 Solona Street
Fort Worth, TX 76117
Mike@northstar93.com

If to Design Professional:

Jermey Blad, RLA (the "Design Professional")
Valley Quest Design
222 South Elm Street, Ste 102
Denton, TX 76201

h. All Exhibits referred to in this Agreement are, by reference, incorporated herein for all purposes.
i. The numbering and captions of the sections are set forth only for convenience and reference and are not intended in any way to define, limit, or describe the scope or intent of this Agreement.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

j. The parties agree that they will execute any further instrument or instruments, and that they will perform any act or acts, which are or may become necessary to effectuate any of the terms or provisions of this Agreement.
k. Nothing contained in this Agreement shall create a contractual relationship with a cause of action in favor of a third party against either the Owner or Contractor.
l. This Agreement has been created jointly and ambiguity cannot be construed against either party.
m. This Agreement is and shall be subject to those provisions required of political subdivisions by the laws of the State of Texas. The Contractor understands that the Owner is a Texas home rule municipality and that the project is subject to applicable provisions of Texas law including bid requirements, bonding, and final settlement provisions.
n. Contractor understands that certain information, including this Agreement, are public records available for public inspection and copying under the Texas Open Records Act., Texas Government Code Ch. 552, as amended, and other applicable laws.
o. The Owner represents that there are sufficient funds available to undertake this Project.
p. No term or condition of the Agreement shall be construed or interpreted as a waiver, express or implied, of any of the governmental or sovereign immunities, rights, benefits, or protections of the Owner.
q. Contractor warrants that the products, processes, techniques and methodologies provided by Contractor shall not infringe upon the copyright, patent or other proprietary rights of others.
r. Contractor certifies and warrants that no gratuities, kickbacks or contingency fees were paid in connection with this Agreement, nor were any fees, commissions, gifts or other considerations made contingent upon the award of this Agreement. Contractor warrants that to the best of Contractor's knowledge, there exists no actual or potential conflict of interest, and no financial or substantial interest as may be prohibited by Texas law, the Charter, or Code of Ethics of the City of Denton between Contractor and Owner.
s. Contractor shall comply with the disclosure and reporting requirements in Local Government Code Chapters 171 and 176, and Texas Government Code Sec. 2252.908. Under Sec. 2252.908, if City Council approval is required to award this Agreement or if this Agreement has a value of at least $1,000,000, the City may not enter into the Agreement unless the Contractor submits a disclosure of interested parties to the City at the time the executed Agreement is presented to the City. The disclosure must be made on the form prescribed by the Texas Ethics Commission and the City is required to submit a copy of the disclosure statement to the Texas Ethics Commission not later than the 30th day after the disclosure is received by the City.
t. In case any provision hereof shall, for any reason, be held invalid or unenforceable in any respect, such invalidity or unenforceability shall not affect any other provision hereof,

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

and this Contract shall be construed as if such invalid or unenforceable provision had not been included herein.

u. Contractor understands and agrees that TIME IS OF THE ESSENCE.

v. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the parties hereto. Any documents submitted to the City in electronic format shall be considered equivalent to an original of such document.

w. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

x. COMPLIANCE WITH CERTAIN STATE LAW

.1 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.

.2 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.

.3 Prohibition on Contracts with Companies Boycotting Certain Firearm Entities and Firearm Trade Associations. Contractor acknowledges that in

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

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.

.4 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.

.5 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.

.6 Pursuant to Chapter 2258, Texas Government Code, all contractors and any Subcontractor involved in the construction of a public work project shall pay not less than the prevailing rates as per diem wages in the locality at the time of construction to all laborers, workmen and mechanics employed by them in the execution of this contract. Contractor shall assure that these requirements are met

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

for the Project and shall insure that every contract or subcontract relating to the Work requires, on behalf of Owner, that the prevailing wage rates be paid.

.7 The Contractor shall be provided an applicable Department of Labor Wage Rate Determination for use on the Project required by Chapter 2258.022, Texas Government Code. In the event the Owner does not provide this Labor Wage Rate Determination, the Contractor shall request it in writing in a timely manner, so as not to delay the Construction Manager's initial subcontractor procurement process during preconstruction. The Construction Manager shall, if requested by the Owner, assist the Owner in conducting a survey of the wages paid, by labor class, on projects of a similar type in a similar location.

Article 9. ENUMERATION OF CONTRACT DOCUMENTS

Section 9.1 This Agreement is comprised of the following documents:

.1 Stipulated Sum Vertical Construction Contract

.2 Exhibit "A" – General Conditions of the Contract for Construction

.3 Exhibit "B" – Drawings and Specifications (On File with Purchasing Manager)

.4 Addenda, if any:

See Exhibit "B" – Drawings and Specifications (On File with Purchasing Manager)

Portions of Addenda relating to bidding or proposal requirements are not part of the Contract Documents unless the bidding or proposal requirements are also enumerated in this Article 9.

.5 Other Exhibits:

Exhibit "C" – Key Personnel
Exhibit "D" – Alternates
Exhibit "E" – Allowances
Exhibit "F" – Unit Costs
Exhibit "G" – Initial Schedule of Values
Exhibit "H" – Contractor's Construction Schedule
Exhibit "I" – Escrow Agreement
Exhibit "J" – Conflict of Interest Questionnaire
Exhibit "K" – Proposal Form
Exhibit "L" – Prevailing Wage Rates
Exhibit "Y" – Contractor's Insurance Certificate(s) and Bonds (To be Completed after Contract Award)

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

.6 Other documents, if any, listed below:
(List here any additional documents that are intended to form part of the Contract Documents. Exhibit A provides that the advertisement or invitation to bid, Instructions to Bidders, sample forms, the Contractor's bid or proposal, portions of Addenda relating to bidding or proposal requirements, and other information furnished by the Owner in anticipation of receiving bids or proposals, are not part of the Contract Documents unless enumerated in this Agreement. Any such documents should be listed here only if intended to be part of the Contract Documents.)

« »

This Agreement entered into as of the day and year first written above.

CONTRACTOR:
NORTHSTAR CONSTRUCTION, LLC

BY: DocuSigned by: MIKE HEIMLICH 557B81DDBF3C419...

Michael Heimlich
President

CITY:
CITY OF DENTON, TEXAS

BY: _____

SARA HENSLEY
CITY MANAGER

ATTEST:

LAUREN THODEN, CITY SECRETARY

BY: _____

THIS AGREEMENT HAS BEEN

BOTH REVIEWED AND APPROVED

as to financial and operational obligations and business terms.

Signed by: Gary Packan AC6AE9F7A4264A9...

Gary Packan

SIGNATURE PRINTED NAME

Director of Parks and Recreation

TITLE

Parks and Recreation

DEPARTMENT

APPROVED AS TO LEGAL FORM:

MACK REINWAND, CITY ATTORNEY

BY: DocuSigned by: Marcella Lunn 4B070831B4AA438...

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Section 00 72 00
Exhibit A – General Conditions
for the following PROJECT:
7985 Villages of Carmel Park Construction

THE OWNER:

City of Denton
215 East McKinney Street
Denton, Texas 76201

THE DESIGN PROFESSIONAL:
Valley Quest Design

Valley Quest Design
222 South Elm Street, Ste. 102
Denton, TX 76201

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

TABLE OF CONTENTS

1 GENERAL PROVISIONS
2 OWNER
3 CONTRACTOR
4 DESIGN PROFESSIONAL
5 SUBCONTRACTORS
6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS
7 CHANGES IN THE WORK
8 TIME
9 PAYMENTS AND COMPLETION
10 PROTECTION OF PERSONS AND PROPERTY
11 INSURANCE AND BONDS
12 UNCOVERING AND CORRECTION OF WORK
13 MISCELLANEOUS PROVISIONS
14 TERMINATION OR SUSPENSION OF THE CONTRACT
15 CLAIMS AND DISPUTES

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Article 1. GENERAL PROVISIONS

Section 1.1 Basic Definitions

a. The Contract Documents

The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Proposal Documents, Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement, and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive, or (4) a written order for a minor change in the Work issued by the Design Professional. Unless specifically enumerated in the Agreement, the Contract Documents do not include the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals, the Contractor's bid or proposal, or portions of Addenda relating to bidding or proposal requirements.

b. The Contract

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Contractor and the Design Professional or the Design Professional's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor, (3) between the Owner and the Design Professional or the Design Professional's consultants, or (4) between any persons or entities other than the Owner and the Contractor. The Design Professional shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Design Professional's duties. This Agreement was the result of negotiations between the Owner and Contractor, and has been reviewed by the Owner, Contractor and their respective counsel. Accordingly, this Agreement shall be deemed to be the product of both parties and no ambiguity shall be construed in favor of or against either party. The terms "Agreement" and "Contract" shall be used interchangeably to have the same meaning as defined in this Section 1.1.b.

c. The Work

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment, supplies, skill, supervision, transportation, support services, facilities and other resources necessary or proper or incidental to the carrying out and completion of the terms of the contract and all other items of cost or value needed to produce, construct and fully complete the Work identified by the Contract Documents. The Work may constitute the whole or a part of the Project.

d. The Project

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner and by Separate Contractors.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

e. The Drawings

The Drawings are the graphic and pictorial portions of the Contract Documents 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, systems, standards and workmanship for the Work, and performance of related services.

g. Design Documents

Design Documents are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Design Professional and the Design Professional's consultants under their respective professional services agreements. Design Documents may include, without limitation, studies, surveys, models, sketches, drawings, specifications, the Project Manual and other similar materials.

h. Initial Decision Maker

The Initial Decision Maker is the person identified in the Agreement to render initial decisions.

i. The Indemnitees

The Owner, which includes the Mayor, members of the City Council, employees, agents, assigns, and other city officers, the Owner's consultants, the Design Professional, Design Professional's consultants, and the agents and employees of any of them shall hereafter be known as the "Indemnitees".

j. Construction Management Plan

The Construction Management Plan is prepared by the Contractor for its use in managing the Work and is not a Contract Document. The Construction Management Plan must include, at a minimum and without limitation, the following separate deliverables, which are subject to review and approval by the Design Professional and Owner:

i. Safety and Logistics Plan;
ii. Contractor's Construction Schedule;
iii. Cost Management Plan, Control Estimate and Schedule of Values;
iv. Quality Management, Commissioning and Turnover Plan; and
v. Information Management System.

k. As-Built Documents

The As-Built Documents are the Drawings, Specifications, and addenda thereto that may be updated by the Contractor to accurately reflect the actual Work in place, including without limitation, the incorporation of Change Orders, responses to the Contractor's requests for information, Design Professional's supplemental instructions, field modifications, and other similar changes made to the Work during construction. The As-Built documents shall conform to the format and compatibility requirements of Section 3.10.1.i.

l. Work Breakdown Structure

The project's Work Breakdown Structure ("WBS") is a deliverable-oriented, hierarchical organization of the Project components to be executed by the Owner, and its accompanying numbering system. The WBS will be mutually agreed upon by the Owner and Design Professional and used by the Contractor.

m. Equal to (or Approved Equal)

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Products by manufacturers and information about those products other than those products specified in the Contract Documents which the Contractor may submit for substitution as equal to those products specified in the Contract Documents; which may be incorporated in the Work after using the process specified in the Contract Documents for review and acceptance by the Design Professional and acceptance of same by the Owner.

n. Underground Facilities
All underground lines, pipelines, conduits, ducts, encasements, cables, wires, manholes, vaults, tanks, tunnels, or other such facilities or systems at the Site, including but not limited to those facilities or systems that produce, transmit, distribute, or convey telephone or other communications, cable television, fiber optic transmissions, power, electricity, light, heat, gases, oil, crude oil products, liquid petroleum products, water, steam, waste, wastewater, storm water, other liquids or chemicals, or traffic or other control systems.

o. Force Majeure
An act of God, fire, tornado, hurricane, flood, earthquake, explosion, war on American soil, civil disturbance, labor strikes, and similar unavoidable circumstances beyond Contractor's control, not caused by the negligent act or omission of Contractor or breach of this Agreement, its Subcontractors, or anyone else for whom Contractor is responsible, and not caused by Contractor's breach of a project labor or a "no strike" agreement.

p. Knowledge
The terms "knowledge," "recognize" and "discover," their respective derivatives and similar terms in the Contract Documents, as used in reference to the Contractor, shall be interpreted to mean that which the Contractor knows or should know, recognizes or should recognize and discovers or should discover in exercising the care, skill, and diligence of a diligent and prudent contractor familiar with the Work. Analogously, the expression "reasonably inferable" and similar terms in the Contract Documents shall be interpreted to mean reasonably inferable by a diligent and prudent contractor familiar with the Work and in accordance with the highest standards in the construction profession.

q. Proposal
The offer or proposal of an Offeror submitted on the prescribed form setting forth the prices for the Work to be performed.

r. Offeror
The individual or entity that submits a Proposal directly to City.

s. Proposal Documents
The Proposal Requirements and the proposed Contract Documents including all addenda.

t. Proposal Requirements
The Advertisement or Request for Proposal, Invitation to Offerors, Instructions to Offerors, Offeror's Bond or other Proposal security, the Proposal Form, and the Proposal with any attachments.

u. Notice of Award
A written notice given by City to the Successful Offeror stating that upon timely compliance by the Successful Offeror with the conditions precedent listed in such notice, City will sign and deliver the Agreement.

v. Calendar Day

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

A day consisting of 24 hours measures from midnight to the next midnight. A "day" or "Day" unless otherwise defined shall mean a Calendar Day.

w. Business Day

A day that the City conducts normal business, generally Monday through Friday, except for federal or state holidays observed by the City.

x. Notice to Proceed

A written instrument from the Owner to the Contractor requiring the Contractor to proceed with performance of activities, including, but not limited to development of submittals, ordering of materials, and any other services (the "Preconstruction Services") required to prepare for and expedite the construction of the Work as required by the Contract Documents; and complete the Work (the "Construction Services").

Section 1.2 Correlation and Intent of the Contract Documents

a. The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results. Where a conflict occurs between or within standards, specifications, and drawings, the more stringent or higher quality requirements shall apply. The precedence and coordination of the Contract Documents are as follows:

.1 Any addenda and modifications to the Drawings and Specifications take precedence over any earlier Contract Documents.

.2 Should there be a conflict within the Specifications, or within the Drawings, or between the Drawings and Specification, the Design Professional shall decide which stipulation will provide the best installation and its decision shall be final.

.3 The Drawing and Specifications are intended to coordinate with each other. Anything shown on the Drawings but not mentioned in the Specification or vice-versa, or anything not expressly set forth in either, but which is reasonably implied, shall be furnished as though specifically shown and mentioned in both without any extra charge.

.4 The Drawings, for purposes of clearness and legibility, are essentially diagrammatic, and although the sizes and locations of equipment are shown to scale wherever possible, the Contractor, Subcontractors, and Sub-subcontractors are required to familiarize themselves with all the Work required by the Contract Documents. Each Contractor, Subcontractor, and Sub-subcontractor shall properly coordinate its work with that of the Owner and all Separate Contractors. It is not within the scope of the Drawings to show all necessary offsets, obstructions or structural conditions. It shall be the responsibility of each Contractor to plan, coordinate, and install its work in such a manner so as to conform to the structure. Any conflict within the Drawings shall be referred to the Design Professional for disposition prior to the installation of any affected work.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

.5 Figured dimensions contained in the Contract Documents shall be accurately followed, even though they differ from scaled measurements. No work shown on the plans, the dimensions of which are not figured, shall be executed until instructions have been obtained from the Design Professional as to the dimensions to be used. Larger scale Drawings shall have preference over smaller scale drawings, but discrepancies shall be referred to the Design Professional for interpretation.

.6 Underground Facilities

Shown or Indicated: The information and data shown or indicated in the Contract Documents with respect to Underground Facilities at or contiguous to the Site is based on information and data furnished to City or Engineer by the owners of such Underground Facilities, including City, or by others, unless it is otherwise expressly provided in the Supplementary Conditions:

City and Engineer shall not be responsible for the accuracy or completeness of any such information or data provided by others; and

the cost of all of the following are included in the Contract Price, and Contractor shall have full responsibility for:

reviewing and checking all information and data;

verifying the actual location of those Underground Facilities shown or indicated in the Contract Documents as being within the area affected by the Work, by exposing such Underground Facilities during the course of construction;

coordination and adjustment of the Work with the owners (including City) of such Underground Facilities, during construction; and

the safety and protection of all existing Underground Facilities at the Site, and repairing any damage thereto resulting from the Work.

Not Shown or Indicated: If an Underground Facility that is uncovered or revealed at the Site was not shown or indicated on the Drawings or otherwise indicated in the Contract Documents, or was not shown or indicated on the Drawings or in the Contract Documents with reasonable accuracy, then Contractor shall, promptly after becoming aware thereof and before further disturbing conditions affected thereby or performing any Work in connection therewith, identify the owner of such Underground Facility and give notice to that owner and to City. Contractor shall be responsible for the safety and protection of such discovered Underground Facility.

If City concludes that a change in the Contract Documents is required, a Change Order may be issued to reflect and document such consequences, subject to the provisions of Article 7.

Verification of existing utilities, structures, and service lines shall include notification of all utility companies a minimum of 48 hours in advance of construction including exploratory excavation if necessary.

.7 Reliance by Contractor on Technical Data:

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Contractor is provided certain technical data with respect to such reports and drawings for its use, but the City does not warrant or guarantee the accuracy of the information, and such information including reports and drawings are not Contract Documents. Contractor may not make any Contract Claim against City, or any of its officers, elected or appointed officials, directors, members, partners, employees, agents, consultants, or subcontractors with respect to:

the completeness or accuracy of such reports and drawings for Contractor's purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, and safety precautions and programs incident thereto; or

other data, interpretations, opinions, and information contained in such reports or shown or indicated in such drawings; or

the contents of other Site-related documents made available to Contractor, such as record drawings from other projects at or adjacent to the Site, or City's archival documents concerning the Site; or

any Contractor interpretation of or conclusion drawn from any "technical data" or any such other data, interpretations, opinions, or information.

i. The invalidity of any provision of the Contract Documents shall not invalidate the Contract or its remaining provisions. If it is determined that any provision of the Contract Documents violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable. In such case the Contract Documents shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Contract.

b. Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

c. Unless otherwise stated in the Contract Documents, words that have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

Section 1.3 Capitalization

Terms capitalized in these General Conditions include those that are (1) specifically defined, (2) the titles of numbered articles, or (3) the titles of other documents that are a part of this Contract.

Section 1.4 Interpretation

In the interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

Section 1.5 Ownership and Use of Design Documents

a. Submittal or distribution of the Design Documents or any portion thereof to meet official laws, statutes, ordinances and regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Owner's reserved rights.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

b. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers are authorized to use and reproduce the Design Documents provided to them solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Design Documents. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers may not use the Design Documents on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner.

Section 1.6 Notice

a. Except as otherwise provided in Section 1.6.b, where the Contract Documents require one party to notify or give notice to the other party, such notice shall be provided in writing to the designated representative of the party to whom the notice is addressed and shall be deemed to have been duly served if delivered in person, by mail, by courier, or by electronic transmission if a method for electronic transmission is set forth in the Agreement. In the event notice is provided by mail, it shall be sent certified return receipt requested.
b. Notice of Claims as provided in Section 15.1.c shall be provided in writing and shall be deemed to have been duly served only if delivered to the designated representative of the party to whom the notice is addressed by certified or registered mail, or by courier providing proof of delivery.

Section 1.7 Digital Data Use and Transmission

a. The parties shall agree upon protocols governing the transmission and use of Design Documents or any other information or documentation in digital form. The parties will establish the protocols for the development, use, transmission, and exchange of digital data in writing, as mutually agreed.
b. The Contractor, at any time upon the request of the Owner, shall immediately return and surrender to the Owner, without limitation, all electronic and hard copies of any Project-related materials, records, notices, memoranda, recordings, drawings, specifications, mock-ups and any other documents furnished by the Owner or the Design Professional to the Contractor.

Section 1.8 Building Information Models Use and Reliance

Any use of, or reliance on, all or a portion of a building information model without written agreement to protocols governing the use of, and reliance on, the information contained in the model, shall be at the using or relying party's sole risk and without liability to the other party and its contractors or consultants, the authors of, or contributors to, the building information model, and each of their agents and employees.

Section 1.9 The representations and warranties contained in the Contract Documents shall survive the complete performance of the Work or earlier termination of this Agreement.

Article 2. OWNER

Section 2.1 General

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

a. The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all matters requiring the Owner's approval or authorization. Except as otherwise provided in Section 4.2.a, the Design Professional does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

b. The Owner shall furnish the following information to a person, including the Design Professional or Contractor, who makes a request for information under Texas Government Code Chapter 2253, related to a payment or performance bond: (1) a certified copy of a payment bond and any attachment to the bond; (2) the public work contract for which the bond was given; and (3) the toll-free telephone number maintained by the Texas Department of Insurance under Subchapter B, Chapter 521, Insurance Code, for obtaining information concerning licensed insurance companies.

c. The Owner may obtain independent review(s) of the Design Professional's Design Documents, or of any document or other materials submitted by the Contractor, by a separate architect, engineer, contractor, cost estimator or any other consultant they deem necessary and put under contract to or cause to be employed by the Owner. Such independent review shall be undertaken at the Owner's expense in a timely manner and shall not delay the orderly progress of the Work. The Design Professional and Contractor shall cooperate with such Owner's other consultants fully and respond to their reviews and comments in writing in a timely and comprehensive manner. This provision shall not be interpreted to require the Owner to obtain an independent review or imply that the Owner is in any way assuming responsibility for the work of the Design Professional and Contractor.

Section 2.2 Evidence of the Owner's Financial Arrangements

a. Prior to commencement of the Work and upon written request by the Contractor, the Owner shall furnish to the Contractor reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract.

b. Following commencement of the Work and within ten (10) business days of written request by the Contractor, the Owner shall furnish to the Contractor reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract only if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) the Contractor identifies in writing a reasonable concern regarding the Owner's ability to make payment when due; or (3) a change in the Work materially changes the Contract Sum. If the Owner fails to provide such evidence, as required, within fourteen days of the Contractor's request, the Contractor may immediately stop the Work and, in that event, shall notify the Owner that the Work has stopped. However, if the request is made because a change in the Work materially changes the Contract Sum under (3) above, the Contractor may immediately stop only that portion of the Work affected by the change until reasonable evidence is provided. If the Work is stopped under this Section 2.2.b, the Contract Time shall be extended appropriately, and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shutdown, delay and start-up, plus interest as provided in the Contract Documents.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

c. After the Owner furnishes evidence of financial arrangements under this Section 2.2, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor.

d. Where the Owner has designated information furnished under this Section 2.2 as "confidential," the Contractor shall keep the information confidential and shall not disclose it to any other person. However, the Contractor may disclose "confidential" information, after seven (7) days' notice to the Owner, where disclosure is required by law, including a subpoena or other form of compulsory legal process issued by a court or governmental entity, or by court or arbitrator(s) order. The Contractor may also disclose "confidential" information to its employees, consultants, sureties, Subcontractors and their employees, Sub-subcontractors, and others who need to know the content of such information solely and exclusively for the Project and who agree to maintain the confidentiality of such information. Notwithstanding the above, all Agreements with the Owner shall have all references to compensation redacted before disclosing to Subcontractors, sub-Subcontractors, or any other tier of vendor.

Section 2.3 Information and Services Required of the Owner

a. Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 3.7.a, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

b. The Owner shall retain a Design Professional lawfully licensed to practice architecture or engineering as applicable, or an entity lawfully practicing architecture or engineering, as applicable, in the jurisdiction where the Project is located. That person or entity is identified as the Design Professional in the Agreement and is referred to throughout the Contract Documents as if singular in number.

c. If the employment of the Design Professional terminates, the Owner shall employ a successor whose status under the Contract Documents shall be that of the Design Professional.

d. The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

e. The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services.

f. Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.b.

g. The foregoing are, without limitation and in addition to, the other duties and responsibilities of the Owner specified in Article 6; Article 9; and Article 11.

Section 2.4 Owner's Right to Stop the Work

If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or fails to carry out Work in accordance with the

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.c nor shall the exercise of the Owner's right hereunder give rise to any claim by Contractor for additions to the Contract Sum or Contract Time.

Section 2.5 Owner's Right to Carry Out the Work

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within forty-eight (48) hours from receipt of written notice from the Owner or Design Professional to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such default or neglect. The Design Professional may, at the direction of the Owner, pursuant to Section 9.5.a, withhold or nullify a Certificate for Payment in whole or in part, to the extent reasonably necessary to reimburse the Owner for the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Design Professional's additional services made necessary by such default, neglect, or failure. If current and future payments are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner. If the Contractor disagrees with the actions of the Owner or the Design Professional, or the amounts claimed as costs to the Owner, the Contractor may file a Claim pursuant to Article 15.

Section 2.6 Extent of Owner Rights

a. The rights stated in this Article 2 and elsewhere in the Contract Documents are cumulative and not in limitation of any rights of the Owner granted in the Contract Documents; at law; or in equity.
b. In no event shall the Owner or Design Professional have control over, charge of, or any responsibility for construction means, methods, techniques, sequences, or procedures or for safety precautions and programs in connection with the Work. Notwithstanding anything else herein, and without limitation, any review(s), independent or otherwise, or approval(s) by the Owner or Design Professional of the Design Documents, the Contract Documents, the Contractor's Construction Management Plan(s), the Contractor's Construction Schedule, shop drawings, submittals, meeting minutes or other Contractor's services, deliverables or activities; nor the exercising of any of the rights and authority granted the Owner or Design Professional in the Contract Documents shall in any way reduce, diminish, or otherwise affect the Contractor's responsibilities, duties and accountability to the Owner for, without limitation, the construction means, methods, techniques, sequences, procedures or for safety precautions, and the provision of the Work per the requirements of the Contract Documents.
c. The Owner reserves the right to have the Contractor and/or subcontractors remove person(s) and/or personnel from any and all work on the Project for cause but without cost to the Owner. Such requests from the Owner will be made in writing and may be done directly or indirectly through the Design Professional/Engineer or on-site representative. "Cause" may include, but is not limited to, any of the following: incompetence, poor workmanship, poor scheduling abilities, poor coordination, disruptive to the project, the facility or others, poor management, cause delay or delays, will not strictly adhere to facility procedures and project requirements either willfully

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

or unknowingly, insubordination, drug/alcohol use, possession of contraband, belligerent acts or actions, etc. The Contractor shall provide replacement person(s) and/or personnel acceptable to the Owner at no cost to the Owner.

Article 3. CONTRACTOR

Section 3.1 General

a. The Contractor is the person or entity identified as such in the Contract or Agreement and is referred to throughout the Contract Documents as if singular in number. The Contractor shall be lawfully licensed, if required in the jurisdiction where the Project is located, Denton County, Texas. The Contractor shall designate in writing a representative who shall have express authority to bind the Contractor with respect to all matters under this Contract. The term "Contractor" means the Contractor or the Contractor's authorized representative.
b. The Contractor shall perform the Work in accordance with the Contract Documents.
c. The Contractor shall not be relieved of its obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Design Professional in the Design Professional's administration of the Contract, or by tests, inspections or approvals required or performed by persons or entities other than the Contractor.

Section 3.2 Review of Contract Documents and Field Conditions by Contractor

a. Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed, and correlated personal observations with requirements of the Contract Documents. Prior to execution of the Agreement, the Contractor and each Subcontractor have evaluated and satisfied themselves as to the conditions and limitations under which the Work is to be performed, including, without limitation, (i) the location, condition, layout, and nature of the Project site and surrounding areas and generally prevailing climatic conditions; (ii) anticipated labor supply and costs; (iii) availability and cost of materials, tools, and equipment; and (iv) other similar issues. The Owner and Design Professional assume no responsibility or liability for the physical condition or safety of the Project site, or any improvements located on the Project site. Except as set forth in Section 10.3, the Contractor shall be solely responsible for providing a safe place for the performance of the Work. The Owner and Design Professional shall not be required to make any adjustment in either the Contract Sum or the Contract Time in connection with any failure by the Contractor or any Subcontractor to have complied with the requirements of this Section 3.2.a.
b. Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 2.3.d, shall take field measurements of and verify any existing conditions related to that portion of the Work, and shall observe and verify the impact of any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Design Professional any errors, inconsistencies or omissions discovered by or made known to the Contractor as a request for

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

information in such form as the Design Professional may require. If the Contractor performs any construction activity knowing it involves a recognized error, inconsistency or omission in the Contract Documents without such notice to the Design Professional, the Contractor shall assume appropriate responsibility for such performance and shall bear an appropriate amount of the attributable costs for correction per Section 12.2. It is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional, unless otherwise specifically provided in the Contract Documents.

c. The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Design Professional any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Design Professional may require.
d. If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Design Professional issues in response to the Contractor's notices or requests for information pursuant to Sections 3.2.b or 3.2.c, the Contractor shall submit Claims as provided in Article 15. If the Contractor fails to perform the obligations of Sections 3.2.b or 3.2.c, the Contractor shall pay such costs and damages to the Owner, subject to Section 15.1.g, as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Design Professional for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities unless such error, inconsistency or omission could be ascertained from a careful study of the Contract Documents in its capacity as a contractor and not as a design professional.

Section 3.3 Supervision and Construction Procedures

a. The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The 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 in accordance with the Contract Documents.
b. The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors.
c. The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.
d. The Contractor shall carefully check its own work and that of Subcontractors as the Work is being performed.
e. During the finishing stages of the project, the Contractor shall make frequent inspections of the Work, with the applicable Subcontractor(s) involved, if any, with seven (7) days advance notice to the Design Professional, and the Contractor shall identify incorrect and faulty Work.
f. The Contractor shall ensure that incorrect or faulty Work is corrected immediately.
g. The Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Design Professional in their

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

administration of the Contract, or by tests, inspections or approvals required or performed by persons other than the Contractor.

Section 3.4 Labor and Materials

a. Unless otherwise provided in the Contract Documents, the 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 Contractor is encouraged to consider products and systems that improve the project and retain the character of the products specified, but do not alter the intent of the project. However, except in the case of minor changes in the Work authorized by the Design Professional in accordance with Sections 3.12.h or 7.4, the Contractor may make substitutions only by a formal request for substitution of products in place of those specified with the consent of the Owner, after evaluation by the Design Professional in accordance with the conditions set forth below and elsewhere in the Contract Documents, and a Change Order or Construction Change Directive. The Contractor must submit to the Design Professional and the Owner, for each proposed substitution:

.1 A full explanation of the proposed substitution and submittal of all supporting data, including technical information, catalog “cut sheets”, warranties, test results, installation instructions, operating procedures, and other like information necessary for a complete evaluation of the substitution;

.2 A written explanation of the reasons the substitution is advantageous and necessary, including the benefits to the Owner and the Work in the event the substitution is acceptable;

.3 The adjustment, if any, in the Contract Sum, in the event the substitution is acceptable;

.4 The adjustment, if any, in the time of completion of the Contract and the Contractor’s Construction Schedule in the event the substitution is acceptable;

.5 An affidavit stating that (1) the proposed substitution conforms to and meets all the requirements of the pertinent Specifications and the requirements shown on the Drawings, and (2) the Contractor accepts the warranty and correction obligations in connection with the proposed substitution as if originally specified by the Design Professional;

.6 Proposals for substitutions shall be submitted electronically to the Design Professional and the Owner’s other consultants, if any, in sufficient time to allow no less than ten (10) business days for their respective reviews;

.7 No substitutions will be considered or allowed without the Contractor's submittal of complete substantiating data and information as stated herein; and

.8 Substitutions and alternates may be rejected without explanation and will be considered only under one or more of the following conditions: (1) the proposal is required for compliance with interpretation of code requirements or insurance regulations then existing; (2) specified products are unavailable through no fault of the Contractor; (3) subsequent information discloses the

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

inability of specified products to perform properly or to fit in the designated space; (4) the manufacturer/fabricator refuses to certify or guarantee the performance of the specified product as required; and (5) when, in the judgment of the Owner or the Design Professional, a substitution would be substantially in the Owner's best interests, in terms of cost, time, or other considerations; and

.9 Whether or not any proposed substitution is accepted by the Owner, the Owner's other consultants, if any (if any), or the Design Professional, the Contractor shall reimburse the Owner for any fees charged by the Design Professional, and the Owner's other consultants for evaluating each proposed substitute.

c. The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them. Smoking and chewing of tobacco products is prohibited in enclosed new construction. No glass bottles shall be brought on the construction site or Owner's property by any construction personnel.

d. All work under this Agreement shall be performed in a skillful and workmanlike manner in accordance with the highest industry standards.

e. The Contractor shall only employ or use labor in connection with the Work capable of working harmoniously with all trades, crafts, and any other individuals associated with the Project. The Contractor shall also use best efforts to minimize the likelihood of any strike, work stoppage, or other labor disturbance.

.1 If the Work is to be performed by trade unions, the Contractor shall make all necessary arrangements to reconcile, without delay, damage, or cost to the Owner and without recourse to the Design Professional or the Owner, any conflict between the Contract Documents and any agreements or regulations of any kind at any time in force among members or councils that regulate or distinguish the activities that shall not be included in the work of any particular trade; and

.2 In case the progress of the Work is affected by any undue delay in furnishing or installing any items or materials or equipment required under the Contract Documents because of such conflict involving any such labor agreement or regulation, the Owner may require that other material or equipment of equal kind and quality be provided pursuant to a Change Order or Construction Change Directive.

Section 3.5 Warranty

a. The Contractor warrants to the Owner and Design Professional that materials and equipment furnished under the Contract will be of good quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform with the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

wear and tear and normal usage. If required by the Design Professional, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment. **THE CONTRACTOR SHALL DEFEND AND HOLD THE OWNER HARMLESS AGAINST ANY CLAIM, DEMAND, LOSS, OR DAMAGE BY ANY BREACH OF THIS WARRANTY, AND CONTRACTOR ACKNOWLEDGES IT SHALL NOT LIMIT SUCH WARRANTY BY THE PROVISIONS OF SECTION 12.2.**

b. All material, equipment, or other special warranties required by the Contract Documents shall be issued in the name of the Owner and shall commence in accordance with Section 9.8.d.

c. When written warranties are specified, the document shall include the following information:
Name and address of Project and Owner;
Article, materials, or systems covered;
Name and address of Installer;
Name and address of Contractor; and
Signature of individual authorized to sign contracts for the company issuing the warranty.

d. The following minimum warranty terms shall be incorporated:

.1 Duration shall be one year or as otherwise specified, dated from the Date of Substantial Completion;

.2 The article, material or system is free from defective materials and workmanship;

.3 Costs of repair or replacement shall not accrue to the Owner, including, without limitation, repair or replacement of other work disturbed by, or because of, repair or replacement; and

.4 The warranty period of two years, or as otherwise specified, shall recommence upon the identification and completion by Contractor and acceptance by Owner of any warranty claim during the initial two-year (2) warranty period.

e. Warranties which are provided by a manufacturer for its product shall be received by the Contractor, filled out and filed with the manufacturer or other appropriate entity in coordination with the Owner. Certificates or registration stubs shall be included with the record documents submitted for the Owner upon completion of the Work. The Owner shall administrate manufacturer's warranties/guarantees after expiration of the Contractor's warranty.

f. Temporary or trial usage by the Owner of any mechanical device, machinery, apparatus, equipment, or any work or material supplied under the Contract Documents before final completion and written acceptance by the Design Professional and Owner shall not be construed as evidence of the Design Professional's or the Owner's acceptance of same, or the commencement of any warranty periods.

g. The Owner has the privilege of such temporary or trial usage, for such reasonable time as the Owner, or the Design Professional deem proper. The Contractor shall make no claims for damage or injury to, or breaking of, any parts of such work which may be caused by weakness or insufficiency of structural parts, or by defective materials or workmanship.

h. The Contractor may, without cost to the Owner, make such trial usage. However, trials shall only be conducted with the Design Professional's prior approval and under its observation as may be required by either of them. Equipment and/or materials shall be replaced or returned to "as new" condition prior to acceptance by the Owner.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

i. The Contractor agrees to assign to the Owner at the time of final completion of the Work any and all manufacturer's warranties relating to materials and labor used in the Work and further agrees to perform the Work in such manner so as to preserve any and all such manufacturer's warranties.

j. If necessary as a matter of law, the Contractor may retain the right to enforce directly any such manufacturers' warranties during the one (1) year period following the date of Substantial Completion described in Section 12.2.b.

Section 3.6 Taxes

The Contractor shall, to the extent not exempted under Section 13.11.i herein, pay sales, consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect. In no event shall the Owner pay the Contractor for taxes that were not properly due or for which the Owner is exempt from paying under Texas law.

Section 3.7 Permits, Fees, Notices and Compliance with Laws

a. Unless otherwise provided in the Contract Documents, the Owner shall secure and pay for the building permit. The Owner shall also pay for any applicable gas, water, sewer and electrical service application fees; assessments against the property, including property tax, developmental excise and similar taxes; sewer, water, and related utility tap fees; and sewer plant improvement fees, unless exempted under Texas law. The Contractor shall secure and pay for all other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded.

b. The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work.

c. If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, regardless of whether such work is in accordance with Contract Documents, and without notice to the Design Professional that the Contract Documents are at variance with applicable laws, ordinances, rules, or regulations, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction. Codes and ordinances shall take full and complete precedence over anything contained in the Drawings, Specifications, or other Contract Documents, except where the Contract Documents call for Work or materials of higher standards than those required by codes or ordinances, in which case, the Contract Documents shall govern. Nothing contained in the Contract Documents shall be construed as authority for the Contractor to violate any applicable codes or ordinances in effect at the site.

d. Concealed or Unknown Conditions

If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the Contractor shall promptly provide notice to the Owner and the Design Professional before conditions are disturbed and in no event later than

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

seven (7) days after first observance of the conditions. The Design Professional will promptly investigate such conditions and, if, in the Design Professional's opinion, they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend that an equitable adjustment be made in the Contract Sum or Contract Time, or both. If, in the Design Professional's opinion, the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Design Professional shall promptly notify the Owner and Contractor, stating the reasons. If either party disputes the Design Professional's recommendation, that party may submit a Claim as provided in Article 15.

i. In no event shall any adjustment in the Contract Sum or Contract Time be made for conditions which should have been known to the Contractor or would have been noticed by a Contractor of similar size and experience pursuant to its on-site inspection; by way of or conditions referenced in any other inspections or tests concerning the site which have been made available to the Contractor or have been performed by the Contractor or its Subcontractors; are part of the Contract Documents; or are part of the materials provided by the Contractor to be used in constructing the improvements.

e. If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Design Professional. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

f. The Contractor shall comply with all applicable laws, statutes, rules, codes, orders, regulations, and ordinances, including, but not limited to, all immigration, environmental and safety laws, statutes, rules, codes, orders and regulations.

.1 The Contractor shall also maintain at all times during the term of the this Agreement (and for the time otherwise required by law) all records required by the United States Citizenship and Immigration Services ("USCIS"), including, without limitation, the completion and maintenance of the Form I-9 for each of Contractor's employees and shall respond at all times during the term of this Agreement in a timely fashion to any inspection request related to such I-9 forms by the Contractor, Owner or governmental agency or authority;

.2 Furthermore, during the term of this Agreement, and for the time otherwise required by law, Contractor shall cause its officers, directors, managers, agents, and employees to cooperate fully in all respects with any audit, inquiry, inspection, or investigation that may be conducted by the USCIS of the Contractor or any of its employees or subcontractors;

.3 The Contractor shall immediately, and in any event within two (2) hours of Contractor's first notice of an event described in this Section 3.7.f notify the Owner in writing and by in-person voice communications (not voicemail) of any unscheduled inspections, raids, investigations, inquiries, visits, or audits

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

conducted by the USCIS, OSHA, or any other governmental agency or authority related to environmental, immigration, or employee safety issues of the Contractor, its agents, employees, its Design Professional, Subcontractors, or Sub-subcontractors;

.4 The Contractor shall, on a monthly basis during the term of this Agreement, conduct an audit of the I-9 forms for its employees and shall promptly correct any defects or deficiencies that are identified as a result of such audit;

.5 The Owner may, at its sole discretion, terminate this Agreement immediately if, at any time during the term of this Agreement, the Contractor violates or is in breach of any provision of this Section 3.7.f or the USCIS determines that Contractor has not complied with any of the immigration laws, statutes, rules, codes, or regulations of the United States or any applicable state laws or regulations, or any applicable local ordinances, including, without limitation, the Immigration Reform and Control Act of 1986, as amended, and the Illegal Immigration Reform and Immigration Responsibility Act of 1996, as amended, and any successor statutes thereto;

.6 If an employee of the Contractor or if the Contractor is later determined to not have valid I-9 information then that employee shall be removed and barred from the Project site at the Contractor's expense; and

.7 The Contractor shall require the Subcontractors, Sub-subcontractors and material suppliers to make the representations and warranties set forth in this Section 3.7.f and to be bound by the same requirements set forth herein.

Section 3.8 Allowances

a. The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

b. Unless otherwise provided in the Contract Documents,

.1 allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;

.2 Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit, and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and

.3 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 (1) the difference between actual costs and the allowances under Section 3.8.b.1 and (2) changes in Contractor's costs under Section 3.8.b.2.

c. Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Section 3.9 Superintendent

a. The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work including, but not limited to, weekends, evenings and nights, or as otherwise reasonably and mutually agreed in writing with the Owner, until all punch list items have been completed to the satisfaction of the Design Professional. No subcontractor shall perform work on the site without the presence of the Superintendent or Assistant Superintendent. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor.
b. The Contractor, as soon as practicable after award of the Contract, shall notify the Owner and Design Professional of the name and qualifications of a proposed superintendent. Within 14 days of receipt of the information, the Owner or the Design Professional may notify the Contractor, stating whether the Owner or the Design Professional (1) has reasonable objection to the proposed superintendent or (2) requires additional time for review. Failure of the Design Professional to provide notice within the 14-day period shall constitute notice of no reasonable objection.
c. All of the Contractor's proposed on-site personnel must be approved by the Design Professional and Owner. The Contractor shall not employ a proposed superintendent to whom the Owner or Design Professional has made reasonable and timely objection. The Contractor shall not change the superintendent without the Owner's consent, which shall not unreasonably be withheld or delayed. Substitution or other significant personnel changes which may affect the Contractor's on-site personnel must be preceded by written notification of the Design Professional and Owner no less than seven (7) business days before the anticipated event. Such proposed changes must be approved by the Design Professional and Owner. The Contractor shall designate a second person in charge in writing in the event the Superintendent is temporarily absent due to illness, vacation, or any other cause(s).

Section 3.10 Contractor's Construction and Submittal Schedules

i. Where the Contract is based on a Stipulated Sum, the Contractor, immediately after being awarded the Work, and before execution of the Agreement, shall meet at a Preconstruction Conference with the Owner for the purpose of reviewing the Contractor's proposed Construction Management Plan; assisting the Owner with further developing the Master Project Schedule; and integrating the Work of the Contractor into that of the Owner and all Separate Contractors, if any.
ii. The Contractor's Project Schedule must include all the following:
    .1 Use precedence format, critical path method scheduling without the use of artificial activity constraints or "negative float";
    .2 Use software, techniques and methods satisfactory to the Owner;
    .3 Provide an electronic and graphic representation of all activities and events that will occur during performance of the Work;
    .4 Identify each subproject, to include, without limitation preconstruction, construction, commissioning, turnover of the Work, and Owner's occupancy;
    .5 Set forth dates that are critical in ensuring the timely and orderly completion of the Work in accordance with the requirements of the Contract Documents (hereinafter referred to as "Contractual Milestone Dates");

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

.6 Upon review by the Design Professional and written review and acceptance by the Owner of the Contractual Milestone Dates, the Contractor's Project Schedule shall be deemed part of the Contract Documents and provided to the Owner as a submittal;

.7 If not accepted, the Contractor's Project Schedule shall be promptly revised by the Contractor in accordance with the recommendations of the Owner and resubmitted for acceptance;

.8 Submission of an updated Contractor's Project Schedule with each Application for Payment shall be a mandatory condition precedent to the payment by the Owner to the Contractor pursuant to an Application for Payment, and the Owner shall not be obligated to make payment if the Contractor fails to include an updated Contractor's Project Schedule reflecting the then-current conditions on the Project and the anticipated progress of Work based on those conditions; and

.9 All requests for change orders, modifications or additional compensation from the Contractor affecting the Contract Time or Contract Sum shall include a detailed schedule with both data and graphics showing the specific effect of the changed, modified or differing condition(s) on the critical path of the Contractor's Project Schedule.

iii. The Contractor, prior to preparing the Construction Management Plan and attending the Preconstruction Conference, will have reviewed the sequences, durations, sequencing and dependencies of activities, material deliveries, and sequenced man-hour staffing to complete the Work. Work activities which have an installed value of twenty thousand dollars ($20,000) or more will be broken down into major products or operations except where mutually agreed otherwise by Contractor and Owner, and these values cost-loaded into the Contractor's Project Schedule as deemed necessary by the Owner. Upon request by the Owner, the Contractor shall support values given for each work activity with data that will substantiate its correctness. The Owner may require the Contractor to show separate work activities and Contractual Milestones for, as examples only and without limitation: Substructure Completion; Superstructure Completion; Building Exterior Skin Completion; Interior Finishes Completion; Owner's Beneficial Occupancy, and other similar dates the Owner, at its sole discretion deems important to the Project.

iv. In the event the Contractor does not timely provide the Contractor's Construction Management Plan with an acceptable Contractor's Project Schedule containing such elements, information, and processes in a form and with a level of detail acceptable to the Design Professional and the Owner, the Owner may, at the Owner's discretion, unilaterally generate the target Contractor's Project Schedule at the Contractor's expense, and impose such schedule, sequences, logic, and/or durations on the Contractor as it deems necessary to complete the Work, or the Owner may declare the Contractor in breach of contract. Whether or not the Owner decides to implement this option, all other contractual provisions relating to breach of contract will continue to be in full force and apply without modification. The Owner may deduct from the Contractor's Application(s) for Payment the amount paid by the Owner for generating the Contractor's Project Schedule.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

v. Upon completion of the Master Project Schedule, and acceptance by the Owner and all Separate Contractors, the Master Project Schedule shall supersede previously submitted schedules. Each updated Master Project Schedule shall supersede previous updates.

b. The Contractor shall, at the Preconstruction Conference, and as a sub-system of its Contractor's Project Schedule, prepare an easily isolated, sorted and separately viewed submittal schedule, and thereafter update it as necessary to maintain a current submittal schedule, and shall submit such schedule(s) for the Design Professional's approval. The Design Professional's approval shall not be unreasonably delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor's Construction Schedule, and (2) allow the Design Professional reasonable time to review submittals. If the Contractor fails to submit an approvable submittal schedule thirty (30) days prior to the date established for commencement of the Work, the Contractor shall not mobilize on site, or be entitled to any increase in Contract Sum or extension of Contract Time based on the delay of the Work or time required for review of submittals during the prosecution of the Work.

c. The Contractor shall perform the Work in general accordance with the most recent Contractor's Project Schedules submitted to the Owner and Design Professional and incorporated into the approved Master Project Schedule.

d. The Owner together with the Contractor, will monitor the Master Project Schedule, and incorporate the Contractor's updates to its portions of this overall schedule. As all Separate Contractors are also obligated to follow the Master Project Schedule and their respective schedules therein, they will be required to actively cooperate and participate in the preparation and updating of their portion of this schedule, as well as updating the overall Master Project Schedule by the Owner. The Contractor will be kept updated on all significant Master Project Schedule changes materially affecting the Contractor's Project Schedule.

e. The Contractor will produce a Short Interval Schedule containing activities for not less than one (1) previous week and the next three (3) weeks, and which focuses on the major weekly work activities of each subsystem. At each weekly meeting this Short Interval Schedule will be reviewed by the Contractor with all affected Subcontractors and the Owner.

f. In the event of substantial delay, if excusable under the Contract, for which extension of the Contract Time has or will be granted, the Owner will review and may require revision by the appropriate contractor(s) of affected component of the Master Project Schedule as required by the specific applicable situation(s), and with the cooperation of the Separate Contractors on the Project.

g. The Contractor shall, at mutually agreed intervals, submit to the Owner and Design Professional a progress report stating, without limitation, labor forces mobilized and working on site; areas worked in or on; percent complete of current work activities; any potential schedule or coordination problems; material deliveries received; site visitors; and other information as required by the Owner.

h. The Contractor shall monitor the progress of the Work for conformance with the requirements of the Contractor's Project Schedule and shall promptly advise the Owner of any delays or potential delays. The accepted Contractor's Project Schedule shall be updated to reflect actual conditions as frequently as mutually agreed by the Contractor and Owner; but in no event less frequently than with each Application for Payment; and at other times as may be reasonably requested by the Owner or Design Professional. In the event any progress report or schedule update indicates any

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

actual or potential delays, the Contractor shall, using both the most currently approved Contractor's Project Schedule as a baseline for comparison, and a written narrative, propose an affirmative plan to correct the delay (hereinafter referred to as the "Proposed Recovery Schedule") which must include the following:

.1 The Proposed Recovery Schedule will show the results of working additional shift or days, adding additional labor, and any of the other actions specified in Section 8.4, if necessary, all as described in the accompanying narrative;

.2 The Proposed Recovery Schedule will be reviewed by the Owner, and the Contractor will promptly and diligently make all adjustments to the Proposed Recovery Schedule reasonably requested as a result of such review.

.3 The Proposed Recovery Schedule shall become the most current, approved Contractor's Project Schedule upon its approval by the Owner, issuance of a Change Order for the purpose by the Design Professional; and signing of such Change Order by the Contractor, Design Professional, and Owner, in that order; and

.4 In no event shall any progress report, schedule update or Proposed Recovery Schedule constitute an adjustment in the Contract Time, any Contractual Milestone Date, or the Contract Sum unless any such adjustment is agreed to by the Owner and authorized pursuant to Change Order.

i. In the event either the Owner or Design Professional determine that the performance of the Work, as of a Contractual Milestone Date, has not progressed or reached the level of completion required by the Contract Documents, the Owner shall have the right to order the Contractor to take corrective measures necessary to expedite the progress of construction, including, without limitation those further specified in Section 8.4.

j. The Owner may exercise the rights furnished the Owner under or pursuant to this Section 3.10 and Section 8.4 as frequently as the Owner deems necessary to ensure that the Contractor's performance of the Work will comply with any Contractual Milestone Date or completion date set forth in the Contract Documents.

k. The Owner shall have the right to direct a postponement or rescheduling of any date or time for the performance of any part of the Work that may interfere with the operation of any part of the Owner's organization or any stakeholders or invitees thereof. The Contractor shall, upon the Owner's or Design Professional's request, reschedule such portion of the Work during hours when the interference to the Owner's organization, or any stakeholders or invitees thereof, will be minimized or eliminated. Any postponement, rescheduling, or performance of the Work under this Section 3.10.k may be grounds for an extension of the Contract Time, if permitted under Section 8.3.a; and an equitable adjustment in the Contract Sum if the performance of the Work was properly scheduled by the Contractor in compliance with the requirements of the Contract Documents; and to the extent such rescheduling or postponement is required for the convenience of the Owner.

l. Documents and Samples at the Site

The Contractor shall make available, to the Owner, Design Professional or their designees, at the Project site, the Contract Documents, including Change Orders, Construction Change Directives, and other Modifications, in good order and marked currently to indicate field changes and

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

selections made during construction, and the approved Shop Drawings, Product Data, Samples, and similar required submittals. These shall be in electronic form or paper copy and delivered to the Design Professional for submittal to the Owner upon completion of the Work as a record of the Work as constructed. The Contractor shall make available to the Owner or Design Professional for inspection and copying the record copy of the drawings, specifications, addenda, Change Orders and other Modifications, including all such documents maintained by the Contractor in electronic format, upon reasonable request of the Owner or Design Professional and, in any event, within twenty-four (24) hours of receipt by Contractor of a request from Owner or Design Professional for such review and/or copying. The Owner or Design Professional may request the record copy of the As-Built Documents, specifications, addenda, Change Orders and other modifications of the Work to be updated before Substantial Completion to reflect the most current condition of the Project, as additional Cost of the Work paid as a Change Order at the Owner's expense. The Owner or Design Professional may require the Contractor to furnish the As-Built Documents in electronic format and may make copies of them prior to completion of the Work at the Owner's expense.

i. The Contractor shall provide final electronic files and one "hard" copy of the Drawings and Specifications to the Owner updated to reflect the final condition of the Project with the final Application for Payment as a condition precedent to final payment.

Section 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, manufacturer, supplier, or distributor 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 that 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. Their purpose is to demonstrate how the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. Review by the Design Professional is subject to the limitations of Section 4.2.g. Informational submittals upon which the Design Professional is not expected to take responsive action may be so identified in the Contract Documents. Submittals that are not required by the Contract Documents may be returned by the Design Professional without action.
e. The Contractor shall review for compliance with the Contract Documents, approve, and submit to the Design Professional, Shop Drawings, Product Data, Samples, and similar submittals required by the Contract Documents, after Contractor has verified the information contained within said submittals is in accordance with representations required by Section 3.12.f and in accordance with the submittal schedule approved by the Design Professional or, in the absence of an approved submittal schedule, 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.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

f. By submitting Shop Drawings, Product Data, Samples, and similar submittals, the Contractor represents to the Owner and Design Professional that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents and (4) verified the information contained within said submittals is in accordance with all applicable Federal, state and local codes or ordinances in effect at the site.

g. The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples, or similar submittals, until the respective submittal has been approved by the Design Professional. Should the Contractor, Subcontractors, or Sub-subcontractors install, construct, erect or perform any portion of the Work without approval of any requisite submittal, the Contractor shall bear the costs, responsibility, and delay for removal, replacement, and/or correction of any and all items, material, and /or labor.

h. The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from the requirements of the Contract Documents by the Design Professional's approval of Shop Drawings, Product Data, Samples, or similar submittals, unless the Contractor has specifically notified the Design Professional of such deviation at the time of submittal and (1) the Design Professional has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples, or similar submittals, by the Design Professional's approval thereof.

i. The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples, or similar submittals, to revisions other than those requested by the Design Professional on previous submittals. In the absence of such notice, the Design Professional's approval of a resubmission shall not apply to such revisions.

    i. Copies of all approved Shop Drawings, Product Data, Samples and similar submittals shall be preserved in an orderly manner and delivered by the Contractor to the Owner upon Final Completion.

j. The Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences, and procedures. The Contractor shall not be required to provide professional services in violation of applicable law.

    i. If professional design services or certifications by a design professional related to systems, materials, or equipment are specifically required of the Contractor, the Owner and the Design Professional will specify all performance and design criteria that such services must satisfy in the Contract Documents. The Contractor shall be entitled to rely upon the adequacy and accuracy of the performance and design criteria provided in the Contract Documents. The Contractor shall cause such services or certifications to be provided by an appropriately licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings, and other submittals prepared by such professional who shall comply with reasonable

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

requirements of the Owner regarding qualifications and insurance. Shop Drawings, and other submittals related to the Work, designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Design Professional. The Owner and the Design Professional shall be entitled to rely upon the adequacy and accuracy of the services, certifications, and approvals performed or provided by such design professionals, provided the Owner and Design Professional have specified to the Contractor the performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.j, the Design Professional will review and approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents.

ii. If the Contract Documents require the Contractor's design professional to certify that the Work has been performed in accordance with the design criteria, the Contractor shall furnish such certifications to the Owner and the Design Professional at the time and in the form specified by the Design Professional.

Section 3.13 Use of Site, Delivery and Storage

a. The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, lawful orders of public authorities, and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.
b. The Contractor shall coordinate the Contractor's operations with, and secure the approval of, the Owner before using any portion of the site.
c. The Contractor shall take reasonable precautions for the safety of, and shall provide all reasonable protection to prevent damage, injury or loss to, all persons at the Project site; all property at the Project site; and all persons or property adjacent thereto, which includes, but is not limited to, the all the following duties and acknowledgments:

.1 The Contractor acknowledges the Project site comprises and/or may be adjacent to existing structures and that these site areas may be occupied during the performance of some portions of this Contract;

.2 The Work shall be performed, to the fullest extent reasonably possible, in such a manner that public areas adjacent to the site of the Work shall be free from all debris, building materials, and equipment likely to cause interference with adjacent stakeholders or create hazardous conditions;

.3 The Contractor shall be responsible for the mitigation and/or abatement of all noise, dust, fumes, traffic or other by-product of construction activity that, in the opinion of the Owner or the Design Professional, have an adverse affect on the quality of life or productivity for Project stakeholders, the Owner's current operations, or the Owner's employees. Such mitigation and/or abatement shall be performed in manner and with a result completely and wholly acceptable to the Owner and Design Professional;

.4 The Contractor shall control its personnel and the Subcontractors on site, especially regarding the use of alcohol or profanity, dressing in an inappropriate manner, parking in an inappropriate place, or other activities deemed to be inappropriate, to the satisfaction of the Owner and Design Professional. Repeat

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

offenses will cause the Owner or Design Professional to require, through the Contractor, the temporary or permanent removal of the offending individuals, Subcontractor(s) or Sub-subcontractor(s) from the site;

.5 The Contractor shall, at a minimum, secure the site by erecting and maintaining a 6'-0" chain link fence around the perimeter of the construction site. This fence shall remain intact until such time the site becomes secure in the opinion of the Contractor, as a result of construction progress (by way of example, and without limitation, completion of site grading and backfill, installation of doors and windows, etc.);

.6 The Contractor shall furnish and maintain sufficient sanitary facilities for its own forces and those of any Subcontractor or Sub-subcontractor. The facilities of any existing, nearby buildings will not be available for construction use; and

.7 The Contractor is advised that the project site area is subject to, among other inclement weather, unpredictable and high winds. When all or a portion of the Work is suspended for any reason, the Contractor shall securely fasten down all coverings and stored materials on site and fully protect the Work, as necessary, from injury or damage by any cause and to prevent possible damage caused by flying materials and debris.

d. The Contractor shall ensure that the Work, at all times, is performed in a manner that affords reasonable access, both vehicular and pedestrian, to the site of the Work and all adjacent areas, which includes, but is not limited to, all of the following duties:

.1 The access to the site shall be maintained in compliance with all local, state, and Federal code and life safety requirements for ingress by first responders and other similar emergency requirements;

.2 The Contractor shall inform the Owner, Design Professional and any officials referenced in Section 3.13.f in writing a minimum of thirty (30) calendar days prior to any disruption of access, specifically and graphically showing the nature of the disruption, as well as the hours it will be disrupted. Such disruption will be subject to Owner's and Design Professional's approval, such approval not to be unreasonably withheld;

.3 The Owner shall be responsible for snow removal to the limits of the construction site only so far that the Contractor will have access to the entrance to the construction area; and

.4 Snow removal within the limits of work and/or for the purpose of performing and protecting work by individual contractors is the duty of the Contractor.

e. During the performance of the Work, the Contractor, its Subcontractors, Sub-subcontractors, suppliers and their employees agree they shall:

.1 Use such entrances to the construction site that may be designated by the Owner;

.2 Perform the Work at such times of the day and days of the week as may be designated by the Owner; and

.3 Accept that these entrances and times may be reviewed and changed from time to time by the Owner.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

f. The Contractor shall notify all public utility companies a minimum of two (2) business days prior to the commencement of any work by it or its Subcontractors in the vicinity of the utilities. No work shall commence until the utilities have been located and staked by the utility company or written consent from the Owner to proceed has been given to the Contractor. If the utility service must be interrupted, the Contractor shall, at Contractor's sole cost and expense, notify the head of the local administrative services (by way of example only, and without limitation, the city manager, the mayor, the city or county clerk, etc. as applicable) and the utility users affected by the interruption. Such notice shall consist of direct written communication, publication in a local newspaper, and/or announcement on local radio or television stations, whichever is most reasonably calculated to give the most effective notice to such utility users.

g. The Contractor shall exercise due diligence in seeing that all equipment, material, and supplies are delivered in advance of the time they are needed on the job and shall properly store and protect same at the Contractor's expense.

h. Notwithstanding any other provision herein, the Contractor shall take all necessary measures to store materials on site for which payment has been requested by the Contractor or been made by the Owner so that they shall not deteriorate, be damaged or be stolen, which includes, but is not limited to, all the following:

.1 Only materials and equipment that are to be used directly in the Work shall be brought to and stored on the Project site by the Contractor;

.2 Protection of construction materials and equipment stored at the Project site from fire, weather, burglary, pilferage, vandalism and mischief, damage, and all other adversity; and the care and protection of materials and Work installed in the building is solely the responsibility of the Contractor;

.3 The Contractor shall bear sole responsibility for the restoration of damaged Work and replacement of damaged or stolen materials at no additional cost to the Owner; and

.4 After equipment is no longer required for the Work, it shall be promptly removed from the Project site.

i. The Contractor shall not deliver any materials to the site which are not to be installed by same Contractor without fifteen (15) day's advance notice in writing to the Owner of the location, date, and time of such delivery to allow proper coordination. Such materials shall be received jointly by a representative of the Contractor and a representative of the Owner, who shall agree, and the Contractor shall document such agreement in writing:

.1 The materials delivered are undamaged, or if damaged, such damage is documented by digital photo(s);

.2 They are in the quantities shown on the purchase order, invoice or bill of lading accompanying the shipment or delivery or otherwise provided;

.3 The storage conditions are adequate for the purposes; and

.4 The Contractor has accepted responsibility for insurance and ongoing protection per Section 10.2 for such material until it is released to a third party authorized in writing by the Owner to receive it.

Section 3.14 Cutting and Patching

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

a. The Contractor shall be responsible for cutting, fitting, or patching required to complete the Work or to make its parts fit together properly. All areas requiring cutting, fitting, or patching shall be restored to the condition existing prior to the cutting, fitting, or patching, unless otherwise required by the Contract Documents.
b. The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or Separate Contractors by cutting, patching, or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter construction by the Owner or a Separate Contractor except with written consent of the Owner and of the Separate Contractor. Consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold, from the Owner or a Separate Contractor, its consent to cutting or otherwise altering the Work.

Section 3.15 Cleaning Up

a. The Contractor shall keep the premises and surrounding area free from accumulation of waste materials and rubbish caused by operations under the Contract and shall be responsible for daily clean-up of construction materials and dust control. At completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor's tools, construction equipment, machinery, and surplus materials from and about the Project and shall clean all glass surfaces and leave the Work "broom clean", or its equivalent, except as otherwise specified.
b. If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and the Owner shall be entitled to reimbursement from the Contractor.

Section 3.16 Access to Work

The Contractor shall provide the Owner and Design Professional and their representatives with access to the Work in preparation and progress at all times wherever located, and shall provide proper and safe facilities for such access.

Section 3.17 Royalties, Patents and Copyrights

The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall defend and hold the Owner and Design Professional harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process, or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications, or other documents prepared by the Owner or Design Professional. However, if an infringement of a copyright or patent is discovered by, or made known to, the Contractor, the Contractor shall be responsible for the loss unless the information is promptly furnished to the Design Professional.

Section 3.18 Indemnification

a. CONTRACTOR DOES HEREBY AGREE TO WAIVE ALL CLAIMS, RELEASE, INDEMNIFY, DEFEND AND HOLD HARMLESS INDEMNITEES FROM AND AGAINST ANY AND ALL CITATIONS, CLAIMS, COSTS, DAMAGES, DEMANDS, EXPENSES, FINES, JUDGMENTS, LIABILITY, LOSSES, PENALTIES, SUITS OR CAUSES OF ACTION OF EVERY KIND INCLUDING ALL EXPENSES OF LITIGATION AND/OR SETTLEMENT, COURT COSTS AND ATTORNEY FEES

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

WHICH MAY ARISE BY REASON OF INJURY TO OR DEATH OF ANY PERSON OR FOR LOSS OF, DAMAGE TO, OR LOSS OF USE OF ANY PROPERTY OCCASIONED BY ERROR, OMISSION, OR NEGLIGENT ACT OF CONTRACTOR, ITS SUBCONTRACTORS, ANY OFFICERS, AGENTS OR EMPLOYEES OF CONTRACTOR OR ANY SUBCONTRACTORS, INVITEES, AND ANY OTHER THIRD PARTIES OR PERSONS FOR WHOM OR WHICH CONTRACTOR IS LEGALLY RESPONSIBLE, IN ANY WAY ARISING OUT OF, RELATING TO, RESULTING FROM, OR IN CONNECTION WITH THE PERFORMANCE OF THIS CONTRACT, AND CONTRACTOR WILL AT ITS OWN COST AND EXPENSE DEFEND AND PROTECT OWNER FROM ANY AND ALL SUCH CLAIMS AND DEMANDS.

CONTRACTOR DOES HEREBY AGREE TO WAIVE ALL CLAIMS, RELEASE, INDEMNIFY, DEFEND AND HOLD HARMLESS INDEMNITEES FROM AND AGAINST ANY AND ALL CITATIONS, CLAIMS, COSTS, DAMAGES, DEMANDS, EXPENSES, FINES, JUDGMENTS, LIABILITY, LOSSES, PENALTIES, SUITS OR CAUSES OF ACTION OF EVERY KIND INCLUDING ALL EXPENSES OF LITIGATION AND/OR SETTLEMENT, COURT COSTS AND ATTORNEY FEES FOR INJURY, SICKNESS, DISEASE OR DEATH OF ANY EMPLOYEE, AGENT OR REPRESENATIVE OF CONTRACTOR OR ANY OF ITS SUBCONTRACTORS, REGARDLESS OF WHETHER THE CITATIONS, CLAIMS, COSTS, DAMAGES, DEMANDS, EXPENSES, FINES, JUDGMENTS, LIABILITY, LOSSES, PENALTIES, SUITS OR CAUSES OF ACTION ARISE IN WHOLE OR IN PART FROM THE NEGLIGENCE OF INDEMNITEES. IT IS THE EXPRESS INTENTION OF THE PARTIES HERETO THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH IS AN INDEMNITY BY CONTRACTOR FOR THE BENEFIT OF THE OWNER FROM THE CONSEQUENCES OF OWNER'S NEGLIGENCE, WHETHER THAT NEGLIGENCE IS A SOLE OR CONCURRING CAUSE OF THE INJURY, SICKNESS, DISEASE OR DEATH OF CONTRACTOR'S EMPLOYEE OR EMPLOYEE OF ANY OF ITS SUBCONTRACTORS.

IN ANY AND ALL CLAIMS AGAINST ANY PARTY INDEMNIFIED HEREUNDER BY ANY EMPLOYEE OF THE CONTRACTOR, ANY SUB-CONTRACTOR, ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY ANY OF THEM OR ANYONE FOR WHOSE ACTS ANY OF THEM MAY BE LIABLE, THE INDEMNIFICATION OBLIGATION HEREIN PROVIDED SHALL NOT BE LIMITED IN ANY WAY BY ANY LIMITATION ON THE AMOUNT OR TYPE OF DAMAGES, COMPENSATION OR BENEFITS PAYABLE BY OR FOR THE CONTRACTOR OR ANY SUB-CONTRACTOR UNDER WORKMEN'S COMPENSATION OR OTHER EMPLOYEE BENEFIT ACTS.

INDEMNIFIED ITEMS SHALL INCLUDE, BUT NOT BE LIMITED TO, ATTORNEYS' FEES AND COSTS, COURT COSTS AND SETTLEMENT COSTS, INCURRED BY AN INDEMNIFIED INDIVIDUAL OR ENTITY IN ATTEMPTING TO ENFORCE THIS INDEMNITY.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

THE CONTRACTOR IS NOT REQUIRED TO INDEMNIFY OR DEFEND THE DESIGN PROFESSIONAL, ANY LICENSED ENGINEER, OR AN AGENT, SERVANT, OR EMPLOYEE OF THE DESIGN PROFESSIONAL OR LICENSED ENGINEER FROM LIABILITY THAT MAY ARISE FROM DEFECTS IN THE PLANS, DESIGNS OR SPECIFICATIONS OR NEGLIGENCE ON THE PART OF THE DESIGN PROFESSIONAL OR LICENSED ENGINEER IN THE RENDITION OR CONDUCT OF PROFESSIONAL DUTIES ARISING FROM THE CONTRACT AND THE PLANS DESIGNS OR SPECIFICATIONS THAT ARE PART OF THE CONSTRUCTION CONTRACT AS SET FORTH IN CHAPTER 130 OF THE TEXAS CIVIL PRACTICE AND REMEDIES CODE.

b. THE CONTRACTOR'S INDEMNITY OBLIGATIONS UNDER THIS SECTION 3.18 SHALL ALSO SPECIFICALLY INCLUDE, WITHOUT LIMITATION, ALL FINES, PENALTIES, DAMAGES, LIABILITY, SAFETY VIOLATIONS, COSTS, EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES), AND PUNITIVE DAMAGES, IF ANY, ARISING OUT OF, OR IN CONNECTION WITH ANY:

.1 VIOLATION OF OR FAILURE COMPLY WITH ANY LAW, STATUTE, ORDINANCE, RULE, REGULATION, CODE OR REQUIREMENT OF A PUBLIC AUTHORITY THAT BEARS UPON THE PERFORMANCE OF THE WORK BY THE CONTRACTOR, A SUBCONTRACTOR OR ANY PERSON OR ENTITY FOR WHOM EITHER IS RESPONSIBLE;

.2 MEANS, PROCEDURES, TECHNIQUES, SAFETY PRECAUTIONS, OR SEQUENCES OF EXECUTION OR PERFORMANCE OF THE WORK; AND

.3 FAILURE TO SECURE AND PAY FOR PERMITS, FEES, APPROVALS, LICENSES, AND INSPECTION AS REQUIRED UNDER THE CONTRACT DOCUMENTS, OR ANY VIOLATION OF ANY PERMIT OR OTHER APPROVAL OF A PUBLIC AUTHORITY APPLICABLE TO THE WORK, BY THE CONTRACTOR, A SUBCONTRACTOR, OR ANY PERSON OR ENTITY FOR WHOM EITHER IS RESPONSIBLE.

c. THE CONTRACTOR SHALL INDEMNIFY AND HOLD HARMLESS ALL OF THE INDEMNITEES SET OUT IN SECTION 3.18.a FROM AND AGAINST ANY COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) INCURRED BY ANY OF THE INDEMNITEES IN ENFORCING ANY OF THE CONTRACTOR'S DEFENSE, INDEMNITY, AND HOLD-HARMLESS OBLIGATIONS UNDER THIS CONTRACT.

Article 4. DESIGN PROFESSIONAL

Section 4.1 General

a. The Design Professional is the person or entity retained by the Owner pursuant to Section 2.3.b and identified as such in the Agreement.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

b. Duties, responsibilities, and limitations of authority of the Design Professional as set forth in the Contract Documents shall not be restricted, modified, or extended without written consent of the Owner, Contractor, and Design Professional. Consent shall not be unreasonably withheld.

Section 4.2 Administration of the Contract

a. The Design Professional will provide administration of the Contract as described in the Contract Documents and will be an Owner's representative during construction until the date the Design Professional issues the final Certificate for Payment. The Design Professional will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

b. The Design Professional will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine in general if the Work observed is being performed in a manner indicating that the Work, as the Work progresses and when fully completed, will be in accordance with the Contract Documents. However, the Design Professional will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Design Professional will not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents, except as provided in Section 3.3.a.

c. On the basis of the site visits, the Design Professional will keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and promptly report to the Owner (1) known deviations from the Contract Documents, (2) known deviations from the most recent construction schedule submitted by the Contractor, and (3) defects and deficiencies observed in the Work. The Design Professional will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Design Professional will not have control over or charge of and will not be responsible for acts or omissions of, the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

i. **NEITHER THE OWNER NOR THE DESIGN PROFESSIONAL NOR THE OWNER'S OTHER CONSULTANTS SHALL BE RESPONSIBLE OR LIABLE FOR THE SAFETY PROGRAM(S) DEVELOPED BY THE CONTRACTOR OR ITS SUBCONTRACTORS FOR THE SAFETY OF PERSONS AND PROPERTY, OR FOR COMPLIANCE WITH STATUTES, RULES, REGULATIONS, AND ORDERS APPLICABLE TO CONDUCT THE WORK. SHOULD ANY CONTRACTOR OR THEIR SUBCONTRACTOR(S), OR THE SUB-SUBCONTRACTOR(S) MAKE A CLAIM AGAINST THE INDEMNITEES, OR SHOULD THEY OR ANY GOVERNMENTAL ENTITY BRING ANY ACTION OR LEVY ORAND FINE OR PENALTY AGAINST THE INDEMNITEES ON ACCOUNT OF ANY SAFETY-RELATED DAMAGE OR VIOLATION OF LAW ALLEGED TO HAVE BEEN SUSTAINED, THE CONTRACTOR AGREES THAT IT WILL HOLD THE INDEMNITEES HARMLESS AGAINST ANY SUCH VIOLATION, FINE, CLAIM OR SUIT, AND THAT IT WILL REIMBURSE THE INDEMNITEES THE COST OF DEFENDING SUCH SUIT,**

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

AND IF ANY JUDGMENT AGAINST THE INDEMNITEES ARISES THEREFROM, THE CONTRACTOR SHALL PAY OR SATISFY IT AND SHALL PAY ALL COSTS INCURRED BY THE INDEMNITEES.

d. Communications

The Owner and Contractor shall include the Design Professional in all communications about the Design Professional's services or professional responsibilities. The Owner shall promptly notify the Design Professional of the substance of any direct communications between the Owner and the Contractor otherwise relating to the Project. Communications by and with the Design Professional's consultants shall be through the Design Professional. Communications by and with Subcontractors and suppliers shall be through the Contractor. Communications by and with Separate Contractors shall be through the Owner. The Contract Documents may specify other communication protocols.

i. Failure of Contractor to give the Owner or Design Professional written notice of Contractor's objections, within three (3) business days, to directives, instructions, interpretations, or minutes from the Owner or Design Professional, shall constitute final and conclusive consent on the part of the Contractor to such directives, instructions, interpretations, or minutes of the Owner or Design Professional.

ii. Any written notice from the Owner or Design Professional to the Contractor shall be sufficiently given when delivered to the last known business address of the Contractor, or to its registered or authorized agent, representative, or officer. Any written notice from the Contractor to the Owner shall be sufficiently given when personally delivered to the Owner's Office, Attn: Project Manager, or at such other address and to the attention of such person as the Owner may from time to time designate in writing.

e. Based on the Design Professional's evaluations of the Contractor's Applications for Payment, the Design Professional will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

f. The Design Professional has authority to reject Work that does not conform to the Contract Documents. Whenever the Design Professional considers it necessary or advisable, the Design Professional will have the authority to require inspection or testing of the Work in accordance with Sections 13.4.b and 13.4.c, whether or not the Work is fabricated, installed or completed. However, neither this authority of the Design Professional nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Design Professional to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons or entities performing portions of the Work.

g. The Design Professional will review and approve, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data, and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Design Professional's action will be taken in accordance with the submittal schedule approved by the Design Professional or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Design Professional's professional judgment to permit adequate review. 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 Contractor

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

as required by the Contract Documents. The Design Professional's review of the Contractor's submittals shall not relieve the Contractor of the obligations under Sections 1.2, 3.2.a, 3.3, 3.5, 3.12, and 13.9. The Design Professional's review shall not constitute approval of safety precautions or of any construction means, methods, techniques, sequences, or procedures. The Design Professional's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

h. The Design Professional will prepare Change Orders and Construction Change Directives and may order minor changes in the Work as provided in Section 7.4. The Design Professional will investigate and make recommendations regarding concealed and unknown conditions as provided in Section 3.7.d.

i. The Design Professional will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; 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 Contractor pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

j. If the Owner and Design Professional agree, the Design Professional will provide one or more Project representatives to assist in carrying out the Design Professional'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 in the Contract Documents. The Owner shall notify the Contractor of any change in the duties, responsibilities and limitations of authority of the Project representatives.

k. The Design Professional will interpret matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Design Professional's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

l. Interpretations of the Design Professional 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, the Design Professional will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either, and will not be liable for results of interpretations or decisions rendered in good faith.

m. The Design Professional's opinions on matters relating to aesthetic effect will be considered by the Owner when making the Owner's determination on these issues and the Owner's decision will be final if consistent with the intent expressed in the Contract Documents. Such Owner's determination shall be communicated through the Design Professional.

n. The Design Professional will review and respond to requests for information about the Contract Documents. The Design Professional's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If appropriate, the Design Professional will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

Article 5. SUBCONTRACTORS

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Section 5.1 Definitions

a. A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. 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 the 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 site. 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.

Section 5.2 Award of Subcontracts and Other Contracts for Portions of the Work

a. Unless otherwise stated in the Contract Documents, the Contractor, as soon as practicable after award of the Contract, shall notify the Owner and Design Professional of the persons or entities proposed for each principal portion of the Work, including those who are to furnish materials or equipment fabricated to a special design. Within 14 days of receipt of the information, the Design Professional may notify the Contractor whether the Owner or the Design Professional (1) has reasonable objection to any such proposed person or entity or (2) requires additional time for review. Failure of the Design Professional to provide notice within the 14-day period shall constitute notice of no reasonable objection.
b. The Contractor shall not contract with a proposed person or entity to whom the Owner or Design Professional has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.
c. If the Owner or Design Professional has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Design Professional has no reasonable objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required.
d. The Contractor shall not substitute a Subcontractor, person, or entity for one previously selected if the Owner or Design Professional makes reasonable objection to such substitution.
e. Upon request, the Contractor shall provide to the Owner an executed copy of all subcontracts, purchase orders, and other agreements relating to the Work.
f. The Contractor shall not sublet the Work as a whole. The approval of subcontractors in no way relieves the Contractor from full responsibility.

Section 5.3 Subcontractual Relations

a. By appropriate written agreement, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including responsibility for safety of the Subcontractor's Work, which the Contractor, by the Contract Documents, assumes toward the Owner , the Owner's other consultants and Design

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Professional. Each subcontract agreement shall preserve and protect the rights of the Owner , the Owner's other consultants, and Design Professional under the Contract Documents with respect to the Work to be performed by the Subcontractor. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available for review for each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors. Notwithstanding the above, all Agreements with the Owner shall have all references to compensation redacted before disclosing to Subcontractors, sub-Subcontractors, or any other tier of vendor.

b. All subcontracts shall be in writing in form and substance substantially similar to the Contractor's standard form subcontract, attached to the Agreement and made a part thereof as an Exhibit, and shall specifically provide that the Owner is an intended third-party beneficiary of such subcontract. The Contractor's subcontractors, however, are not intended third-party beneficiaries of this Agreement by pass through, assignment, or otherwise, except as provided in the Contract Documents, and the Owner shall not be bound to Contractor's subcontract agreements.
c. Whenever the Contractor receives payment pursuant to the Contract Documents, the Contractor shall make payments to each of its Subcontractors of any amounts actually received which were included in the Contractor's Application for Payment to the Owner for such subcontracts unless otherwise allowed to withhold payment by the terms and conditions of the subcontract or as allowed by law. The Contractor shall make such payments within ten (10) days of receipt of payment from the Owner in the same manner as the Owner is required to pay the Contractor under the Contract Documents if the Subcontractor is satisfactorily performing under its contract with the Contractor. Such payments from Owner to Contractor shall be imposed with an express trust to assure that payment is made to all Project Subcontractors, Sub-subcontractors, and suppliers. In addition to the express trust imposed upon such funds and the fiduciary duties incumbent upon the Contractor, Texas Property Code Chapter 162 shall apply.
d. The Contractor shall monitor the Subcontractors, who shall pay all suppliers, Sub-subcontractors, laborers, and any other persons who provide goods, materials, labor, or equipment to the Subcontractor any amounts actually received which were included in the Subcontractor's request for payment to the Contractor for such persons, within ten (10) days of receipt of payment from the Contractor. The construction payments made by the Contractor to the Subcontractor shall be trust funds as set forth in Chapter 162 of the Texas Property Code. If the Subcontractor fails to make such payments in the required manner, the Subcontractor shall pay said suppliers, Sub-subcontractors, and laborers interest as set forth in Chapter 162 of the Texas Property Code.
e. At the time the Subcontractor submits a request for payment to the Contractor, the Subcontractor shall also submit to the Contractor a list of the Subcontractor's suppliers, Sub-subcontractors, and laborers. The Contractor shall be relieved of the requirements of this Section regarding payment in ten (10) days and interest payments until the Subcontractor submits such list. If the Contractor fails to make timely payments to the Subcontractor as required by this Section, the Contractor shall pay the Subcontractor interest as calculated under the provisions of Chapter 2251 of the

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Texas Government Code. Nothing in this Section 5.3 shall be construed to affect the retention provisions of any contract.

f. The provisions of this Section 5.3 shall be made a part of each contract between the Contractor and each Subcontractor, either expressly or by incorporation by reference to this Section of the Contract Documents.

Section 5.4 Contingent Assignment of Subcontracts

a. Each subcontract agreement for a portion of the Work may be assigned by the Contractor to the Owner, provided that

.1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor; and

.2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract.

b. If the Work in connection with a subcontract has been suspended for more than thirty (30) days, after termination of the Contract by the Owner pursuant to Section 14.2 and the Owner accepts assignment of such subcontract, the Subcontractor's compensation shall be equitably adjusted for any increase in direct verifiable costs incurred by such Subcontractor as a result of the suspension.

c. Upon assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a successor contractor or other entity, including the performance bond Surety's takeover or completion contractor, which shall relieve the Owner of any legal responsibility under the subcontract.

d. Each subcontract shall specifically provide that the Owner shall only be responsible to the Subcontractor for those obligations that accrue subsequent to the assignment of the Subcontractor to the Owner after suspension and termination of the Contract, as provided in this Section 5.4. This Section 5.4 shall be construed to prohibit a pass through or assignment of rights, unless authorized by the Owner in writing

Section 5.5 Owner Payments to Subcontractors

a. In the event of any default hereunder by the Contractor, or in the event the Owner or Design Professional fails to approve any Application for Payment that is not the fault of a Subcontractor, the Owner may make direct payment to the Subcontractor, less appropriate retainage. In that event, the amount paid the Subcontractor shall be deducted from the payment to the Contractor.

b. Nothing contained herein shall create any obligation on the part of the Owner to make any payments to any Subcontractor, and no payment by the Owner to any Subcontractor shall create any obligation to make any further payments to any Subcontractor.

Article 6. CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Section 6.1 Owner's Right to Perform Construction and to Award Separate Contracts

a. The term "Separate Contractor(s)" shall mean other contractors retained by the Owner under separate agreements. The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and with Separate Contractors in connection with other portions of the Project or other construction or operations on the site under Conditions of the Contract identical or substantially similar to these including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such Claim as provided in Article 15.
b. When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.
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 Contractor, who shall cooperate with them. The Contractor shall participate with any Separate Contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to its construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, Separate Contractors, and the Owner until subsequently revised.
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 or with Separate Contractors, the Owner or its Separate Contractors shall have the same obligations and rights that the Contractor has under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6, and Articles 10, 11, and 12.
e. The Contractor accepts assignment of, and liability for, all purchase orders and other agreements for procurement of materials and equipment that are listed in and identified as part of the Contract Documents. The Contractor shall be responsible for such pre-purchased items, if any, as if the Contractor were the original purchaser. The Contract Sum includes, without limitation, all costs and expenses in connection with delivery, storage, insurance, installation, and testing of items covered in any assigned purchase orders or agreements. All warranty and correction of the Work obligations under the Contract Documents shall also apply to any pre-purchased items, unless the Contract Documents specifically provide otherwise.

Section 6.2 Mutual Responsibility

a. The Contractor shall afford the Owner and Separate Contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.
b. If part of the Contractor's Work depends on proper execution or results upon construction or operations by the Owner or a Separate Contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly notify the Design Professional of any apparent discrepancies or defects in the construction or operations by the Owner or Separate Contractor that would render it unsuitable for proper execution and results of the Contractor's Work. Failure of the Contractor to notify the Design Professional of these apparent discrepancies or defects prior to

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

proceeding with the Work shall constitute an acknowledgment that the Owner's or Separate Contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work.

c. The Contractor shall reimburse the Owner for costs the Owner incurs that are payable to a Separate Contractor because of the Contractor's delays, improperly timed activities or defective construction. The Owner shall be responsible to the Contractor for costs the Contractor incurs because of a Separate Contractor's delays, improperly timed activities, damage to the Work or defective construction.

d. The Contractor shall promptly remedy damage that the Contractor wrongfully causes to completed or partially completed construction or to property of the Owner or Separate Contractor as provided in Section 10.2.e.

e. The Owner and each Separate Contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

f. Should the Contractor wrongfully delay or cause damage to the work or property of any Separate Contractor, the Contractor shall, upon due notice, promptly attempt to settle with such other contractor by agreement or otherwise to resolve the dispute. If such Separate Contractor sues or initiates a judicial proceeding against the Owner on account of any delay or damage alleged to have been caused by the Contractor, the Owner shall notify the Contractor who shall defend such proceedings at the Contractor's expense. The Owner may fund the defense of such proceedings contemplated by this Section but, in any event, if any judgment or award against the Owner arises therefrom, the Contractor shall pay to satisfy it to the extent of Contractor's responsibility.

g. SHOULD ANY SUCH SEPARATE CONTRACTOR WRONGFULLY DELAYED OR DAMAGED BY THE CONTRACTOR OR PERSONS FOR WHOM THE CONTRACTOR IS RESPONSIBLE PER SECTION 6.2.f MAKE A CLAIM AGAINST THE INDEMNITEES, OR BRING ANY ACTION AGAINST THE INDEMNITEES, ON ACCOUNT OF THE DAMAGE ALLEGED TO HAVE BEEN SO SUSTAINED, THE CONTRACTOR SHALL HOLD THE INDEMNITEES HARMLESS AND DEFEND THEM AGAINST ANY SUCH CLAIM OR SUIT, AND SHALL REIMBURSE TO THE INDEMNITEES THE COST INCLUDING, WITHOUT LIMITATION, REASONABLE, ADDITIONAL ATTORNEY'S FEES INCURRED DEFENDING SUCH SUIT, AND IF ANY JUDGMENT AGAINST THE INDEMNITEES ARISES THERE FROM, THE CONTRACTOR SHALL PAY OR SATISFY IT AND SHALL PAY ALL COSTS INCURRED BY THE INDEMNITEES.

h. Should the Contractor be caused damage by any Owner's Separate Contractor(s)'s work, by reason of such Owner's Separate Contractor's failure to perform properly under its contract with the Owner, no action will lie against the Owner, and the Owner shall have no liability therefor, but the Contractor may assert its claims for damages directly against such Owner's Separate Contractor and the Owner shall reasonably assist the Contractor. by assign such rights to Contractor, unless otherwise prohibited under Texas law.

i. Inasmuch as the completion of the building within the prescribed time is dependent very largely upon the close and active cooperation of all those engaged therein, it is, therefore expressly understood and agreed that each contractor shall lay out and install its work at such time(s) and in such manner as to not delay or interfere with the carrying forward of the work of the other contractors.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

j. Where the work of one contractor directly affects the conditions of the work of another contractor including, as examples only, and not limited to, providing shoring for backfilling, providing protective covering for painting, providing adequate bracing of door jambs, etc., the contractor performing the work which will adversely affect another contractor's work shall be responsible for providing adequate protection based upon methods used to perform its work.

Section 6.3 Owner's Right to Clean Up

If a dispute arises among the Contractor, Separate Contractors, or the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and the Design Professional will allocate the cost among those responsible, which allocation shall be final.

Article 7. CHANGES IN THE WORK

Section 7.1 General

a. Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents.
b. A Change Order shall be based upon agreement among the Owner, Contractor, and Design Professional. A Construction Change Directive requires agreement by the Owner and Design Professional and may or may not be agreed to by the Contractor. An order for a minor change in the Work not involving an adjustment in the Contract Sum or an extension of the Contract Time and reasonably inferable from the intent of the Contract Documents may be issued by the Design Professional alone.
c. Changes in the Work shall be performed under applicable provisions of the Contract Documents. The Contractor shall proceed promptly with changes in the Work, unless otherwise provided in the Change Order, Construction Change Directive, or order for a minor change in the Work. Except as permitted in Section 7.3 or as otherwise provided herein, a change in the Contract Sum or the Contract Time shall be accomplished only by Change Order. Accordingly, no course of conduct or dealings between the parties, nor express or implied acceptance of alterations or additions to the Work, and no claim that Owner has been unjustly enriched by any alteration of or addition to the Work, whether or not there is, in fact, any unjust enrichment to the Work, shall be the basis of any claim to an increase in any amounts due under the Contract Documents or a change in any time period provided for in the Contract Documents.

Section 7.2 Change Orders

a. A Change Order is a written instrument prepared by the Design Professional and signed by the Owner, Contractor, and Design Professional stating their agreement upon all of the following:
    .1 The change in the Work;
    .2 The amount of the adjustment, if any, in the Contract Sum; and
    .3 The extent of the adjustment, if any, in the Contract Time.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

b. Methods used in determining adjustments to the Contract Sum may include those listed in Sections 7.3.c, 7.3.g and 7.3.j.

c. Agreement on any Change Order constitutes a final settlement of all past and future claims, at law or in equity, concerning all matters relating to the change in the Work that is the subject of the Change Order, including, but not limited to, delays, all direct and indirect costs, any claim for damages associated with such change, and any and all adjustments to the Contract Sum and the construction schedule.

d. Change Orders Requiring City Council Approval

The Contract Sum may not be increased because of a Change Order unless additional money for increased costs is appropriated for that purpose from available funds or is provided for by the authorization of the issuance of time warrants. The approval of the Denton City Council is required if a Change Order involves a decrease or an increase of $50,000.01 or more. The original Contract Sum also may not be increased under this Section 7.2 by more than twenty-five percent (25.0%) over the entire duration of the Project. The original Contract Sum may not be increased by more than twenty-five percent (25%) over the entire duration of the Project for any reason; nor may it be decreased by more than twenty-five percent (25%) without the consent of the Contractor, as provided in Texas Local Government Code Sec. 252.048. After the Change Order is submitted by the Contractor under this Section 7.2, the additional time required to obtain City Council approval shall not be factored into any past or future claim for delays or calculated as a part of the Change Order request.

Section 7.3 Construction Change Directives

a. A Construction Change Directive is a written order prepared by the Design Professional and signed by the Owner and Design Professional, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions, or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

b. A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

c. If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

.1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;

.2 Unit prices stated in the Contract Documents or subsequently agreed upon;

.3 Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed fee; or

.4 As provided in Section 7.3.d.

d. If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Design Professional shall determine the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit calculated using the sum of the actual costs allowed in Sections 7.3.d.1 through 7.3.d.5, and using the percentages as

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

set forth in Section 7.3.1 below. In such case, and also under Section 7.3.c, the Contractor shall keep and present, in such form as the Design Professional may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.d shall be limited to the following:

.1 Costs of labor, including applicable payroll taxes, fringe benefits required by agreement or custom, workers' compensation insurance, and other employee costs approved by the Design Professional;

.2 Costs of materials, supplies, and equipment, including cost of transportation, 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, permit fees, and sales, use, or similar taxes, directly related to the change; and

.5 Additional, verifiable payroll and subsistence costs incurred by the Contractor, Subcontractor, and Sub-subcontractor of field personnel directly attributable to the change.

e. If the Contractor disagrees with the adjustment in the Contract Time, the Contractor may make a Claim in accordance with applicable provisions of Article 15.

f. Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Design Professional of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

g. A Construction Change Directive signed by the Contractor indicates the Contractor's agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

h. The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Design Professional. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

i. Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment. The Design Professional will make an interim recommendation for purposes of monthly certification for payment for those costs and certify for payment the amount that the Design Professional recommends, in the Design Professional's professional judgment, to be reasonably justified. The Design Professional's interim recommendation of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

j. When the Owner and Contractor agree with a recommendation made by the Design Professional concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and the Design Professional will prepare a Change Order. Change Orders may be issued for all or any part of a Construction Change Directive.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

k. If the Owner and Contractor do not agree with the adjustment in Contract Time or the method for determining it, the adjustment or the method shall be referred to the Design Professional for determination. The Design Professional may consult with the Owner in connection with such determination either at the direction of the Owner or at the Design Professional's discretion. If the Contractor does not ultimately agree with the Design Professional's determination, the Contractor may assert a Claim in accordance with Article 15.

l. In Subparagraph 7.3.d, the allowance for the combined total of onsite and offsite overhead and profit included in the total cost to the Owner shall be based on the following schedule:

.1 For the Contractor, for Work performed by the Contractor's own forces, fee percentage of the Cost of Work stated in Section 5.1.a of the Stipulated Sum Agreement plus actual direct jobsite costs associated with the additional work, if any;

.2 For the Contractor, for Work performed by the Contractor's Subcontractor, fee percentage of the Cost of Work stated in the Stipulated Sum Agreement, if any, plus actual direct jobsite costs associated with the additional work, if any;

.3 For each Subcontractor or Sub-subcontractor involved, for Work performed by that Subcontractor or Sub-subcontractor's own forces, ten percent (10%) of the cost;

.4 For each Subcontractor, for Work performed by the Subcontractor's Sub-subcontractors, five percent (5%) of the amount due the Sub-subcontractor;

.5 Cost to which overhead and profit is to be applied shall be determined in accordance with Section 7.3.d;

.6 Under no circumstance shall costs of the Contractor's supervisory, management, administrative or other office personnel, regardless of where stationed, be paid as cost of the Work under 7.3.d Conversely, the Contractor shall be compensated for their labor within the overhead and profit percentage specified in this Section 7.3.l;

.7 In order to facilitate checking of quotations for extras or credits, all proposals, except those so minor that their propriety can immediately be seen by inspection, shall be accomplished by a complete itemization of costs including labor, materials, and subcontracts. Labor and materials shall be itemized in the manner prescribed above. Where major cost items are subcontracts, they shall be itemized also;

.8 When both additions and credits are involved in any change, the allowance for overhead and profit shall be figured on the basis of the net increase or decrease, if any; and

.9 Overtime, when specifically authorized by the Owner and not as a requirement for the Contractor to fulfill its obligations under this Agreement, shall be paid for by the Owner on the basis of premium payment only, plus the cost of insurance and taxes based on the premium payment period. Overhead and profit will not be paid by the Owner for overtime.

Section 7.4 Minor Changes in the Work

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

The Design Professional may order minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. The Design Professional's order for minor changes shall be in writing. If the Contractor believes that the proposed minor change in the Work will affect the Contract Sum or Contract Time, the Contractor shall notify the Design Professional and shall not proceed to implement the change in the Work. If the Contractor performs the Work set forth in the Design Professional's order for a minor change without prior notice to the Design Professional that such change will affect the Contract Sum or Contract Time, the Contractor waives any adjustment to the Contract Sum or extension of the Contract Time.

Section 7.5 Supporting Information

Notwithstanding the above, requests for an adjustment in the Contract Sum or adjustment in the Contract Time shall be in a form and accompanied by supporting information with a level of detail wholly acceptable to the Owner and Design Professional. The Contractor shall also comply with all provisions of Articles 8 and 15 with respect to claims. The required information shall be provided by the Contractor in less than twenty-one (21) days from the Contractor's request for an adjustment in the Contract Sum or Contract Time. Failure to timely provide this information in the proper form may be, in and of itself, grounds for rejection of the request, at the sole discretion of the Owner or Design Professional.

Article 8. TIME

Section 8.1 Definitions

a. Unless otherwise provided, 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 Agreement. The date shall not be postponed by the failure to act of the Contractor or of persons or entities for whom the Contractor is responsible.
c. The date of Substantial Completion is the date certified by the Design Professional in accordance with Section 9.8.
d. The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

Section 8.2 Progress and Completion

a. Time limits stated in the Contract Documents are of the essence. By executing the Agreement, the Contractor confirms that the Contract Time is a reasonable period for performing the Work.
b. The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, prematurely commence operations on the site or elsewhere prior to the effective date of insurance required by Article 11 to be furnished by the Contractor and Owner. The date of commencement of the Work shall not be changed by the effective date of such insurance. Unless the date of commencement is established by a Notice to Proceed given by the Owner, the Contractor shall notify the Owner in writing not less than five (5) days or other agreed period before commencing the Work to permit the timely filing of any additional necessary documents.
c. Attention is directed to the fact that the Work is urgently needed by the Owner; for this reason it shall be agreed that the Contractor will substantially complete all Work under the Contract within the time established in the Contract Documents and the most recently approved Contractor's

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Project Schedule. The Contractor shall begin the Work on the date of commencement as defined in the Contract Documents; carry the Work forward with adequate resources; furnish, without limitation such labor, supervision, materials, facilities, and equipment; and work such hours, including night shifts, overtime operations, and Sundays and/or holidays, as may be necessary to ensure the progress and completion of both the Work and the Project as reflected by the most recently approved Contractor's Project Schedule.

d. The Contractor shall achieve specific Contractual Milestone dates (if any), Substantial Completion, and Final Completion within the times stated in the Contract Documents, and such dates shall be adhered to and shall be the last acceptable dates for completion of Work required for those milestones and completions, unless and until modified by the Owner in writing.
e. The Contractor understands and agrees that all Work must be performed in an orderly and closely coordinated sequence so that the dates for Contractual Milestones (if any), Substantial Completion, and Final Completion, may be met by the both the Contractor as well as the respective Separate Contractors.
f. The Contractor shall also complete the Work in all of its details for final acceptance as expeditiously as possible after Substantial Completion.
g. The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

Section 8.3 Delays and Extensions of Time

a. If the Contractor is delayed at any time in the commencement or progress of the Work by (1) an act or neglect of the Owner or Design Professional, of an employee of either, or of a Separate Contractor; (2) by changes ordered in the Work; (3) by labor disputes, fire, implementation of Federal law or policies, unusual delay in transportation, unavoidable casualties, adverse weather conditions documented in accordance with Section 15.1.f.ii, or other causes beyond the Contractor's control; (4) by delay authorized by the Owner pending mediation; or (5) by other causes that the Design Professional recommends may, justify delay, then the Contract Time may be extended for such reasonable time as the Owner may determine.
b. Claims relating to time shall be made in accordance with applicable provisions of Article 15.
c. This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents.
d. Any claims for extension of time shall be made in writing to the Owner and Design Professional not more than ten (10) days after commencement of the delay; otherwise it shall be waived. In the case of a continuing delay only one claim is necessary. The Contractor shall provide an estimate of the probable effect of such delay on the progress of work within five (5) days of the first date the Contractor should reasonably be expected to have calculated the impact of such delay, but in no event more than fifteen (15) days after the commencement of the delay, with weekly updates to the impact if the delay is of an ongoing nature.
e. Extensions of the Contract Time will be made for delays due to weather conditions only when such conditions are more severe and extended than those reflected by the ten (10) year average for the month as evidenced by the National Climatic Data Center's (NCDC's) Surface Data US at http://gis.ncdc.noaa.gov/ website/ims-cdo/sod/viewer.htm or other data as mutually agreed by the Owner and Contractor for the Project area.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

f. In allowing delays for weather, the Owner will be entitled to consider weather conditions prevailing throughout the entire Contract period. The Owner and Contractor will together reconcile actual working days lost and gained over the entire Contract period every ninety (90) days. The Contractor shall then adjust the schedule activities accordingly for both the Contractor's weather float reserves and Owner's float reserves where those activities are carried in the Contractor's Project Schedule (if any).Extensions of time due to weather or other allowable reasons will be granted on the basis of one-and-four-tenths (1.4) calendar days credit for every working day lost, with each separate extension figured to the nearest whole calendar day.

g. The extension of the contract completion time for weather conditions will occur only in the event that the weather in question affected critical activities on the most current Contractor's Construction Schedule, and at least one half of the work force allocated to that item of work was also adversely affected by the same weather conditions.

Section 8.4 Contractor's Obligations After Delay

a. If either the Work actually in place falls behind as reflected by the currently updated Master Project Schedule or Contractor's Construction Schedule, or it becomes apparent or likely in the reasonable opinion of the Owner after consultation with the Design Professional that the Work will not be completed within the Contract Time or in accordance with the Contractor's Construction Schedule, due to delays caused by the Contractor or its subcontractors, the Contractor agrees it shall, as necessary, take some or all of the following actions (hereinafter referred to collectively as "Extraordinary Measures") at no additional cost to the Owner or Design Professional, as required to substantially eliminate, in the judgment of the Owner, the backlog of Contractor's Work on the Project:

    .1 Increase quantities of, without limitation, labor, supervision, material deliveries, equipment on site, and crafts as necessary;

    .2 Increase the number of working hours per shift, shifts per working day, working days per week, or any combination of the foregoing;

    .3 Reschedule activities to achieve maximum practical concurrence of accomplishment; and

    .4 Do whatever else is reasonably required by the Owner or Design Professional.

b. These Extraordinary Measures shall continue until the progress of the Work complies with the stage of completion required by the Contract Documents. The Owner's right to require Extraordinary Measures is solely for the purpose of ensuring the Contractor's compliance with the Contractor's Construction Schedule.

c. In the event of a delay, the Owner Design Professional may also require the Contractor to immediately submit a Proposed Recovery Schedule as specified in Section 3.10.h above. If the Proposed Recovery Schedule is not satisfactory, the Design Professional may unilaterally establish a new Proposed Recovery Schedule acceptable to the Owner; issue it as a Construction Change Directive; and the Contractor shall comply therewith. The Owner may also require the Contractor to take any of the Extraordinary Measures to make up the lag in scheduled progress, all without additional cost to the Owner, or Design Professional.

d. Failure of the Contractor to substantially comply with the requirements of this Section 8.4 shall be considered grounds for a determination by the Owner, after consultation with the Design

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Professional, that the Contactor is in breach of this Agreement by failing to prosecute the Work and that of the Project so as to ensure its completion within both the Contract Time and the updated Contractor's Construction Schedule.

e. Likewise, in the event the progress of the Project falls behind the predictions of the Master Project Schedule through no fault of the Contractor, the Owner or Design Professional may request, and the Contractor may agree to take one or more of the Extraordinary Measures, with the Owner bearing the cost for such measures by Change Order.

f. The Contractor shall not be entitled to an adjustment in the Contract Sum in connection with Extraordinary Measures required by the Owner under or pursuant to this Section 8.4, except as specifically noted otherwise in Section 8.4.e.

Section 8.5 Owner's Rights After Delay

a. In the event that any Contractor fails, or appears likely to fail, to complete a critical portion of Work on time or to complete a Contractual Milestone Date or completion date as evidenced by the most recently approved Contractor's Project Schedule, the Owner or the Design Professional shall have the right to impose any or all of the following options:

.1 Require the Contractor to substantiate the capability to get back on schedule within ten (10) business days;

.2 Require the Contractor to take some or all of the Extraordinary Measures, and do whatever else is required by the Owner or Design Professional until Contractor confirms, to the satisfaction of the Owner and Design Professional, the progress of the Work is in compliance and congruence with the most recently approved Contractor's Construction Schedule, such measures being at no extra cost to Owner and Design Professional;

.3 Withhold progress payment, or portions thereof, until such time as the Contractor is in compliance with the most recently approved Contractor's Project Schedule; and

.4 Contact or visit the factory, plant or distribution center whose production or delivery schedule may be critical to the scheduled completion of a portion of the contract work, and expedite same, at Contractor's expense.

Section 8.6 Liquidated Damages

a. Should the Contractor fail to substantially complete the Work on, or before, the original date set forth in the Contract, or on or before the revised date as granted by extensions to Contract Time, the Owner may at its sole discretion permit the Contractor to proceed, and in such case, there shall be deducted from any monies due or which may become due the Contractor, a sum as specified herein, for each and every calendar day that the Work shall remain uncompleted. This sum shall be considered, not as penalty, but as the cost(s) for substantial losses suffered by the public and the Owner. Liquidated damages are intended to compensate the Owner for the Contractor's failure to meet the deadlines set forth herein, and shall not excuse the Contractor from liability from any other breach of requirements of the Contract Documents, including any failure of the Work to conform to applicable requirements. The Contractor agrees that the sums in Section 8.6.b are reasonable in light of the anticipated or actual harm caused by the breach, the difficulties of the proof of loss, and the inconvenience or nonfeasibility of otherwise obtaining an

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

adequate remedy. Contractor further acknowledges and agrees that Liquidated Damages may be owing even though no termination has occurred.

b. Contractor shall pay as liquidated damages to the Owner: the sums shown in the table below for each calendar day that expires after the date set forth in the Contract for Final Completion of the Work.

First Week Late	Second Week Late	Third & Fourth Weeks Late	Every Day After the Fourth Week Late
$500/day	$500/day	$500/day	$500/day

c. The parties acknowledge, covenant, and agree that the daily basis and the amount set forth above for liquidated damages are reasonable because of the unique nature of the Project as a benefit to the public; the fact that inconvenience to the public will be one of the significant impacts of any failure by the Contractor to timely complete the Work; and that it is impracticable and extremely difficult to ascertain and determine the actual losses which would accrue to the Owner and the public.

d. Permitting the Contractor to continue and finish the Work, or any portion thereof, after the time fixed for its completion, shall in no way operate as a waiver on the part of the Owner of any of its rights under the Contract. The Contractor acknowledges the Owner receives no benefits from early completion of the Project or the Work, therefore all rights, if any, to an early completion bonus or other increases in the Contract Sum for such early completion are hereby waived by the Contractor.

Article 9. PAYMENTS AND COMPLETION

Section 9.1 Contract Sum

a. The Contract Sum is stated in the Agreement and, is the maximum amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents. The Contract Sum may only be increased pursuant to a Change Order signed by the Owner. Completion of the Work is a condition precedent to Owner's obligation to pay the full Contract Sum.

b. If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed so that application of such unit prices to the actual quantities causes substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

Section 9.2 Schedule of Values

Where the Contract is based on a Stipulated Sum or the Cost of the Work, the Contractor shall meet with the Design Professional, at the Preconstruction Conference with a proposed Schedule of Values as specified in Section 3.10. The Contractor's Schedule of Values will be reviewed by the Owner and Design Professional in the context of the Contractor's proposed Construction Management Plan, including, but not limited to, the Contractor's Construction Schedule therein. The values assigned to each work activity in the Schedule of Values should be generated by the projected earned value of the activities in the Contractor's Construction Schedule, rounded to the nearest five dollars, and equal in aggregate to

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

the Contractor's and Subcontractor's contract amount(s). The Schedule of Values shall allocate the entire Contract Sum to the various portions of the Work and be prepared in such form and supported by such additional data to substantiate its accuracy as the Owner and Design Professional may require. This Schedule, of Values, unless objected to by the Owner or Design Professional, shall be used as a basis for reviewing the Contractor's Applications for Payment.

Section 9.3 Applications for Payment

a. At least ten days before the date established for each progress payment, the Contractor shall submit to the Design Professional an itemized Application for Payment prepared in accordance with the Schedule of Values, if required under Section 9.2, for completed portions of the Work. The application shall be notarized, if required, and supported by all data substantiating the Contractor's right to payment that the Owner or Design Professional require, such as copies of requisitions, and releases and waivers of liens from Subcontractors and suppliers and shall reflect retainage if provided for in the Contract Documents. The Application for Payment shall be notarized and include other documentation as reasonably required by the Owner; submitted electronically.
    i. As provided in Section 7.3.i, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim recommendations of the Design Professional, but not yet included in Change Orders.
    ii. Applications for Payment shall not include requests for payment for portions of the Work for which the Contractor does not intend to pay a Subcontractor or supplier, unless such Work has been performed by others whom the Contractor intends to pay.
    iii. Each Application for Payment shall be accompanied by the following, all in form and substance satisfactory to the Owner and Design Professional and in compliance with all applicable statutes:
        .1 A duly executed and acknowledged sworn statement showing all Subcontractors and material suppliers with whom the Contractor has entered into subcontracts, the amount of each such subcontract, the invoice from and the amount requested for any Subcontractor and material supplier in the requested Application for Payment, and the amount to be paid to the Contractor from such progress payment, together with similar sworn statements from all such Subcontractors and material suppliers;
        .2 Duly executed statutory conditional waivers of mechanics' and material suppliers' lien for progress payments with teach payment application; and appropriate statutory unconditional waivers of mechanics' and material suppliers' liens for progress payments; and appropriate statutory unconditional waivers for final payments from all Subcontractors and, when appropriate, from material suppliers and lower tier Sub-subcontractors establishing payment or satisfaction of payment of all amounts requested by the Contractor on behalf of such entities or persons in any previous Application for Payment;
        .3 An updated Contractor's Construction Schedule per Section 3.10 clearly showing the actual progress of the Work for each activity against the Work

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

previously scheduled to be completed during the period, and against targeted activities' previously approved completion dates; and

.4 With every Payment Request for the Work, contractor will submit an affidavit stating that the contractor has complied with the requirements of Chapter 2258, Texas Government Code. The parties hereto agree that any electronic copy of such affidavit shall be treated as an original for all intents and purposes;

.4 If required by the Owner's title insurer, if any, the Contractor shall execute a personal gap undertaking in form and substance satisfactory to such title insurer; and.

.5 Notwithstanding the above, Applications for Payment shall be in a form and accompanied by supporting information with a level of detail wholly acceptable to the Design Professional, and shall include, at a minimum, an updated monthly Contractor's Construction Schedule clearly and graphically comparing the actual "work-in-place" completed to the Work previously projected to be complete for the period. Failure to provide this information in the proper form may be, in and of itself, grounds for rejection of the Application for Payment, at the discretion of the Design Professional.

b. Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the stored materials and equipment which must be properly tagged as to material and job identification; must be available for inspection by the Design Professional; and such requests for payment must be accompanied by documentary evidence as specified, without limitation, in Sections 3.13 and 11.3, which supports the request's validity; quantity and value of materials; proper material acceptance and storage; and including insurance on the materials as evidenced by a Certificate of Insurance or otherwise protects the Owner's interests. Such request shall include the costs of applicable insurance, storage, and transportation to the site, for such materials and equipment stored off the site. Such materials shall be:

.1 Protected from diversion, destruction, theft, and damage to the satisfaction of the Owner, and the Lender;

.2 Specifically marked for use on the Project; and

.3 Segregated from other materials at the storage facility.

c. The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner either by incorporation in the construction or upon the receipt of payment by the Contractor, whichever occurs. The 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 Contractor, Subcontractors, suppliers, or other persons or entities that provided labor, materials, and equipment relating to the Work.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

d. THE CONTRACTOR FURTHER EXPRESSLY UNDERTAKES TO DEFEND THE INDEMNITEES, AT THE CONTRACTOR'S SOLE EXPENSE, AGAINST ANY ACTIONS, LAWSUITS, OR PROCEEDINGS BROUGHT AGAINST THE INDEMNITEES AS A RESULT OF LIENS OR VERIFIED CLAIMS FILED AGAINST THE WORK, THE SITE OF ANY OF THE WORK, THE PROJECT SITE AND ANY IMPROVEMENTS THEREON, PAYMENTS DUE THE CONTRACTOR, THE PROJECT BOND OR ANY PORTION OF THE PROPERTY OF ANY OF THE INDEMNITEES (REFERRED TO COLLECTIVELY AS "LIENS OR VERIFIED CLAIMS" IN THIS SECTION 9.3.d). THE CONTRACTOR HEREBY AGREES TO INDEMNIFY AND HOLD THE INDEMNITEES HARMLESS AGAINST ANY SUCH LIENS OR VERIFIED CLAIMS AND AGREES TO PAY ANY JUDGMENT OR LIENS OR VERIFIED CLAIMS RESULTING FROM ANY SUCH ACTIONS, LAWSUITS, OR PROCEEDINGS.

Section 9.4 Certificates for Payment

a. The Design Professional will, within seven (7) days after receipt of the Contractor's Application for Payment, either (1) issue to the Owner a Certificate for Payment in the full amount of the Application for Payment, with a copy to the Contractor; or (2) issue to the Owner a Certificate for Payment for such amount as the Design Professional recommends is properly due, and notify the Contractor and Owner of the Design Professional's reasons for withholding certification in part as provided in Section 9.5.a; or (3) withhold certification of the entire Application for Payment, and notify the Contractor and Owner of the Design Professional's reason for withholding certification in whole as provided in Section 9.5.a.

b. The issuance of a Certificate for Payment will constitute a representation by the Design Professional to the Owner, based on the Design Professional's evaluation of the Work and the data in the Application for Payment, that, to the best of the Design Professional's knowledge, information, and belief, the Work has progressed to the point indicated, the quality of the Work is in accordance with the Contract Documents, and that the Contractor is entitled to payment in the amount certified. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion, and to specific qualifications expressed by the Design Professional. However, the issuance of a Certificate for Payment will not be a representation that the Design Professional 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 suppliers and other data requested by the Owner to substantiate the Contractor's right to payment; or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

c. Certification will be issued for ninety-five percent (95%) of the amount requested by the Contractor and approved by the Design Professional to be properly due until the Contractor is ninety-five percent (95%) completed with the Work. Thereafter, the accumulated retainage may be held without additional retainage, except that, should the Contractor at any time fail to keep current with the approved progress schedule, fail to assure payment to Subcontractors, Sub-

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

subcontractors and suppliers as required hereunder; or fail to promptly and diligently correct Work that does not comply with the Contract Documents, certification of ninety-five percent (95%) shall automatically again become effective and shall apply as long as the Contractor lags behind such progress or fails to assure such payment.

Section 9.5 Decisions to Withhold Certification

a. The Design Professional may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Design Professional's opinion the representations to the Owner required by Section 9.4.b cannot be made. If the Design Professional is unable to certify payment in the amount of the Application, the Design Professional will notify the Contractor and Owner as provided in Section 9.4.a. If the Contractor and Design Professional cannot agree on a revised amount, the Design Professional will promptly issue a Certificate for Payment for the amount for which the Design Professional is able to make such representations to the Owner. The Design Professional may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Design Professional's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.b, because of any of the following:

    .1 defective Work not remedied;

    .2 third party claims filed or reasonable evidence indicating probable filing of such claims, unless security acceptable to the Owner is provided by the Contractor;

    .3 failure of the Contractor to make payments properly to Subcontractors, Sub-subcontractors and suppliers 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 a Separate 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 liquidated damages for the anticipated delay;

    .7 repeated failure to carry out the Work in accordance with the Contract Documents;

    .8 Contractor's failure to obtain necessary permits or licenses or to comply with applicable codes, regulations, or other laws;

    .9 failure to fully execute the Contract with all associated documents as required;

    .10 bond claims, or liens, filed for any portion of the Work; or

    .11 failure of the Contractor to comply with any provisions of the Contract Documents, including without limitation Section 8.4.

b. Omitted

c. When the reasons for withholding certification are removed, certification will be made for amounts previously withheld less all associated damages, costs and expenses, suffered or accrued by the Owner or Design Professional. In the event the Design Professional nullifies a previously

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

issued Project Certificate for Payment, and the Owner has, prior to such nullification, paid thereon, the Contractor shall promptly reimburse to the Owner amounts the latter had previously paid pursuant to the nullified project Certificate for Payment. Alternately, the Owner may withhold payment in any subsequent Application for Payment, until and unless the reasons for nullification of the previously issued project Certificate for Payment have been remedied and all associated damages, costs, and expenses of Owner and Design Professional have been paid by the Contractor.

d. If the Design Professional withholds certification for payment under Section 9.5.a.3, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or supplier to whom the Contractor failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Design Professional and the Contractor shall reflect such payment on its next Application for Payment.
e. The Contractor shall not stop work or terminate the Contract if the Design Professional should refuse to issue any certificate because the Application for Payment does not conform with the requirements of Sections 9.3, 9.4, 9.5 or any other portion of these General Conditions, as supplemented herein.

Section 9.6 Progress Payments

a. After the Design Professional 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 Design Professional.
b. The Contractor shall pay each Subcontractor, Sub-subcontractor and supplier, no later than ten (10) days after receipt of payment from the Owner the amount to which the Subcontractor, Sub-subcontractor and supplier is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's, Sub-subcontractor's and supplier's portion of the Work, unless otherwise allowed by the provisions of the subcontract or by law. The Contractor shall notify Owner in advance and in writing of any payment(s) to be withheld from any Subcontractor. The Contractor shall, by appropriate agreement with each Subcontractor, Sub-subcontractor and supplier, require each to make payments to their Sub-subcontractors and suppliers in a similar manner.
c. The Design Professional will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Design Professional and Owner on account of portions of the Work done by such Subcontractor.
d. The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and suppliers amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven (7) days, the Owner shall have the right to contact Subcontractors and suppliers to ascertain whether they have been properly paid. Neither the Owner nor Design Professional shall have an obligation to pay, or to see to the payment of money to, a Subcontractor or supplier, except as may otherwise be required by law.
e. The Contractor's payments to suppliers shall be treated in a manner similar to that provided in Sections 9.6.b, 9.6.c and 9.6.d.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

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 any Work.

g. The Contractor shall not withhold from any Subcontractor sums due the Subcontractor for completed Work which has been paid for by the Owner unless allowed by the terms and conditions of the subcontract as stated in Section 5.3.C of the Agreement or by law. The Contractor shall notify Owner in advance and in writing of any payment(s) to be withheld from any Subcontractor. Sums withheld by the Owner from the Contractor for deficiencies solely attributable to the Contractor shall not be grounds for the Contractor to withhold sums due to any Subcontractor. All sums paid to the Contractor for labor, materials, or equipment for the Work or Project shall be considered trust funds to be used by the Contractor for payment to those persons to the extent providing labor, materials and/or equipment incorporated into the Work or Project. Payments received by the Contractor for Work properly performed by Subcontractors and suppliers shall be held by the Contractor for those Subcontractors or suppliers who performed Work or furnished materials, or both, under contract with the Contractor for which payment was made by the Owner. However, notwithstanding the above, nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Contractor, shall create any fiduciary liability or tort liability on the part of the Contractor for breach of trust or shall entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

h. PROVIDED THE OWNER HAS FULFILLED ITS PAYMENT OBLIGATIONS UNDER THE CONTRACT DOCUMENTS, THE CONTRACTOR SHALL DEFEND AND INDEMNIFY THE OWNER FROM ALL LOSS, LIABILITY, DAMAGE OR EXPENSE, INCLUDING REASONABLE ATTORNEY'S FEES AND LITIGATION EXPENSES, ARISING OUT OF ANY LIEN CLAIM OR OTHER CLAIM FOR PAYMENT BY ANY SUBCONTRACTOR OR SUPPLIER OF ANY TIER. UPON RECEIPT OF NOTICE OF A LIEN CLAIM OR OTHER CLAIM FOR PAYMENT, THE OWNER SHALL NOTIFY THE CONTRACTOR. IF APPROVED BY THE APPLICABLE COURT, WHEN REQUIRED, THE CONTRACTOR MAY SUBSTITUTE A SURETY BOND FOR THE PROPERTY AGAINST WHICH THE LIEN OR OTHER CLAIM FOR PAYMENT HAS BEEN ASSERTED.

i. To the extent Contractor has received payment in accordance with the terms of this Agreement, the Contractor agrees to keep the Work and the site of the Project and all project bonds free and clear of all bond claim and verified claims related to labor and materials furnished in connection with the Work.

j. If the Owner is entitled to reimbursement or payment from the Contractor under or pursuant to the Contract Documents, such payment shall be made promptly upon demand by the Owner. Notwithstanding anything contained in the Contract Documents to the contrary, if the Contractor fails to promptly make any payment due the Owner, or if the Owner incurs any costs and expenses to cure any default of the Contractor or to correct defective Work, the Owner shall have an absolute right to offset such amount against the Contract Sum and may, at the Owner's sole discretion, elect either to (i) deduct an amount equal to that which the Owner is entitled from any payment then or thereafter due the Contractor from the Owner, or (ii) issue a written notice to the Contractor reducing the Contract Sum by an amount equal to that which the Owner is entitled.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Section 9.7 Failure of Payment

If the Design Professional does not issue a Certificate for Payment, through no fault of the Contractor, within seven (7) days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within the date established in the Contract Documents, the amount certified by the Design Professional, then the Contractor may, upon seven (7) additional days' written notice to the Owner and Design Professional, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shutdown, delay and start-up, plus interest as provided for in the Contract Documents.

Section 9.8 Substantial Completion

a. "Substantial Completion" is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use, all major systems are operational, and all safety features are completed and Owner's receipt of written confirmation after final inspections by the applicable electrical, plumbing, fire department, health department, and other local and state officials having jurisdiction, stating the project is ready for occupancy by the Owner. In addition to the other requirements of the Contract Documents, and without limitation, the Contractor must also have obtained the written approval and issuance of any occupancy permits required by the laws of local government(s) and the State of Texas before the Contractor shall be deemed to have achieved Substantial Completion.
b. When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Design Professional a comprehensive list of items to be completed or corrected prior to final payment. The Contractor shall proceed promptly to complete and correct items on the list. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents. The Contractor will also provide the Design Professional a comprehensive list of all claims previously and properly made in writing and identified by the Contractor as unsettled at the time of Substantial Completion.
c. Upon receipt of the Contractor's list, the Design Professional will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Design Professional's inspection discloses any item, whether or not included on the Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Design Professional. In such case, the Contractor shall then submit a request for another inspection by the Design Professional to determine Substantial Completion.
d. When the Work or designated portion thereof is substantially complete, the Design Professional will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion; establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance; and fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

e. The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in the Certificate. Upon such acceptance, the Owner shall make payment of retainage applying to the Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

f. The Contractor's acceptance of payment per Section 9.8.e shall constitute a waiver for all purposes of all claims or causes of action by the Contractor against the Owner and the Design Professional, except those previously and properly made in writing and identified in the list provided by the Contractor as unsettled at the time of Substantial Completion per Sections 9.8.b.

Section 9.9 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 agreement with the Contractor, as such occupancy or use is consented to by the insurer and required under Section 11.3 provided it is authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and 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 warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Design Professional as provided under Section 9.8.b. Consent of the 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 Contractor or, if no agreement is reached, by decision of the Owner.

b. Immediately prior to such partial occupancy or use, the Owner, Contractor, and Design Professional 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.

Section 9.10 Final Completion and Final Payment

a. Upon receipt of the Contractor's written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Design Professional will promptly make such inspection. When the Design Professional finds the Work acceptable under the Contract Documents and the Contract fully performed, the Design Professional will promptly issue a final Certificate for Payment stating that the Work has been completed in accordance with the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Design Professional's final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.b as precedent to the Contractor's being entitled to final payment have been fulfilled. All warranties and guarantees required under Section 3.5 or otherwise required pursuant to the Contract Documents shall be assembled and delivered by the Contractor to the Design Professional as part of the final

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Application for Payment. The final Certificate for Payment will not be issued by the Design Professional until all warranties and guarantees have been received and accepted by the Owner. "Final Completion" occurs when all the conditions of this Section and the Contract Documents are met as set forth herein.

b. Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Design Professional and Owner; (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or Owner's property might be responsible or encumbered (less amounts withheld by the Owner) have been paid or otherwise satisfied; (2) a certificate evidencing that insurance required by the Contract Documents to remain in full force after final payment is currently in effect; (3) a written statement satisfactory to the Owner that the insurance will cover the period required by the Contract Documents; (4) consent of surety to final payment; (5) if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts and releases and waivers of liens, claims, security interests, or encumbrances arising out of the Contract for Construction, to the extent and in such form as may be designated by the Owner and Owner's lender; (6) certification by the Contractor that (i) all Work has been completed in accordance with the Contract Documents, (ii) the final Application for Payment includes all claims of the Contractor against the Owner arising in connection with the Project and constitutes a waiver and release of any and all claims not presented in that application except for claims arising out of third party actions, cross-claims and counterclaims, and (iii) the Record Drawings maintained by the Contractor pursuant to the Contract Documents and delivered to the Owner or Design Professional are complete and accurate in all respects; and (7)evidence of compliance with all requirements of the Contract Documents, such as notices, certificates, affidavits, or other requirements to complete obligations under the Contract Documents, including, but not limited to, (i) instruction of the Owner's representatives in the operation of mechanical, electrical, plumbing, and other systems; (ii) delivery of keys to the Owner with keying schedule (master, submaster, and special keys); (iii) delivery to the Owner of the Contractor's warranties as set forth in the Contract Documents and each written warranty and assignment thereof prepared in duplicate, certificates of inspections, and bonds for the Design Professional's review and delivery to the Owner; (iv) delivery to the Owner of printed operating, servicing, maintenance and cleaning instructions for all Work (parts lists and special tools for mechanical and electrical work) in approved form; (v) delivery to the Owner of the Record Drawings; (vi) delivery to the Owner of a Final Waiver and Release of Liens covering all Work for itself and for each Subcontractor, vendor, and material supplier who furnished labor, materials, and services to the Work, executed by an authorized officer and duly notarized; (vii) delivery to the Owner of final waivers of lien from each subcontractor and material supplier who furnished labor, materials, and services to the Work, executed by their respective officers and duly notarized; and (viii) delivery of sales and use tax certificate number of the Contractor. In addition to the foregoing, all other submissions required by other Articles and Paragraphs of the Specifications and other Contract Documents shall be submitted to the Owner before approval of final payment. If a Subcontractor refuses to furnish a release or waiver required by the Owner and Owner's lender (if any), the Contractor may furnish a bond satisfactory to the Owner and Owner's lender (if any) to indemnify the Owner against such lien, claim, security interest, or encumbrance. If a lien, claim, security interest, or encumbrance remains unsatisfied after payments are made, the Contractor shall refund to the

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Owner all money that the Owner may be compelled to pay in discharging the lien, claim, security interest, or encumbrance, including all costs and attorneys' fees.

i. In addition to items listed in 9.10.b to be submitted before Final Payment will be made or remaining retainage released, Contractor shall deliver a permanent certificate of occupancy from local authorities having jurisdiction.

c. If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Design Professional so confirms, the Owner shall, upon application by the Contractor and certification by the Design Professional, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed, corrected, 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 the 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 Design Professional prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of Claims.

d. The making of final payment shall constitute a waiver of Claims by the Owner except those arising from

.1 bond claims, Claims, liquidated damages, security interests, or encumbrances arising out of the Contract and unsettled;

.2 failure of the Work to comply with the requirements of the Contract Documents;

.3 terms of special warranties required by the Contract Documents;

.4 audits performed by the Owner, if permitted by the Contract Documents, after final payment; or

.5 gross negligence, willful misconduct, or fraudulent concealment in connection with the performance of the Contract.

e. Application for and acceptance of final payment by the Contractor, a Subcontractor, or a supplier, shall constitute a waiver of claims by that payee against the Owner or Design Professional except those previously made in writing and identified by that payee arising after the waiver given at Substantial Completion payment described in Sections 9.8.b and 9.8.f.

f. In addition to any other damages, failure of the Contractor to achieve final completion within sixty (60) days after the specified date of Substantial Completion, subject to authorized extensions, will result in the Contractor being responsible for excess Design Professional's and other Owner's consultant(s)' fees beyond their original scope of services required to achieve final completion ("Excess Fees"). Excess Fees will be deducted from the amount due the Contractor.

Article 10. PROTECTION OF PERSONS AND PROPERTY

Section 10.1 Safety Precautions and Programs

The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Contract. Contractor's and all

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Subcontractors' Safety Programs shall comply with all applicable requirements of the Occupational Safety and Health Act of 1970, and all other applicable state, local, or federal laws or regulations.

Section 10.2 Safety of Persons and Property

a. The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury, or loss to all of the following:
   .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 Contractor, a Subcontractor, or a Sub-subcontractor; 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 Contractor shall comply with, and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities, bearing on safety of persons or property or their protection from damage, injury, or loss.
c. The Contractor shall implement, 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 the owners and users of adjacent sites and utilities of the safeguards. The Contractor shall also be responsible, at the Contractor's sole cost and expense, for all measures necessary to protect any property adjacent to the Project and improvements therein. Any damage to such property or improvements shall be promptly repaired by the Contractor.
d. When use or storage of explosives or other hazardous materials or equipment, or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel, and the Contractor shall give the Owner and the Design Professional reasonable advance written notice of such planned activities.
e. The 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 Sections 10.2.a.2 and 10.2.a.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-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 Contractor is responsible under Sections 10.2.a.2 and 10.2.a.3. The Contractor may make a Claim for the cost to remedy the damage or loss to the extent such damage or loss is attributable to acts or omissions of the Owner or Design Professional 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 Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18.
f. The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Design Professional.
g. The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

h. Injury or Damage to Person or Property
If either party suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, written notice of the injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

i. The Contractor shall immediately report in writing to the Owner and Design Professional all accidents arising out of or in connection with the Work that cause death, personal injury, or property damage, giving full details and statements of any witnesses. In addition, if death, serious personal injuries, or serious damages are caused, the accident shall be reported immediately electronically, as well as by telephone or messenger to the Owner and the Design Professional.

Section 10.3 Hazardous Materials and Substances

a. Hazardous materials include any material in such quantity, concentration, and physical or chemical characteristics including, but not limited to, ignitability or toxicity, so as to be capable of posing an unreasonable risk to health, safety and/or property if released into the atmosphere, transported, stored, or disposed of. The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials or substances. If the Contractor encounters a hazardous material or substance not addressed in the Contract Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and notify the Owner and Design Professional of the condition in writing.

.1 For the purposes of this section, the following terms have the below meanings (however, each definition should be read as broadly as possible to incorporate similar hazardous materials or substances:

Asbestos: any material that contains more than one percent asbestos and is friable or is releasing asbestos fibers into the air above current action levels established by the United States Occupational Safety and Health Administration.

Petroleum: Petroleum, including crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute), and including but not limited to oil, fuel oil, oil sludge, oil refuse, gasoline, diesel fuel, kerosene, and oil mixed with other non-Hazardous Waste and crude oils.

Hazardous Waste: any solid waste listed as hazardous or which possesses one or more hazardous characteristics.

b. Upon receipt of the Contractor's written notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor and Design Professional the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of the material or substance or who are to perform the task of removal or safe containment of the material or

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

substance. The Contractor and the Design Professional will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Design Professional has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Design Professional have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order duly processed and approved, the Contract Time shall be extended appropriately, and the Contract Sum shall be increased by the amount of the Contractor's reasonable additional costs of shutdown, delay, and start-up, both as specified in Article 7. The term "rendered harmless" shall be interpreted to mean, without limitation that levels of hazardous materials, including, but not limited to, asbestos and polychlorinated biphenyls, are less than any applicable exposure standards set forth in OSHA regulations. In no event, however, shall the Owner have any responsibility for any substance or material that is brought to the Project site by the Contractor, any Subcontractor, any material supplier, or any entity for whom any of them is responsible. The Contractor agrees not to use any fill or other materials to be incorporated into the Work that are hazardous, toxic, or made up of any items that are hazardous or toxic.

c. Omitted.

d. The Owner shall not be responsible under this Section 10.3 for hazardous materials or substances the Contractor brings to the site unless such materials or substances are required by the Contract Documents. The Owner shall be responsible for hazardous materials or substances required by the Contract Documents, except to the extent of the Contractor's fault or negligence in the use and handling of such materials or substances.

e. Omitted.

f. <u>THE CONTRACTOR SHALL INDEMNIFY THE OWNER FOR THE COST AND EXPENSE THE OWNER INCURS (1) FOR REMEDIATION OF A MATERIAL OR SUBSTANCE THE CONTRACTOR BRINGS TO THE SITE AND NEGLIGENTLY HANDLES, OR (2) WHERE THE CONTRACTOR FAILS TO PERFORM ITS OBLIGATIONS UNDER SECTION 10.3.a, EXCEPT TO THE EXTENT THAT THE COST AND EXPENSE ARE DUE TO THE OWNER'S FAULT OR NEGLIGENCE.</u>

Section 10.4 Emergencies

In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury, or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Article 15 and Article 7.

Section 10.5 Site Visits

Anyone other than the Owner's designated representatives, the Design Professional, the Design Professional's consultants, and the Owner's other consultants visiting the job site who is not employed by a Contractor shall be required to register with the Contractor's site office before proceeding onto the job site.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Article 11. INSURANCE AND BONDS

Section 11.1 Contractor's Liability Insurance

a. The Contractor shall purchase and maintain in a company or companies lawfully authorized to do business in Texas and as further qualified in Paragraph 11.6, such insurance as will protect the Contractor and the Indemnitees from claims set forth below which may arise out of or result from the Contractor's operations and completed operations under the Contract and for which the Contractor may be legally liable, whether such operations be by the Contractor or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

.1 Claims under workers' compensation, disability benefit and other similar employee benefit acts which are applicable to the Work to be performed; including private entities performing Work at the site and exempt from the coverage on account of number of employees or occupation, which entities shall maintain voluntary compensation coverage at the same limits specified for mandatory coverage for the duration of the Project;

.2 Claims for damages because of bodily injury, occupational sickness or disease, or death of the Contractor's employees; or persons or entities exempt by statute from the requirements of Section 11.1.a.1, but required by the Contract Documents to provide the insurance required by that Section;

.3 Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Contractor's employees;

.4 Claims for damages insured by usual personal injury liability coverage;

.5 Claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;

.6 Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle, including pollution clean-up if hauling hazardous materials; and

.7 Claims for bodily injury or property damage arising out of completed operations, which coverage shall be maintained for no less than ten (10) years following final payment.

.8 Claims for damages to the Work, and/or materials and equipment used/stored at the Work, as may be covered under any Builder's Risk insurance policy.

b. The Contractor's Commercial General Liability Insurance should be written on ISO Form CG 00 01 10 01 or its equivalent and provide the following:

.1 Premises/operations (Including X-C-U coverages);

.2 Independent contractors;

.3 Products and completed operations with a per project aggregate limit, which coverage shall be maintained for a period of ten (10) years from the date of the Final Payment;

.4 Personal injury (libel, slander, false arrest) liability with employment exclusion deleted;

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

.5 Blanket Contractual, including, but not limited to, a specified provision for the Contractor's obligations under Section 3.18 of the Contract Documents;

.6 Broad form property damage including, but not limited to, completed operations;

.7 Primary and Non-Contributory endorsement in favor of Indemnitees; and

.8 Contain a Waiver of Subrogation in favor of Indemnitees.

c. Professional Errors and Omissions Liability Insurance is required for all licensed and certified professionals, including, but not limited to, contractors, engineers, Design Professionals, design-build and design professionals as follows:

.1 The retroactive date preceding the date of the contract; and

.2 An extended reporting period of three (3) years past substantial completion.

d. Notice of Cancellation or Expiration of Contractor's Required Insurance. Within three (3) business days of the date the Contractor becomes aware of an impending or actual cancellation or expiration of any insurance required by the Contract Documents, the Contractor shall provide notice to the Owner of such impending or actual cancellation or expiration. Upon receipt of notice from the Contractor, the Owner shall, unless the lapse in coverage arises from an act or omission of the Owner, have the right to stop the Work until the lapse in coverage has been cured by the procurement of replacement coverage by the Contractor. The furnishing of notice by the Contractor shall not relieve the Contractor of any contractual obligation to provide any required coverage.

e. The Contractor shall, for the protection and benefit of the Indemnitees and the Contractor and as part of the Contractor's efforts to satisfy the obligations set forth in this Article 11, procure, pay for, and maintain in full force and effect, at all times during the performance of the Work until final acceptance of the Work; and for such duration as required in the Contract Documents; policies of insurance issued by a responsible carriers acceptable to the Owner, and in form and substance satisfactory to the Owner, that afford the coverages set forth in the Schedule of Insurance, attached to the Contract and made a part of it as Exhibit "YX" – Contractor's Insurance Certificate(s). All such insurance shall be written on an occurrence basis, with the sole exception of Professional Errors and Omissions Liability Insurance. In the event professional liability coverage is not available on "an occurrence" basis, a "claims made" basis policy with effective and retroactive dates prior to the effective date of the Contract Documents and an extended reporting period of at least three (3) years beyond Substantial Completion or as otherwise required by the Contract Documents, whichever is greater, may be substituted with the written consent and approval of the Owner and Design Professional. The Contractor's completed operations coverage shall be maintained until the expiration of the period for correction of Work or for such other period for maintenance of completed operations coverage as specified in the Contract Documents.

f. The Contractor agrees to deliver to the Design Professional, for transmittal to the Owner with a copy to the Design Professional within ten (10) days of the date of the Owner-Contractor Agreement and prior to bringing any equipment or personnel onto the site of the Work or the Project site, and thereafter upon renewal or replacement of each required policy of insurance, certified copies of all required insurance policies procured by the Contractor under or pursuant to this Article 11 or, with the written consent of the Owner and Design Professional, Certificates of

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Insurance in form and substance satisfactory to the Owner and Design Professional evidencing the required coverages with limits not less than those specified in Section 11.1.k below and all endorsements as required in Article 11 herein. The coverage afforded under any insurance policy obtained under or pursuant to this Section 11.1 shall be primary to any valid and collectible insurance carried separately by any of the Indemnitees. Furthermore, all policies and Certificates of Insurance shall expressly provide that no less than thirty (30) days prior written notice (ten (10) days for non-payment of premium) shall be given the Design Professional and Owner in the event of material alteration, cancellation, nonrenewal or expiration of the coverage contained in such policy or evidenced by such certified copy or Certificate of Insurance. An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section 9.10.b and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 11.1.e. Information concerning reduction of coverage shall be furnished by the Contractor with reasonable promptness.

g. Certificates of Insurance with the following or similar wording are not acceptable: "Failure to notify the certificate holder shall impose no obligation or liability of any kind upon the insurer, its agents or representatives."

h. In no event shall any failure of the Design Professional to receive certified copies or certificates of policies required under Paragraph 11.1.f or to demand receipt of such certified copies or certificates prior to the Contractor's commencing the Work be construed as a waiver by the Owner of the Contractor's obligations to obtain insurance pursuant to this Article 11.

i. When any required insurance, due to the attainment of normal expiration date or renewal date, shall expire, the Contractor shall furnish to the Design Professional Certificates of Insurance and amendatory riders or endorsements that clearly evidence the continuation of all coverage in the same manner, limits of protection, and scope of coverage as was provided by the previous policy forty-five (45) days prior to renewal date. In the event any renewal or replacement policy, for whatever reason obtained or required, is written by a carrier other than that with whom the coverage was previously placed, or the subsequent policy differ in any way from the previous policy, the Contractor shall also furnish the Design Professional with a certified copy of the renewal or replacement policy unless the Owner provide the Contractor with prior written consent to submit only a Certificate of Insurance for any such policy. All renewal and replacement policies shall be in form and substance satisfactory to the Owner and Design Professional and written by carriers acceptable to the Owner and Design Professional.

j. Any Aggregate limit under the Contractor's liability insurance, shall by endorsement, apply to this Project separately.

k. The Contractor shall notify the Owner and Design Professional in writing of any reduction in collectible limits (aggregate limits) by an amount in excess of Fifty Thousand Dollars ($50,000), and the Contractor shall promptly procure, at no expense to the Owner, such additional coverage as necessary to restore the valid and collectible limits of such insurance to that required under the Contract Documents.

l. The Contractor shall cause each Subcontractor to procure insurance congruent with the Contractor's insurance requirements as specified in the Contract Documents and satisfactory to the Owner and Design Professional and name each of the Indemnitees as additional insureds under the Subcontractor's commercial general liability, automobile and umbrella excess liability

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

policies. The additional insured endorsement included on the Subcontractor's commercial general liability policy shall state that coverage is afforded the additional insureds with respect to claims arising out of all on-going and completed operations performed by or on behalf of the Contractor. Each policy shall contain a Waiver of Subrogation in favor of the Indemnities, provide for forty-five (45) day notice of cancellation or non-renewal, and be primary without contribution if the additional insureds have other insurance that is applicable to the loss. If the additional insureds have other insurance that is applicable to the loss, such other insurance shall be on an excess or contingent basis. The amount of the insurer's liability under this insurance policy shall not be reduced by the existence of such other insurance.

m. The Indemnitees shall also be shown as "Additional Insureds" on the property, commercial general liability, automobile liability and umbrella (excess) liability policies and evidence of same must be included in Certificates of Insurance. Copies of policy endorsements must be provided listing the Indemnities as Additional Insureds, using ISO forms CG2010, CG2037, CA0070, CA0032 or their equivalents, and approved as to form by Owner.
n. A "waiver of subrogation" clause in favor of the Owner will be attached to the workers compensation, commercial general liability, umbrella (excess) liability, automobile and the any applicable property insurance policies and evidence of same must be included in Certificates of Insurance. Copies of policy endorsements must be provided showing waivers of subrogation in favor of the Indemnities using ISO forms CG2404, CA0070, CA0032, WC0003 or their equivalents, and approved as to form by Owner.
o. The Owner reserves the right to review the insurance requirements during the effective period of its Agreement with the Contractor, and provide a written request for the Contractor to make any reasonable and commercially available adjustments to insurance coverages and\or limits when deemed reasonably prudent by the Owner based upon its unilateral interpretation of changes in statutory law, court decisions or the Owner's potential increase in exposure to loss.
p. Neither Contractor, Subcontractor, Sub-subcontractor, nor any of their insurance carrier's liability obligations shall be limited to the minimum limits of coverage of insurance maintained or required to be maintained by the Contract Documents.

Section 11.2 Owner's Liability Insurance

a. The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance.

Section 11.3 Property Insurance

a. The Contractor shall purchase and maintain "builder's risk" property insurance, or comparable coverage, for the full replacement cost value thereof, for (i) the Work that is to be done, (ii) all insurable items of Work, title to which has been acquired by Owner in accordance with the Contract Documents and (iii) all materials to be incorporated in the Work, if such materials are in or upon the Premises, or in transit to Premises, whether or not title has been acquired by Owner. Such insurance shall not cover any property owned, leased, or otherwise used in connection with the Work by Contractor, Contractor's subcontractors or the agents or employees of them, that is not forming a permanent part of the Project. This insurance shall include the interests of Owner, Contractor, and Subcontractors and shall provide coverage against loss for "direct physical damage" (previously known as "all risk" coverage) including, but not limited to, without

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

duplication of coverage, fire, extended coverage, vandalism and malicious mischief, theft, collapse, earthquake, flood, sprinkler leakage, windstorm, testing and startup, temporary buildings and debris removal including demolition and increased cost of construction occasioned by enforcement of any applicable legal requirements.

b. Any coverage related to the builder's risk property insurance maintained by Contractor for time including delay in opening and/or extra expenses shall inure to the benefit of Owner only. Owner shall be the only party insured under such policy, with the sole exception that the Contractor may be entitled to payment of its fee and general conditions associated with the reconstruction, less any deductible.
c. The Contractor's insurance shall cover against loss for "direct physical damage" (previously known as "all risk" coverage) with sufficient limits to protect the full replacement cost value of the Work.
d. If by the terms of the property insurance there is a deductible amount, in the event of a loss covered by such insurance, Contractor shall be responsible for all deductibles per occurrence which shall be considered a Cost of the Work for all insurable items of Work and materials to be incorporated in the Work, title to which has not been acquired by Owner in accordance with the Contract Documents. Except for Contractor's deductible risk, Owner is bearing all risk of loss to the Property for which Owner, Contractor, and others have an insurable or financial interest during construction, and, in the event of a loss to the property during construction, Owner agrees to rely solely to the proceeds of the Builder's Risk Insurance which Owner Contractor has agreed to furnish.
e. To the extent permitted by law, Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents, and employees, each of the other, and (2) Owner's Separate Contractors, if any, and any of their subcontractors, sub-subcontractors, agents, and employees, for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to this Section or other property insurance applicable to the Work. Owner or Contractor, as appropriate, shall require of Owner's Separate Contractors, if any, and the subcontractors, sub-subcontractors, agents, and employees of any of them, by written appropriate agreement, similar waivers each in favor of other parties enumerated herein.
f. To the degree allowed by the insurer, Owner and Contractor shall each have its policies endorsed to provide for a waiver of the right of subrogation against the other respective party.
g. Any loss insured pursuant to this Section 11.3 Property Insurance is to be adjusted by Owner and made payable to Owner as trustee for the insureds, as their interests may appear, subject to the requirements of any applicable mortgagee clause. Contractor shall pay each Subcontractor a just share of any insurance monies received by Contractor, and by appropriate written agreement, shall require each Subcontractor to make payments to its Sub-subcontractors in similar manner.
h. Upon request, Owner shall make available for inspection by Contractor a copy of all policies to be furnished by Owner.

Section 11.4 Performance, Maintenance, and Payment Bond

a. The Contractor must furnish bonds covering faithful performance of the Contract and payment of obligations arising thereunder as stipulated in bidding requirements or specifically required in the Contract Documents on the date of execution of the Contract. Such bonds shall be issued in an amount equal to the total Contract Sum by a surety company licensed in the state where the

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Project is located, with a current A.M. Best rating of at least A- X, included on the U.S. Treasury Department's listing of approved sureties, and acceptable to the Owner and Design Professional, or as expressly agreed otherwise by the Owner and Design Professional in writing.

.1 Except as otherwise required by statute, the form and substance of such bonds shall be satisfactory to the Owner in the Owner's sole judgment and shall satisfy the requirements Texas Government Code Chapters 2253 and 2269.

.2 The Performance Bond, Maintenance Bond, and the Labor and Material Payment Bond shall each be in an amount equal to the Contract Sum and all subsequent increases.

.3 Every Bond under this Section 11.4.a must display the Surety's Bond Number and a rider including the following provisions, which shall be attached to each Bond:

a) The Surety hereby agrees that it consents to and waives notice of any addition, alteration, omission, change, or other modification of the Contract Documents;

b) Any addition, alteration, change, extension of time, or other modification of the Contract Documents, or a forbearance on the part of either the Owner or the Contractor to the other, shall not release the Surety of its obligations hereunder, and notice to the Surety of such matters is hereby waived; and

c) The Surety agrees that it is obligated under the bonds to any successor, grantee, or assignee of the Owner.

b. Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

c. The Bond Form shall be in a form provided by the Owner.

d. Additional Performance, Maintenance, and Payment Bonds may be recommended by the Design Professional and required by the Owner, at the Owner's sole discretion, from any Subcontractor. The Owner will pay such actual, additional expenditures as Cost of the Work using the process specified in Article 7 for Changes in the Work. All such bonds shall be in form and substance satisfactory to the Owner and Design Professional.

e. The Contractor shall deliver the required bonds to the Owner no later than three (3) business days following the date of the Agreement is entered into, or if the Work is to be commenced prior to the date the Agreement is entered into, in response to a notification of award. The Contractor shall, prior to the commencement of the Work, submit evidence satisfactory to the Owner that such bonds will be furnished.

f. The Contractor shall require the attorney-in-fact who executes the required bond on behalf of the surety to affix thereto a certified and current copy of the power of attorney.

Section11.5 Adjustment and Settlement of Insured Loss

a. 11.5.1 Omitted.

b. Prior to settlement of an insured loss, the Owner shall notify the Contractor of the terms of the proposed settlement as well as the proposed allocation of the insurance proceeds. The Contractor shall have fourteen (14) days from receipt of notice to object to the proposed settlement or

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

allocation of the proceeds. If the Contractor does not object, the Owner shall settle the loss and the Contractor shall be bound by the settlement and allocation. Upon receipt, the Owner shall deposit the insurance proceeds in a separate account and make the appropriate distributions. Thereafter, if no other agreement is made or the Owner does not terminate the Contract for convenience, the Owner and Contractor shall execute a Change Order for reconstruction of the damaged or destroyed Work in the amount allocated for that purpose. If the Contractor timely objects to either the terms of the proposed settlement or the allocation of the proceeds, the Owner may proceed to settle the insured loss, and any dispute between the Owner and Contractor arising out of the settlement or allocation of the proceeds shall be resolved pursuant to Article 15. Pending resolution of any dispute, the Owner may issue a Construction Change Directive for the reconstruction of the damaged or destroyed Work.

Section 11.6 Insurance Companies

All insurance coverage procured by the Contractor shall be provided by insurance companies having current policyholder ratings no lower than "A- X" by A.M. Best and acceptable by the Owner and Design Professional, or as expressly agreed otherwise by the Owner, Contractor and Owner in writing. Such companies must be licensed to do business in the State of Texas.

Section 11.7 Failure to Purchase Insurance

If one or more of the Indemnitees, or the Contractor is damaged by the failure of either the Owner or the Contractor to purchase or maintain the insurance required under this Article 11, then the party who failed to purchase or maintain the insurance shall bear all reasonable costs (including attorneys' fees and court and settlement expenses) properly attributable to the failure.

Section 11.8 Insurance Limits Required

The following insurance limits are the minimums to be carried by the Design Professional, the Design Professional's consultants, the Owner's other consultants, the Contractor, and the Subcontractors, Sub-subcontractors, and suppliers, unless higher limits are required by their respective Agreements or Texas law (in which case those limits shall control):

.1 Automobile Liability
$1,000,000 Combined Single Limit

.2 Commercial General Liability
$1,000,000 Aggregate, Per Occurrence and Personal Injury
$2,000,000 General Aggregate
$2,000,000 Products/Completed Operations Aggregate
$1,000,000 Personal and Advertising Injury
$500,000 Fire Damage
$5,000 Medical Payments

.3 Worker's Compensation
Statutory Limits
$1,000,000 Employers Liability

.4 Umbrella or Excess Liability
$10,000,000 Per Occurrence

.5 Contractor's Environmental Impairment/Pollution coverage
$1,000,000 Occurrence or Claim

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

$2,000,000 Policy Aggregate

.6 Builder's Risk (where applicable)

100% of the total value of the work

a. Limits for primary policies may differ from those shown when Umbrella or Excess Liability insurance is provided, as long as all coverage is equal to or greater than the minimum limits required herein.

Article 12. UNCOVERING AND CORRECTION OF WORK

Section 12.1 Uncovering of Work

a. If a portion of the Work is covered contrary to the Design Professional's request or to requirements specifically expressed in the Contract Documents, it must, if requested in writing by the Design Professional, be uncovered for the Design Professional's examination and be replaced at the Contractor's expense without change in the Contract Time.

b. If a portion of the Work has been covered that the Design Professional has not specifically requested to examine prior to its being covered, the Design Professional may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, the Contractor shall be entitled to an equitable adjustment to the Contract Sum and Contract Time as may be appropriate. If such Work is not in accordance with the Contract Documents, the costs of uncovering the Work, and the cost of correction, shall be at the Contractor's expense.

Section 12.2 Correction of Work

a. Before Substantial Completion

The Contractor shall promptly correct Work rejected by the Design Professional or failing to conform to the requirements of the Contract Documents, discovered before Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, specifically including but not limited to additional testing and inspections, the cost of uncovering and replacement; the cost of any additional supervision, material, labor, equipment, rental charges, home office overhead, and other expenditures necessitated to both rectify the non-complying conditions, protect adjacent Work of both the Contractor and the Project, and restore Work by the Contractor and others necessarily damaged in the course of rectifying the non-complying conditions; as well as compensation for the Design Professional's services and expenses made necessary thereby, shall be at the Contractor's expense.

i. If prior to the date of Substantial Completion the Contractor, a Subcontractor, or anyone for whom either is responsible uses or damages any portion of the Work, including, without limitation, mechanical, electrical, plumbing, and other building systems, machinery, equipment, or other mechanical device, the Contractor shall cause such item to be restored to "like new" condition at no expense to the Owner. In addition, the Contractor shall promptly remedy damage and loss arising in conjunction with the Project caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, supplier, or anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable or for which the Contractor is otherwise responsible.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

b. After Substantial Completion

i. In addition to the Contractor's obligations under Section 3.5, if, within two years after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.a, or by terms of any applicable special warranty required by the Contract Documents, or within such longer period of time as may be prescribed by law, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of notice from the Owner to do so, unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. If the condition is reasonably discoverable, during the two-year period for correction of Work, and the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Design Professional, the Owner may correct it in accordance with Section 2.5, and charge the reasonable costs to the Contractor.

ii. The two-year period for correction of Work shall also be extended by the period of time between Substantial Completion and the actual completion of the corrective Work performed by the Contractor pursuant to this Section 12.2, but only with respect to the corrected portions of the Work.

iii. Omitted.

c. Omitted.

d. The Contractor shall bear the cost of correcting destroyed or damaged construction of the Owner or Separate Contractors, whether completed or partially completed, caused by the Contractor's correction or removal of Work that is not in accordance with the requirements of the Contract Documents. These costs specifically include, but are not limited to such additional supervision, material, labor, equipment rental charges, home office overhead, and other expenditures necessitated to rectify the non-complying conditions, protect adjacent Work, and restore Work by the Contractor and others necessarily damaged in the course of rectifying the non-complying conditions.

e. Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the Contract Documents. Establishment of the one-year period for correction of Work as described in Section 12.2.b relates only to the specific obligation of the 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 Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

f. The Contractor's obligations under this Section 12.2 shall, without limitation, survive acceptance of the Work under the Contract and termination of the Contract.

Section 12.3 Acceptance of Nonconforming Work

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

If the Owner prefers to accept Work that is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made. In the event final payment has been made by the Owner subsequent to accepting such non-conforming Work, the Contractor shall pay the Owner for the reduction in the Contact Sum occasioned by such acceptance.

Article 13. MISCELLANEOUS PROVISIONS

Section 13.1 Governing Law

The Contract shall be governed by the laws of the state of Texas. Venue on any dispute arising out of this Contract shall be in Denton County, Texas, which is the place where the Project is located and where performance is primarily to occur.

Section 13.2 Successors and Assigns

a. The Owner and Contractor respectively bind themselves, their partners, successors, assigns, and legal representatives to the covenants, agreements, and obligations contained in the Contract Documents. Except as provided in Section 13.2.b, neither party to the Contract shall assign the Contract, or any rights under the contract, in whole or in part without the written consent of the other. If either party attempts to make an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.
b. The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate the assignment.
c. Written Notice
   Written notice shall be deemed to have been duly served if delivered in person to the individual, to a member of the firm or entity, or to an officer of the corporation for which it was intended; or if delivered at or sent by registered or certified mail or by courier service providing proof of delivery to, the last business address known to the party giving notice.

Section 13.3 Rights and Remedies

a. Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights, and remedies otherwise imposed or available by law.
b. No action or failure to act by the Owner, Design Professional, or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed upon in writing.

Section 13.4 Quality Management Tests and Inspections

a. Tests, inspections, and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules, and regulations or

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

lawful orders of public authorities. Unless otherwise provided, the 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 public authority, and shall bear all related costs of tests, inspections, and approvals. The Contractor shall give the Design Professional timely notice of when and where tests and inspections are to be made so that the Design Professional may be present for such procedures. The Owner shall bear costs of tests, inspections, or approvals that do not become requirements until after bids are received or negotiations concluded. The Owner shall directly arrange and pay for tests, inspections, or approvals where building codes or applicable laws or regulations so require. As required by the provisions of Texas Government Code, Section 2269.058(a), the Owner shall provide or contract for the construction materials engineering, testing, and inspection services and the verification testing services necessary for acceptance of the facility by the Owner. To the extent that any of the provisions of this Section 13.4 or other provisions of this Agreement conflict with any of the provisions of Section 2269.058(a) such conflict is unintentional, and the provisions of the Texas Government Code shall control.

b. If the Design Professional, Owner, or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection, or approval not included under Section 13.4.a, the Design Professional will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection, or approval, by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Design Professional of when and where tests and inspections are to be made so that the Design Professional may be present for such procedures. Such costs, except as provided in Section 13.4.c, shall be at the Owner's expense.
c. If such procedures for testing, inspection, or approval under Sections 13.4.a and 13.4.b reveal failure of the portions of the Work to comply with requirements established by the Contract Documents ("Failed Work"), all costs made necessary by the Failed Work, including those of repeated procedures and compensation for the Design Professional's services and expenses and all costs specified in Section 12.2 shall be at the Contractor's expense. The Contractor also agrees all costs of testing, inspection, and approval services required for the correction of the Failed Work and the cost of such similar services related to remedial operations performed to the Failed Work shall be borne by the Contractor.
d. Required certificates of testing, inspection, or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Design Professional.
e. If the Design Professional is to observe tests, inspections, or approvals required by the Contract Documents, the Design Professional will do so promptly and, where practicable, at the normal place of testing.
f. It is the intent of the Construction Documents to require the Contractor to control the quality of the Work using the processes specified in the Contractor's Quality Management, Commissioning, and Turnover Plan contained within the most recent Construction Management Plan approved by the Owner and Design Professional. Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work and shall conform to the most recently approved Contractor's Construction Schedule.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

g. The responsibility for implementing the Quality Management, Commissioning and Turnover Plan is the Contractor's, as is the obligation to provide the Work and a complete and functional project per the Contract Documents. Notwithstanding anything herein, or in subsequently approved Quality Management, Commissioning and Turnover Plans, the Owner's review and Design Professional's approval of such plan(s) does not relieve the Contractor in any way of this responsibility.

h. The Contractor shall be in charge of scheduling; re-scheduling (when required); and confirming adequate distribution of reports and other findings from all testing and inspections of the Work. This responsibility includes, but is not limited to, scheduling the testing services of a certified testing laboratory which, by statute shall be contracted to and paid for by the Owner. The certified testing laboratory shall be acceptable to the Design Professional; and shall perform the tests as called for in the Contract Documents. The conditions that apply to materials testing and inspections include, but are not limited to the following:

.1 The frequency and type of Quality Control testing shall be established by the Contractor and shall be sufficient to insure the delivery of the Work and a complete and functional project per the Contract Documents. The type and amount of testing required by the Contract Documents shall be seen as the minimums required, and shall be increased, if in the opinion of the Contractor, more testing is needed to meet the requirements of the Contractor.

.2 The Contractor shall concurrently provide the Design Professional copies of all test results it receives within three (3) business days of receipt of same.

.3 The Owner shall provide such Quality Assurance testing as it and the Design Professional mutually agree to be adequate for their own needs. The Owner shall distribute the results of its own Quality Assurance tests as it, at its sole discretion, deems appropriate. The provision of Quality Assurance testing by the Owner, or lack thereof shall in no manner affect the responsibilities of the Contractor or Design Professional under this Agreement.

i. The Contractor shall facilitate and conduct weekly (or more frequent if necessary) meetings on site for the coordination of all mechanical, electrical and special systems installation activities and possible interference(s) above ceilings, in mechanical rooms, etc. The mechanical trades shall typically have preference in the event of conflicts, and therefore the mechanical contractor's coordinator will usually lead each meeting, unless the Contractor decides another trade or the Contractor should take the lead. The Design Professional shall be informed of the meetings at least seven (7) days in advance, and the appropriate Design Professional's consultants should be invited to attend by the Contractor, as supplemented and coordinated by the Design Professional.

j. The Contractor's Quality Management, Commissioning and Turnover Plan shall specify that prior to completion and acceptance of any building system or phase, consistent with the Contract and applicable codes and Contractor will review, in detail, the steps for completing testing of all building systems with the Owner and Design Professional. This plan shall be coordinated with and shall be made part of the Contractor's Construction Schedule. All testing shall be of each complete system, before covering, or of individually separable larger portions of each system and shall be performed in the presence of the appropriate Owner's and Design Professional's consultant(s), representatives of the Owner, and at its option, either or both the Design Professional.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

k. When heating, air conditioning, ventilating, exhaust, or other items of mechanical, electrical or other similar equipment are installed, or other systems or equipment requiring testing as may be specified in the Contractor's Quality Management, Commissioning and Turnover Plan, it shall be the responsibility of the Contractor, Subcontractor or Sub-subcontractor installing such equipment to operate it for a period of time satisfactory to the Owner prior to acceptance and before the start of Warranty. The duration of such operation shall be as the Owner, Owner's consultant(s), Design Professional's consultant(s), Owner' employees and other Owner's representatives (the Turnover Team) shall reasonably require for proper testing of the respective system and thorough instruction of the Owner's operating personnel.

l. All equipment, testing instruments, instruction materials and incidentals required for proper testing of such systems and thorough instruction of the Owner's operating personnel on each system's operations and maintenance shall be provided by the Contractor, Subcontractor or Sub-subcontractor responsible for providing and installing the equipment. Such tests and instruction shall be in meetings held solely for this purpose (the Turnover Meetings), which shall be coordinated and managed by the Contractor, who shall show their dates in the Contractor's Construction Schedule at least sixty (60) days prior to occurrence. The Contractor shall schedule the Turnover Meetings at times reasonably convenient for the Owner's consultant(s), Design Professional's consultant(s), Owner's employees and other Owner's representatives that the Owner and Design Professional agree are necessary to attend for each system. The Design Professional may attend such Turnover Meetings at its discretion.

m. The Contractor shall provide a digital video record to the Owner, with copies to the Design Professional of all meetings for the purpose of Owner operational staff instruction or training; as well as commissioning of equipment. These videos will become a permanent part of all Operations and Maintenance manuals as applicable.

n. The Contractor shall prepare a digital video record of the project for the Owner with copies to the Design Professional at such stages as shall be indicated by the Design Professional for the purpose of documenting the location of piping, conduit, equipment, or other construction to be concealed at a later date; recording key inspections and tests; providing evidence of unforeseeable conditions encountered by the Contractor on site; and other construction issues as the Design Professional may reasonably require from time to time.

o. The Contractor shall layout and mark any plantings, shrubs and trees which will require removal a minimum of five (5) business days prior to their removal. The Contractor shall notify the Design Professional in writing immediately upon completion of this marking, and the Design Professional will have the location of these marked plantings, shrubs and trees reviewed and approved (if correct) by the Owner. The Design Professional will then give permission for removal in writing to the Contractor. Plantings, shrubs, and trees shall not be removed or damaged without such permission.

Section 13.5 Interest

Payments due and unpaid under the Contract Documents shall bear interest as set forth in the provisions of Texas Government Code, Chapter 2251 or its successor statute.

Section 13.6 Time Limits on Claims

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

The Owner and Contractor shall commence all claims and causes of action, whether in contract, tort, breach of warranty or otherwise, against the other arising out of or related to the Contract in accordance with the requirements of the final dispute resolution method selected in the Agreement within the time period specified by applicable law, but in any case not more than ten (10) years after the date of Substantial Completion of the Work.

Section 13.8 Measurement

Before ordering any material or doing any Work, the Contractor shall verify all measurements for Work completed at the Project and shall be responsible for their accuracy. Any differences found shall be submitted to the Design Professional for consideration before proceeding with the Work. The Contractor shall use its utmost efforts to identify discrepancies in dimensions in a timely fashion and notify the Owner and Design Professional of these prior to commencing any Work affected by the ambiguous dimensions. No extra charge or compensation shall be allowed because of differences between actual measurements and the dimensions indicated on the drawings.

Section 13.9 Expediting Materials

The Contractor shall immediately, after receipt of Notice to Proceed and approval of the list of subcontractors and material suppliers, place orders for all equipment, materials, and supplies required for the Work, and shall submit to the Design Professional evidence that such orders have been placed in accordance with the Contractor's Construction Schedule.

Section 13.10 Addressing the Owner's Additional Needs and Concerns

a. Notwithstanding the above, the Owner has a unique set of stakeholders and organizational structure that creates special challenges the Contractor must completely and successfully address to the satisfaction of the Owner and Design Professional in the performance of the Work under this Agreement. The actions that shall be taken to address these special challenges include, but are not limited to, the following:

    .1 The Contractor shall provide the Superintendent once per month for a scheduled meeting with the Owner for a progress update on the project if requested by the Owner. A walk-through of the site may be held as a part of this meeting, which shall be scheduled by mutual agreement during regular business hours.

    .2 The Contractor may be required to provide the Superintendent for one meeting per month with the Design Professional for the purpose of assisting the Owner in preparing City Council agenda items and assisting City staff in preparing presentations to the City Council for the benefit of the public. The actual preparation and submission of the City Council of any agenda or work session item shall be performed by the Owner.

    .3 In addition to the meetings required to complete the Project, it is anticipated the Owner may request tours from time to time of the project and the site. The Contractor shall indicate in writing when such activity will be permitted and when the site is off limits. These requirements shall be coordinated through the Owner.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Section 13.11 Additional Provisions

a. In the event that any provision herein is held to be unlawful, against public policy, or a violation of the Charter or Ordinances of the Denton City, Texas, such provision shall be modified to make it valid, or if modification is not possible, such provision shall be deleted and the remainder of this Agreement shall remain in full force and effect.

b. Each party hereto agrees to, without limitation, perform all acts; provide all services, material, equipment, labor and supervision; and to make, execute, and deliver such written instruments, as shall from time to time be reasonably required to carry out the terms and provisions of the Contract Documents.

c. All exhibits referred to in the Contract Documents are, by reference, incorporated herein for all purposes.

d. The captions of the paragraphs are set forth only for convenience and reference, and are not intended in any way to define, limit, or describe the scope or intent of the Contract Documents.

e. Any specific requirement in this Contract that require responsibilities or obligations of the Contractor also apply to a Subcontractor is added for emphasis and is also hereby deemed to include a Subcontractor, Sub-subcontractor or supplier of any tier. The omission of a reference to a Subcontractor in connection with any of the Contractor's responsibilities or obligations shall not be construed to diminish, abrogate, or limit any responsibilities or obligations of a Subcontractor, Sub-subcontractor or supplier of any tier under the Contract Documents or the applicable subcontract.

f. The provisions of the Contract Documents shall not be changed, amended, waived, or otherwise modified in any respect except by a written document signed by Owner. No person is authorized on behalf of Owner to orally change, amend, waive, or otherwise modify the terms of the Contract Documents or any of the Contractor's duties or obligations under or arising out of the Contract Documents. Any change, waiver, approval, or consent granted to the Contractor shall be limited to the specific material restated in the written document signed by Owner and shall not relieve Contractor of any other of the duties and obligations under the Contract Documents.

g. The Contractor shall provide and file, as required by law, all notices required or permitted by the laws of the state in which the Project is located for protection of Owner from liens and claims of lien if permitted or required by applicable law. Contractor shall be responsible for filing in the appropriate court or other governmental office records all such notices as required or permitted by the laws of the state in which the Project is located.

h. The Contractor shall provide Owner with copies of all notices received by Contractor from Subcontractors, Sub-subcontractors, and/or suppliers to Contractor.

i. The Owner is a Texas home-rule municipality and as such is generally exempt from taxation under Texas law, which may include the purchase of items, materials, or supplies purchased on behalf of the Owner for this public works project. Contractor shall confirm that the Owner is exempt before paying taxes for items, materials, or supplies that may not be lawfully charged to the Owner.

j. Owner affirmatively represents that its governing body has duly appropriated such sums which are equal to or in excess of the contract amount, and that such contract amount may be lawfully paid by Owner to Contractor subject to the terms and conditions of the Contract Documents. In the event that Owner approves a Change Order, Construction Change Directive or other additional compensable Work to be performed by Contractor, (other than that contemplated by

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

the Contract Documents under any remedy-granting provision), Owner will issue a written assurance at the time of such approval that such additional compensation to be paid has also been duly appropriated by the Owner's governing body.

k. In the event the Owner is required to further advertise the completion of the Work or the Project under any local, state or Federal law, the Contractor shall notify the Owner and Design Professional of such requirement(s) in writing not less than thirty (30) days in advance and attach a copy of the specific advertising and noticing required.

l. The Contractor shall, in addition to compliance with the requirements of Section 3.7.f and without limitation, not knowingly employ or contract with an illegal alien to perform any of the Work under this Agreement. The Contractor shall not knowingly contract with a Subcontractor that (i) knowingly employs or contracts with an illegal alien to perform work under this Agreement or (ii) fails to certify to the Contractor that the Subcontractor will not knowingly employ or contract with an illegal alien to perform work under this Agreement.

   i. The Contractor shall comply with any reasonable request of the Texas Workforce Commission made in the course of an investigation pursuant to state law.

   ii. In addition to any other legal or equitable remedy, and notwithstanding anything to the contrary in the Contract Document the Owner may be entitled to for a breach of the Agreement, if the Owner terminates this Agreement, in whole or in part, due to Contractor's breach of the obligations set forth above in this Section 13.11.l Contractor shall be liable for actual and consequential damages to the Owner.

m. It is the express intention of the parties that this Agreement is not to be construed as a waiver of any immunities or defenses of the Owner under Texas law.

n. Notwithstanding any other provision in the Contract Documents to the contrary, public property is protected from forced sale and therefore may not be made the subject of a mechanic's lien. Nothing in the Contract Documents shall be construed to allow a mechanic's lien on public property owned by the Owner. The Owner does not waive its immunities or right to object to or contest such a lien.

Article 14. TERMINATION OR SUSPENSION OF THE CONTRACT

Section 14.1 Termination by the Contractor

a. The Contractor may terminate the Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work, for any of the following reasons:

   .1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped; or

   .2 An act of government, such as a declaration of national emergency, that requires all Work to be stopped.

b. The Contractor may terminate the Contract if, through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work, repeated suspensions, delays, or interruptions of the entire Work by the Owner as described in Section 14.3, constitute in the aggregate more than 100

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

c. If one of the reasons described in Section 14.1.a or 14.1.b exists, the Contractor may, upon seven (7) days' notice to the Owner and Design Professional, terminate the Contract and recover from the Owner payment for Work executed, including other costs allowed by the law.

d. If the Work is stopped for a period of sixty (60) consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, or their agents or employees or any other persons or entities performing portions of the Work because the Owner has repeatedly failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days' written notice to the Owner and the Design Professional, terminate the Contract and recover from the Owner as provided in Section 14.1.c.

Section 14.2 Termination by the Owner for Cause

a. The Owner may terminate the Contract if the Contractor:

.1 refuses or fails to supply enough properly skilled workers or proper materials;

.2 fails to make payment to Subcontractors or suppliers in accordance with the respective agreements between the Contractor and the Subcontractors or suppliers;

.3 disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority;

.4 otherwise is guilty of substantial breach of a provision of the Contract Documents; or

.5 contractor becomes insolvent or makes a general assignment for the benefit of its creditors.

b. When any of the reasons described in Section 14.2.a exist, and upon certification by the Design Professional that sufficient cause exists to justify such action, the Owner may, without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

.1 Exclude the Contractor from the site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;

.2 Accept assignment of subcontracts pursuant to Section 5.4; and

.3 Finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

c. When the Owner terminates the Contract for one of the reasons stated in Section 14.2.a, the Contractor shall not be entitled to receive further payment.

d. If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Design Professional's, Design Professional's consultants', and Owner's other consultants' services and expenses made necessary thereby, and other damages incurred by

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Initial Decision Maker, upon application, and this obligation for payment shall survive termination of the Contract.

i. The costs of finishing the Work include, without limitation, all reasonable attorneys' fees, additional title costs, insurance, additional interest because of any delay in completing the Work, and all other direct and indirect costs incurred by the Owner by reason of the termination of the Contractor as stated herein.

Section 14.3 Suspension by the Owner for Convenience

a. The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work, in whole or in part for such period of time as the Owner may determine.

b. The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay, or interruption under Section 14.3.a. Adjustment of the Contract Sum shall be as specified in Article 7. No adjustment shall be made to the extent:

.1 that performance is, was, or would have been, so suspended, delayed, or interrupted, by another cause for which the Contractor is responsible; or

.2 that an equitable adjustment is made or denied under another provision of the Contract.

Section 14.4 Termination by the Owner for Convenience

a. The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause.

b. Upon receipt of written notice from the Owner of such termination for the Owner's convenience, the Contractor shall:

.1 cease operations as directed by the Owner in the notice;

.2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and

.3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

c. Upon such termination for the Owner's convenience, the Contractor shall recover as its sole remedy payment for Work properly performed in connection with the terminated portion of the Work prior to the effective date of termination and for items properly and timely fabricated off the Project site, delivered and stored in accordance with the Contract Documents and Owner's further instructions. **The Contractor waives and forfeits all other claims for payment and damages, including, without limitation, anticipated profits, lost opportunity costs, and potential and actual unabsorbed overhead costs.** The Owner shall be credited for (1) payments previously made to the Contractor for the terminated portion of the Work; (2) claims that the Owner has against the Contractor under the Contract; and (3) the value of the materials, supplies, equipment, or other items that are to be disposed of by the Contractor that are part of the Contract.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Article 15. CLAIMS AND DISPUTES

Section 15.1 Claims

a. Definition

A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, a change in the Contract Time, or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim. This Section 15.1.a does not require the Owner to file a Claim in order to impose liquidated damages in accordance with the Contract Documents.

b. Time Limits on Claims

The Owner and Contractor shall commence all Claims and causes of action against the other and arising out of or related to the Contract, whether in contract, tort, breach of warranty or otherwise, in accordance with the requirements of the dispute resolution method selected in the Agreement and within the period specified by applicable law.

c. Notice of Claims

Claims by either the Owner or Contractor must be initiated by written notice to the other party and to the Initial Decision Maker with a copy sent to the Design Professional, if the Design Professional is not serving as the Initial Decision Maker.; provided, however, that the claimant shall use its best efforts to furnish the Initial Decision Maker and the other party, as expeditiously as possible, with notice of any Claim including, without limitation, those in connection with concealed or unknown conditions, once such claim is recognized, and shall cooperate with the Design Professional and the party against whom the claim is made in any effort to mitigate the alleged or potential damages, delay, or other adverse consequences arising out of the condition that is the cause of such a Claim. Claims by either party must be initiated within twenty-one (21) days after occurrence of the event giving rise to such Claim or within twenty-one (21) days after the claimant first recognizes the condition giving rise to the Claim, whichever is later.

i. Claims Made After Final Payment

After Final Payment, Claims made by the Contractor that have not otherwise been waived pursuant to this Contract, must be initiated within one hundred and eighty (180) days from the date of Final Payment by written notice to the Owner as a condition precedent to the Contractor's right to sue on the Contract.

ii. Claims by either the Owner or Contractor, where the condition giving rise to the Claim is first discovered after expiration of the period for correction of the Work set forth in Section 12.2.b, shall be initiated by notice to the other party. In such event, no recommendation by the Initial Decision Maker is required.

d. Continuing Contract Performance

i. Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents.

ii. The Contract Sum and Contract Time shall be adjusted in accordance with the Initial Decision Maker's decision, subject to the right of either party to proceed in accordance

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

with this Article 15. The Design Professional will prepare Change Orders and issue Certificates for Payment in accordance with the decision of the Initial Decision Maker.

e. Claims for Additional Cost

If the Contractor wishes to make a Claim for an increase in the Contract Sum, notice as provided in Section 15.1.c shall be given before proceeding to execute the portion of the Work that is the subject of the Claim. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4. Damages available to the Contractor are limited to those set forth in the Texas Local Government Code, Subchapter I, Section 271.153 or its successor statute(s).

f. Claims for Additional Time

i. If the Contractor wishes to make a Claim for an increase in the Contract Time, the Contractor shall provide written notice as required by Sections 8.3.d. and 8.3.e.

ii. If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented in accordance with Section 8.3.e.

g. Waiver of Claims for Consequential Damages

The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes

.1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and

.2 damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit, except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Section 15.1.g shall be deemed to preclude assessment of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

Section 15.2 Initial Decision

Omitted.

Section 15.3 Mediation

a. Claims, disputes, or other matters in controversy arising out of or related to the Contract shall be subject to mediation as a condition precedent to precedent to filing suit in a state district court having competent jurisdiction per the Contract Documents. If a statute of limitations is at issue, then suit may be filed by either party to toll the statute, but the suit shall then be stayed pending completion of the agreed mediation. If the parties cannot agree on a mediator, then the court may appoint one upon application of either party.

b. The parties shall endeavor to resolve their Claims by mediation. A request for mediation, shall be made in writing, delivered to the other party to the Contract.

c. Either party may, within 30 days from the date that mediation has been concluded without resolution of the dispute or 60 days after mediation has been demanded without resolution of the dispute, demand in writing that the other party file for binding dispute resolution. If such a

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

demand is made and the party receiving the demand fails to file for binding dispute resolution within 60 days after receipt thereof, then both parties waive their rights to binding dispute resolution proceedings.

d. The parties shall share the mediator's fee equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Written agreement(s) reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

SECTION 00 73 01

SUPPLEMENTARY CONDITIONS - CSP
TO
GENERAL CONDITIONS

Supplementary Conditions

These Supplementary Conditions modify and supplement Section 00 72 00 - General Conditions, and other provisions of the Contract Documents as indicated below. All provisions of the General Conditions that are modified or supplemented remain in full force and effect as so modified or supplemented. All provisions of the General Conditions which are not so modified or supplemented remain in full force and effect.

Defined Terms

The terms used in these Supplementary Conditions which are defined in the General Conditions have the meaning assigned to them in the General Conditions, unless specifically noted herein.

Modifications and Supplements

The following are instructions that modify or supplement specific paragraphs in the General Conditions and other Contract Documents.

SC-1.01 "Defined Terms"

The following Terms are added to the General Conditions as follows:

> Competitive Sealed Proposals – A procurement method by which a governmental entity requests proposals, evaluates and ranks the Offerors, and negotiates a contract with a general contractor for the construction, rehabilitation, alteration, or repair of a facility.
>
> Daily Value – The City-determined value in dollars as indicated in the Proposal Form as the value of one Day for the purposes of determining the Incentive (if applicable) for Substantial Completion relative to the Contract Time and achievement of Substantial Completion.

SC-2.01

Easement limits shown on the Drawings are approximate and were provided to establish a basis for proposals. Upon receiving the final easements descriptions, Contractor shall compare them to the lines shown on the Contract Drawings.

SC-2.01A., "Availability of Lands"

The following is a list of known outstanding right-of-way, and/or easements to be acquired, if any as of *October 22,2024*:

Outstanding Right-Of-Way, and/or Easements to Be Acquired

PARCEL NUMBER	OWNER	TARGET DATE OF POSSESSION
None	None	None

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

The Contractor understands and agrees that the dates listed above are estimates only, are not guaranteed, and do not bind the City.

If Contractor considers the final easements provided to differ materially from the representations on the Contract Drawings, Contractor shall within five (5) Business Days and before proceeding with the Work, notify City in writing associated with the differing easement line locations.

SC-2.01B., "Availability of Lands"
Utilities or obstructions to be removed, adjusted, and/or relocated

The following is the list of utilities and/or obstructions that have not been removed, adjusted, and/or relocated as of October 22,2024

EXPECTED OWNER	UTILITY AND LOCATION	TARGET DATE OF ADJUSTMENT
None	None	none

The Contractor understands and agrees that the dates listed above are estimates only, are not guaranteed, and do not bind the City.

SC-3.01, "Subsurface and Physical Conditions"

None

The following are drawings of physical conditions in or relating to existing surface and subsurface structures (except Underground Facilities) which are at or contiguous to the site of the Work:
ALTA/NSPS Land Title Survey, January 2018, prepared by Teague Nall & Perkins

SC-4.01, "Underground Facilities

The following are additional resources for identification of Underground Facilities which are at or contiguous to the site of the Work, and which are not necessarily shown in the Drawings:
None

SC-5.01, "Hazardous Environmental Conditions at Site"

The following are reports and drawings of existing hazardous environmental conditions known to the City:
Phase 1 Environmental Site Assessments, January 17, 2017, prepared by W&M Environmental Group, LLC

SC-6.01, "Certificates of Insurance"

The entities listed below are "additional insureds as their interest may appear" including their respective officers, directors, agents and employees.

(1) City
(2) Consultant: *CLASP Companies LLC dba Valley Quest Design*
(3) Other: None

SC-7.01, "Concerning Subcontractors and Suppliers"

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

The following subcontractors shall be required to be utilized by the Contractor for specific portions of the Work as indicated below:

Required Subcontractors

SUBCONTRACTOR COMPANY NAME	DESCRIPTION OF WORK TO BE PERFORMED
None	None

SC-8.01., "Permits and Utilities"

SC-8.01A., "Contractor obtained permits and licenses"
The following are known permits and/or licenses required by the Agreement to be acquired by the Contractor:
None

SC-8.01B. "City obtained permits and licenses"
The following are known permits and/or licenses required by the Agreement to be acquired by the City:
None

SC-8.01C. "Outstanding permits and licenses"

The following is a list of known outstanding permits and/or licenses to be acquired, if any as of *October 22, 2024*

Outstanding Permits and/or Licenses to Be Acquired

OWNER	PERMIT OR LICENSE AND LOCATION	TARGET DATE OF POSSESSION
None	None	None

SC-9.01, "Title VI, Civil Rights Act of 1964 as amended"

Capitalized terms not defined in the Contract Documents have the meaning set forth in the relevant federal regulation. During the performance of this Agreement, the Contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "Contractor") agrees as follows:

1. **Compliance with Regulations:** The Contractor shall comply with the Regulation relative to nondiscrimination in Federally-assisted programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this Agreement.

2. **Nondiscrimination:** The Contractor, with regard to the work performed by it during the Agreement, shall not discriminate on the grounds of race, color, or national origin, in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor shall not participate either directly or indirectly in the discrimination prohibited by 49 CFR, section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.

3. **Solicitations for Subcontractors, Including Procurements of Materials and Equipment:** In all solicitations either by competitive proposals or negotiation made by the contractor for work to be

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontactor or supplier shall be notified by the Contractor of the Contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

4. **Information and Reports:** The Contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by City or the Texas Department of Transportation to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information the contractor shall so certify to the City, or the Texas Department of Transportation, as appropriate, and shall set forth what efforts it has made to obtain the information.

5. **Sanctions for Noncompliance:** In the event of the Contractor's noncompliance with the nondiscrimination provisions of this Agreement, City shall impose such contract sanctions as it or the Texas Department of Transportation may determine to be appropriate, including, but not limited to:

    a. withholding of payments to the Contractor under the Agreement until the Contractor complies, and/or
    b. cancellation, termination or suspension of the Agreement, in whole or in part.

6. **Incorporation of Provisions:** The Contractor shall include the provisions of paragraphs (1) through (6) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations, or directives issued pursuant thereto. The Contractor shall take such action with respect to any subcontract or procurement as City or the Texas Department of Transportation may direct as a means of enforcing such provisions including sanctions for non-compliance: Provided, however, that, in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request City to enter into such litigation to protect the interests of City, and, in addition, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

Additional Title VI requirements can be found in the Appendix.

SC-10.01, "Coordination"

The individuals or entities listed below have contracts with the City for the performance of other work at the Site:

Vendor	Scope of Work	Coordination Authority
None	None	None

SC-11.01, "Communications to Contractor"

None

SC-12.01, "City's Project Manager"

The City's Project Manager for this Contract is *Ryan Brumfield* or his/her successor pursuant to **written notification from the City Engineer.**

SC-13.01, "Tests and Inspections"

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

None

SC-14.01, "Methods and Procedures"

None

SC – 15.01, "Documents"

Any documents submitted to the City in electronic format shall be considered equivalent to an original of such document.

END OF SECTION

Revision Log		
DATE	**NAME**	**SUMMARY OF CHANGE**

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

SECTION 00 73 74

FORM 1295 - CERTIFICATE OF INTERESTED PARTIES - CSP

[Contractor: Replace this page with Form 1295 for this Contract, which can be obtained at www.ethics.state.tx.us]

END OF SECTION

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

SECTION 01 11 00
SUMMARY OF WORK

PART 1 - GENERAL

1.1 SUMMARY

A. Section Includes:
   1. Summary of Work to be performed in accordance with the Contract Documents

B. Deviations from this City of Denton Standard Specification
   1. None.

C. Related Specification Sections include, but are not necessarily limited to:
   1. Division 0 - Bidding Requirements, Contract Forms, and Conditions of the Contract
   2. Division 1 - General Requirements

1.2 PRICE AND PAYMENT PROCEDURES

A. Measurement and Payment
   1. Work associated with this Item is considered incidental to the various items bid. No separate payment will be allowed for this Item.

1.3 REFERENCES [NOT USED]

1.4 ADMINISTRATIVE REQUIREMENTS

A. Work Covered by Contract Documents
   1. Work is to include furnishing all labor, materials, and equipment, and performing all Work necessary for this construction project as detailed in the Drawings and Specifications.

B. Incidental Work
   1. Any and all Work specifically governed by documentary requirements for the project, such as conditions imposed by the Contract Documents in which no specific item for bid has been provided for in the Proposal, then the item shall be considered as an incidental item of Work, the cost of which shall be included in the price bid in the Proposal for various bid items.

C. Use of Premises
   1. Coordinate uses of premises under direction of the City.
   2. Assume full responsibility for protection and safekeeping of materials and equipment stored on the Site.
   3. Use and occupy only portions of the public streets and alleys, or other public places or other rights-of-way as provided for in the ordinances of the City, as shown in the Contract Documents, or as may be specifically authorized in writing by the City.
      a. A reasonable amount of tools, materials, and equipment for construction purposes may be stored in such space, but no more than is necessary to avoid delay in the construction operations.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

b. Excavated and waste materials shall be stored in such a way as not to interfere with the use of spaces that may be designated to be left free and unobstructed and so as not to inconvenience occupants of adjacent property.
c. If the street is occupied by railroad tracks, the Work shall be carried on in such manner as not to interfere with the operation of the railroad.
1) All Work shall be in accordance with railroad requirements set forth in Division 0 as well as the railroad permit.

D. Work within Easements

1. Do not enter upon private property for any purpose without having previously obtained permission from the owner of such property.
2. Do not store equipment or material on private property unless and until the specified approval of the property owner has been secured in writing by the Contractor and a copy furnished to the City.
3. Unless specifically provided otherwise, clear all rights-of-way or easements of obstructions which must be removed to make possible proper prosecution of the Work as a part of the project construction operations.
4. Preserve and use every precaution to prevent damage to, all trees, shrubbery, plants, lawns, fences, culverts, curbing, and all other types of structures or improvements, to all water, sewer, and gas lines, to all conduits, overhead pole lines, or appurtenances thereof, including the construction of temporary fences and to all other public or private property adjacent to the Work.
5. Notify the proper representatives of the owners or occupants of the public or private lands of interest in lands which might be affected by the Work.
a. Such notice shall be made at least 48 hours in advance of the beginning of the Work.
b. Notices shall be applicable to both public and private utility companies and any corporation, company, individual, or other, either as owners or occupants, whose land or interest in land might be affected by the Work.
c. Be responsible for all damage or injury to property of any character resulting from any act, omission, neglect, or misconduct in the manner or method or execution of the Work, or at any time due to defective work, material, or equipment.
6. Fence
a. Restore all fences encountered and removed during construction of the Work to the original or a better than original condition.
b. Erect temporary fencing in place of the fencing removed whenever the Work is not in progress and when the site is vacated overnight, and/or at all times to provide site security.
c. The cost for all fence work within easements, including removal, temporary closures and replacement, shall be incidental to the various items bid in the project proposal, **unless a bid item is specifically provided in the proposal**.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

1.5 SUBMITTALS [NOT USED]

1.6 ACTION SUBMITTALS/INFORMATIONAL SUBMITTALS [NOT USED]

1.7 CLOSEOUT SUBMITTALS [NOT USED]

1.8 MAINTENANCE MATERIAL SUBMITTALS [NOT USED]

1.9 QUALITY ASSURANCE [NOT USED]

1.10 DELIVERY, STORAGE, AND HANDLING [NOT USED]

1.11 FIELD [SITE] CONDITIONS [NOT USED]

1.12 WARRANTY [NOT USED]

PART 2 - PRODUCTS [NOT USED]

PART 3 - EXECUTION [NOT USED]

END OF SECTION

Revision Log		
DATE	NAME	SUMMARY OF CHANGE

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

SECTION 01 25 00
SUBSTITUTION PROCEDURES

PART 1 - GENERAL

1.1 SUMMARY

A. Section Includes:
   1. The procedure for requesting the approval of substitution of a product that is not equivalent to a product which is specified by descriptive or performance criteria or defined by reference to 1 or more of the following:
      a. Name of manufacturer
      b. Name of vendor
      c. Trade name
      d. Catalog number
   2. Substitutions are not "or-equals".

B. Deviations from this City of Denton Standard Specification
   1. None.

C. Related Specification Sections include, but are not necessarily limited to:
   1. Division 0 – Bidding Requirements, Contract Forms and Conditions of the Contract
   2. Division 1 – General Requirements

1.2 PRICE AND PAYMENT PROCEDURES

A. Measurement and Payment
   1. Work associated with this Item is considered incidental to the various items bid. No separate payment will be allowed for this Item.

1.3 REFERENCES [NOT USED]

1.4 ADMINISTRATIVE REQUIREMENTS

A. Request for Substitution - General
   1. Within 30 days after award of Agreement (unless noted otherwise), the City will consider formal requests from Contractor for substitution of products in place of those specified.
   2. Certain types of equipment and kinds of material are described in Specifications by means of references to names of manufacturers and vendors, trade names, or catalog numbers.
      a. When this method of specifying is used, it is not intended to exclude from consideration other products bearing other manufacturer's or vendor's names, trade names, or catalog numbers, provided said products are "or-equals," as determined by City.
   3. Other types of equipment and kinds of material may be acceptable substitutions under the following conditions:
      a. Or-equals are unavailable due to strike, discontinued production of products meeting specified requirements, or other factors beyond control of Contractor; or,

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

b. Contractor proposes a cost and/or time reduction incentive to the City.

1.5 SUBMITTALS

A. See Request for Substitution Form (attached)

B. Procedure for Requesting Substitution

1. Substitution shall be considered only:
   a. After award of Agreement
   b. Under the conditions stated herein
2. Submit one PDF copy via email to the Project Manager and their duly appointed representative, including:
   a. Documentation
      1) Complete data substantiating compliance of proposed substitution with Contract Documents
      2) Data relating to changes in construction schedule, when a reduction is proposed
      3) Data relating to changes in cost
   b. For products
      1) Product identification
         a) Manufacturer's name
         b) Telephone number and representative contact name
         c) Specification Section or Drawing reference of originally specified product, including discrete name or tag number assigned to original product in the Contract Documents
      2) Manufacturer's literature clearly marked to show compliance of proposed product with Contract Documents
      3) Itemized comparison of original and proposed product addressing product characteristics including, but not necessarily limited to:
         a) Size
         b) Composition or materials of construction
         c) Weight
         d) Electrical or mechanical requirements
      4) Product experience
         a) Location of past projects utilizing product
         b) Name and telephone number of persons associated with referenced projects knowledgeable concerning proposed product
         c) Available field data and reports associated with proposed product
      5) Samples
         a) Provide at request of City.
         b) Samples become the property of the City.
   c. For construction methods:
      1) Detailed description of proposed method
      2) Illustration drawings

C. Approval or Rejection

1. Written approval or rejection of substitution given by the City
2. City reserves the right to require proposed product to comply with color and pattern of specified product if necessary to secure design intent.
3. In the event the substitution is approved, the resulting cost and/or time reduction will be documented by Change Order in accordance with the General Conditions.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

4. No additional contract time will be given for substitution.
5. Substitution will be rejected if:
   a. Submittal is not through the Contractor with his stamp of approval
   b. Request is not made in accordance with this Specification Section
   c. In the City's opinion, acceptance will require substantial revision of the original design
   d. In the City's opinion, substitution will not perform adequately the function consistent with the design intent

1.6 ACTION SUBMITTALS/INFORMATIONAL SUBMITTALS [NOT USED]

1.7 CLOSEOUT SUBMITTALS [NOT USED]

1.8 MAINTENANCE MATERIAL SUBMITTALS [NOT USED]

1.9 QUALITY ASSURANCE

A. In making request for substitution or in using an approved product, the Contractor represents that the Contractor:
   1. Has investigated proposed product, and has determined that it is adequate or superior in all respects to that specified, and that it will perform function for which it is intended
   2. Will provide same guarantee for substitute item as for product specified
   3. Will coordinate installation of accepted substitution into Work, to include building modifications if necessary, making such changes as may be required for Work to be complete in all respects
   4. Waives all claims for additional costs related to substitution which subsequently arise

1.10 DELIVERY, STORAGE, AND HANDLING [NOT USED]

1.11 FIELD [SITE] CONDITIONS [NOT USED]

1.12 WARRANTY [NOT USED]

PART 2 - PRODUCTS [NOT USED]

PART 3 - EXECUTION [NOT USED]

END OF SECTION

Revision Log		
DATE	NAME	SUMMARY OF CHANGE

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

EXHIBIT A
REQUEST FOR SUBSTITUTION FORM:

TO: _____

PROJECT: _____ DATE: _____

We hereby submit for your consideration the following product instead of the specified item for the above project:

SECTION PARAGRAPH SPECIFIED ITEM

_____

Proposed Substitution: _____

Reason for Substitution: _____

Include complete information on changes to Drawings and/or Specifications which proposed substitution will require for its proper installation.

Fill in Blanks Below:

A. Will the undersigned contractor pay for changes to the building design, including engineering and detailing costs caused by the requested substitution?

_____

B. What effect does substitution have on other trades?

_____

C. Differences between proposed substitution and specified item?

_____

D. Differences in product cost or product delivery time?

_____

E. Manufacturer's guarantees of the proposed and specified items are:

_____ Equal _____ Better (explain on attachment)

The undersigned states that the function, appearance and quality are equivalent or superior to the specified item.

Submitted By:

Signature _____
as noted

Firm _____
Address _____

Date _____
Telephone _____

For Use by City

___ Recommended ___ Recommended

___ Not recommended ___Received late
By _____
Date _____
Remarks _____
_____
_____

For Use by City:

_____Approved _____ Rejected
City _____ Date _____

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

SECTION 01 29 76
STORED MATERIALS AND EQUIPMENT (MATERIALS ON HAND)

PART 1 - GENERAL

1.1 SUMMARY

A. Section Includes:
   1. The procedure for requesting payment for stored materials and equipment (materials on hand).

B. Deviations from this City of Denton Standard Specification:
   1. None.

C. Related Specification Sections include but are not limited to:
   1. Division 0 - Bidding Requirements, Contract Forms, and Conditions of the Contract.
   2. Division 1 - General Requirements.

1.2 PRICE AND PAYMENT PROCEDURES

A. Measurement and Payment
   1. Work associated with this item is considered incidental to the various items bid. No separate payment will be allowed for this item.

1.3 REFERENCES [NOT USED]

1.4 ADMINISTRATIVE REQUIREMENTS

A. Request for Payment of Stored Materials and Equipment
   1. Provide written request to City, if payment is requested on the basis of approved materials and equipment delivered and stored at the Site, or other agreed upon location, in accordance with the Contract Documents, and which will not be incorporated into the Work for a minimum of thirty (30) days from delivery.

B. Payment for Materials and Equipment
   1. Payment will be made in accordance with Article 9 of the General Conditions, less retainage.
   2. Payment will not exceed the total estimated quantity required to complete the Work.
   3. The amounts advanced for stored materials and equipment will be deducted from payments to the Contractor as the materials or equipment are incorporated into the Work.
   4. Payment for stored materials and equipment will not constitute acceptance of the relevant portion of the Work which the materials will be incorporated into.

C. Allowed Materials and Equipment

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

1. Payment for stored materials and equipment will be limited to major items associated with the Work. Perishable articles and small warehouse items will not be considered for payment for this item. Examples of major items associated with the Work include the following items:
   a. Playground Equipment
   b. On Site Boulders
   c. Site Furnishings
2. All items submitted for payment will be subject to approval for payment by relevant City departments and the City Project Manager.

D. Returned Materials/Equipment
   1. Should stored materials/equipment that have been paid for under this Section need to be returned for any reason, the Contractor shall bear any fees associated with the return.

E. Contractor shall save the City harmless in the event of loss or damage of materials/equipment for which advance payments have been made in accordance with this Section.

1.5 SUBMITTALS

A. Provide a certified inventory of the quantity of each stored item and accompanying invoice.

B. Within thirty (30) days after the Contractor receives payment for stored materials or equipment, provide a copy of a certified paid invoice statement for each item for which payment has been made by Contractor.
   1. If certification of payment is not presented within the thirty (30) day period, the advanced payment will be deducted from the next progress payment.

1.6 ACTION SUBMITTALS/INFORMATIONAL SUBMITTALS [NOT USED]

1.7 CLOSEOUT SUBMITTALS [NOT USED]

1.8 MAINTENANCE MATERIAL SUBMITTALS [NOT USED]

1.9 QUALITY ASSURANCE [NOT USED]

1.10 DELIVERY, STORAGE, AND HANDLING

A. Delivery and Acceptance Requirements

B. Storage and Handling Requirements
   1. Secure and maintain a location to store the materials and equipment in accordance with Section 01 66 00.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

1.11 FIELD CONDITIONS [NOT USED]

1.12 WARRANTY [NOT USED]

PART 2 - PRODUCTS [NOT USED]

PART 3 - EXECUTION [NOT USED]

END OF SECTION

Revision Log		
DATE	NAME	SUMMARY OF CHANGE

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

SECTION 01 31 19
PRECONSTRUCTION MEETING

PART 1 - GENERAL

1.1 SUMMARY

A. Section Includes:
   1. Provisions for the preconstruction meeting to be held prior to the start of Work to clarify construction contract administration procedures

B. Deviations from this City of Denton Standard Specification
   1. None.

C. Related Specification Sections include, but are not necessarily limited to:
   1. Division 0 – Bidding Requirements, Contract Forms and Conditions of the Contract
   2. Division 1 – General Requirements

1.2 PRICE AND PAYMENT PROCEDURES

A. Measurement and Payment
   1. Work associated with this Item is considered incidental to the various items bid. No separate payment will be allowed for this Item.

1.3 REFERENCES [NOT USED]

1.4 ADMINISTRATIVE REQUIREMENTS

A. Coordination
   1. Attend preconstruction meeting.
   2. Representatives of Contractor, subcontractors and suppliers attending meetings shall be qualified and authorized to act on behalf of the entity each represents.
   3. Meeting administered by City may be tape recorded.
      a. If recorded, tapes will be used to prepare minutes and retained by City for future reference.
   4. Project Manager will establish their duly authorized representative(s) authorized to make decisions as identified in the Contract Documents.

B. Preconstruction Meeting
   1. A preconstruction meeting will be held within 14 days after the execution of the Agreement and before Work is started.
      a. The meeting will be scheduled and administered by the City.
   2. The Project Manager will preside at the meeting, prepare the notes of the meeting and distribute copies of same to all participants who so request by fully completing the attendance form to be circulated at the beginning of the meeting.
   3. Attendance shall include:
      a. Project Manager
      b. Project Manager’s duly authorized representative (if any)
      c. Contractor's project manager

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

d. Contractor's superintendent
e. Any subcontractor or supplier representatives whom the Contractor may desire to invite or the City may request
f. Other City representatives
g. Others as appropriate

4. Construction Schedule
   a. Prepare baseline construction schedule in accordance with Section 01 32 16 and provide at Preconstruction Meeting.
   b. City will notify Contractor of any schedule changes upon Notice of Preconstruction Meeting.

5. Preliminary Agenda may include:
   a. Introduction of Project Personnel
   b. General Description of Project
   c. Status of right-of-way, utility clearances, easements or other pertinent permits
   d. Contractor’s work plan and schedule
   e. Contract Time
   f. Notice to Proceed
   g. Construction Staking
   h. Progress Payments
   i. Change Order Procedures
   j. Construction Change Directive
   k. Disposal Site Letter for Waste Material
   l. Insurance Renewals
   m. Payroll Certification
   n. Material Certifications and Quality Control Testing
   o. Public Safety and Convenience
   p. Documentation of Pre-Construction Conditions
   q. Weekend Work Notification
   r. Legal Holidays
   s. Trench Safety Plans
   t. Confined Space Entry Standards
   u. Coordination with the City’s representative for operations of existing water systems
   v. Storm Water Pollution Prevention Plan
   w. Coordination with other contractors
   x. Early Warning System
   y. Contractor Evaluation
   z. Special Conditions applicable to the project
   aa. Damages Claims
   bb. Submittal Procedures
   cc. Substitution Procedures
   dd. Correspondence Routing
   ee. Record Drawings
   ff. Temporary construction facilities
   gg. Final Acceptance
   hh. Final Payment
   ii. Communications Plan
   jj. Questions or Comments

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

1.5 SUBMITTALS [NOT USED]

1.6 ACTION SUBMITTALS/INFORMATIONAL SUBMITTALS [NOT USED]

1.7 CLOSEOUT SUBMITTALS [NOT USED]

1.8 MAINTENANCE MATERIAL SUBMITTALS [NOT USED]

1.9 QUALITY ASSURANCE [NOT USED]

1.10 DELIVERY, STORAGE, AND HANDLING [NOT USED]

1.11 FIELD [SITE] CONDITIONS [NOT USED]

1.12 WARRANTY [NOT USED]

PART 2 - PRODUCTS [NOT USED]

PART 3 - EXECUTION [NOT USED]

END OF SECTION

Revision Log		
DATE	NAME	SUMMARY OF CHANGE

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

SECTION 01 31 20
PROJECT MEETINGS

PART 1 - GENERAL

1.1 SUMMARY

A. Section Includes:
   1. Provisions for project meetings throughout the construction period to enable orderly review of the progress of the Work and to provide for systematic discussion of potential problems

B. Deviations this City of Denton Standard Specification
   1. None.

C. Related Specification Sections include, but are not necessarily limited to:
   1. Division 0 – Bidding Requirements, Contract Forms and Conditions of the Contract
   2. Division 1 – General Requirements

1.2 PRICE AND PAYMENT PROCEDURES

A. Measurement and Payment
   1. Work associated with this Item is considered incidental to the various items bid. No separate payment will be allowed for this Item.

1.3 REFERENCES [NOT USED]

1.4 ADMINISTRATIVE REQUIREMENTS

A. Coordination
   1. Schedule, attend and administer as specified, periodic progress meetings, and specially called meetings throughout progress of the Work.
   2. Representatives of Contractor, subcontractors and suppliers attending meetings shall be qualified and authorized to act on behalf of the entity each represents.
   3. Meetings administered by City may be recorded.
   4. Meetings, in addition to those specified in this Section, may be held when requested by the City, Design Professional or Contractor.

B. Pre-Construction Neighborhood Meeting
   1. After the execution of the Agreement, but before construction is allowed to begin, attend 1 Public Meeting with affected residents to:
      a. Present projected schedule, including construction start date
      b. Answer any construction related questions
   2. Meeting Location
      a. Location of meeting to be determined by the City.
   3. Attendees
      a. Contractor
      b. Project Manager
      c. Other City representatives

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

4. Meeting Schedule
    a. In general, the neighborhood meeting will occur within the 2 weeks following the pre-construction conference.
    b. In no case will construction be allowed to begin until this meeting is held.

C. Progress Meetings
1. Formal project coordination meetings will be held weekly. Meetings will be scheduled and administered by Project Manager.
    a. Additional meetings may be held at the request of the :
        1) City
        2) Design Professional
        3) Contractor
2. Additional progress meetings to discuss specific topics will be conducted on an as-needed basis. Such additional meetings shall include, but not be limited to:
    a. Coordinating shutdowns
    b. Installation of piping and equipment
    c. Coordination between other construction projects
    d. Resolution of construction issues
    e. Equipment approval
3. The Project Manager will preside at progress meetings, prepare the notes of the meeting and distribute copies of the same to all participants who so request by fully completing the attendance form to be circulated at the beginning of each meeting.
4. Attendance shall include:
    a. Contractor's project manager
    b. Contractor's superintendent
    c. Any subcontractor or supplier representatives whom the Contractor may desire to invite or the City may request
    d. Design Professional's representatives
    e. City’s representatives
    f. Others, as requested by the Project Manager
5. Preliminary Agenda may include:
    a. Review of Work progress since previous meeting
    b. Field observations, problems, conflicts
    c. Items which impede construction schedule
    d. Review of off-site fabrication, delivery schedules
    e. Review of construction interfacing and sequencing requirements with other construction contracts
    f. Corrective measures and procedures to regain projected schedule
    g. Revisions to construction schedule
    h. Progress, schedule, during succeeding Work period
    i. Coordination of schedules
    j. Review submittal schedules
    k. Maintenance of quality standards
    l. Pending changes and substitutions
    m. Review proposed changes for:
        1) Effect on construction schedule and on completion date
        2) Effect on other contracts of the Project
    n. Review Record Documents
    o. Review monthly pay request

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

p. Review status of Requests for Information

6. Meeting Location
   a. The City will establish a meeting location.
      1) To the extent practicable, meetings will be held at the Site.

1.5 SUBMITTALS [NOT USED]

1.6 ACTION SUBMITTALS/INFORMATIONAL SUBMITTALS [NOT USED]

1.7 CLOSEOUT SUBMITTALS [NOT USED]

1.8 MAINTENANCE MATERIAL SUBMITTALS [NOT USED]

1.9 QUALITY ASSURANCE [NOT USED]

1.10 DELIVERY, STORAGE, AND HANDLING [NOT USED]

1.11 FIELD [SITE] CONDITIONS [NOT USED]

1.12 WARRANTY [NOT USED]

PART 2 - PRODUCTS [NOT USED]

PART 3 - EXECUTION [NOT USED]

END OF SECTION

Revision Log		
DATE	NAME	SUMMARY OF CHANGE

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

SECTION 01 32 16
CONSTRUCTION PROGRESS SCHEDULE

PART 1 - GENERAL

1.1 SUMMARY

A. Section Includes:
   1. General requirements for the preparation, submittal, updating, status reporting and management of the Construction Progress Schedule

B. Deviations from this City of Denton Standard Specification
   1. None.

C. Related Specification Sections include, but are not necessarily limited to:
   1. Division 0 – Bidding Requirements, Agreement Forms and Conditions of the Contract
   2. Division 1 – General Requirements

1.2 PRICE AND PAYMENT PROCEDURES

A. Measurement and Payment
   1. Work associated with this Item is considered incidental to the various items bid. No separate payment will be allowed for this Item.

1.3 REFERENCES

A. Definitions
   1. **Baseline Schedule** - Initial schedule submitted before work begins that will serve as the baseline for measuring progress and departures from the schedule.
   2. **Progress Schedule** - Monthly submittal of a progress schedule documenting progress on the project and any changes anticipated.
   3. **Schedule Narrative** - Concise narrative of the schedule including schedule changes, expected delays, key schedule issues, critical path items, etc

B. Reference Standards
   1. None

1.4 ADMINISTRATIVE REQUIREMENTS

A. Baseline Schedule
   1. General
      a. Prepare a baseline Schedule using approved software and the Critical Path Method (CPM).
      b. Review the draft baseline Schedule with the City to demonstrate understanding of the work to be performed and known issues and constraints related to the schedule.
      c. Designate an authorized representative (Project Scheduler) responsible for developing and updating the schedule and preparing reports.

B. Progress Schedule

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

1. Update the progress Schedule monthly.
2. Prepare the Schedule Narrative to accompany the monthly progress Schedule.
3. Change Orders
    a. Incorporate approved change orders, resulting in a change of Contract Time, in the baseline Schedule.

C. Responsibility for Schedule Compliance
1. Whenever it becomes apparent from the current progress Schedule and CPM Status Report that delays to the critical path have resulted and the Agreement completion date will not be met, or when so directed by the City, make some or all of the following actions at no additional cost to the City
    a. Submit a Recovery Plan to the City for approval revised baseline Schedule outlining:
        1) A written statement of the steps intended to take to remove or arrest the delay to the critical path in the approved schedule
        2) Increase construction manpower in such quantities and crafts as will substantially eliminate the backlog of work and return current Schedule to meet projected baseline completion dates
        3) Increase the number of working hours per shift, shifts per day, working days per week, the amount of construction equipment, or any combination of the foregoing, sufficiently to substantially eliminate the backlog of work
        4) Reschedule activities to achieve maximum practical concurrency of accomplishment of activities, and comply with the revised schedule
2. If no written statement of the steps intended to take is submitted when so requested by the City, the City may direct the Contractor to increase the level of effort in manpower (trades), equipment and work schedule (overtime, weekend and holiday work, etc.) to be employed by the Contractor in order to remove or arrest the delay to the critical path in the approved schedule.
    a. No additional cost for such work will be considered.

D. The Contract Time will be adjusted only for causes specified in this Contract.
    a. Requests for an extension of any Agreement completion date must be supplemented with the following:
        1) Furnish justification and supporting evidence as the City may deem necessary to determine whether the requested extension of time is entitled under the provisions of this Contract.
            a) The City will, after receipt of such justification and supporting evidence, make findings of fact and will advise the Contractor, in writing thereof.
        2) If the City finds that the requested extension of time is entitled, the City's determination as to the total number of days allowed for the extensions shall be based upon the approved total baseline schedule and on all data relevant to the extension.
            a) Such data shall be included in the next updating of the Progress schedule.
            b) Actual delays in activities which, according to the Baseline schedule, do not affect any Agreement completion date shown by the critical path in the network will not be the basis for a change therein.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

2. Submit each request for change in Agreement completion date to the City within 30 days after the beginning of the delay for which a time extension is requested but before the date of final payment under this Contract.
    a. No time extension will be granted for requests which are not submitted within the foregoing time limit.
    b. From time to time, it may be necessary for the Agreement schedule or completion time to be adjusted by the City to reflect the effects of job conditions, weather, technical difficulties, strikes, unavoidable delays on the part of the City or its representatives, and other unforeseeable conditions which may indicate schedule adjustments or completion time extensions.
        1) Under such conditions, the City will direct the Contractor to reschedule the work or Agreement completion time to reflect the changed conditions and the Contractor shall revise his schedule accordingly.
            a) No additional compensation will be made to the Contractor for such schedule changes except for unavoidable overall Agreement time extensions beyond the actual completion of unaffected work, in which case the Contractor shall take all possible action to minimize any time extension and any additional cost to the City.
            b) Available float time in the Baseline schedule may be used by the City as well as by the Contractor.
3. Float or slack time is defined as the amount of time between the earliest start date and the latest start date or between the earliest finish date and the latest finish date of a chain of activities on the Baseline Schedule.
    a. Float or slack time is not for the exclusive use or benefit of either the Contractor or the City.
    b. Proceed with work according to early start dates, and the City shall have the right to reserve and apportion float time according to the needs of the project.
    c. Acknowledge and agree that actual delays, affecting paths of activities containing float time, will not have any effect upon Agreement completion times, providing that the actual delay does not exceed the float time associated with those activities.

E. Coordinating Schedule with Other Agreement Schedules

1. Where work is to be performed under this Agreement concurrently with or contingent upon work performed on the same facilities or area under other contracts, the Baseline Schedule shall be coordinated with the schedules of the other contracts.
    a. Obtain the schedules of the other appropriate contracts from the City for the preparation and updating of Baseline schedule and make the required changes in his schedule when indicated by changes in corresponding schedules.
2. In case of interference between the operations of different contractors, the City will determine the work priority of each contractor and the sequence of work necessary to expedite the completion of the entire Project.
    a. In such cases, the decision of the City shall be accepted as final.
    b. The temporary delay of any work due to such circumstances shall not be considered as justification for claims for additional compensation.

1.5 SUBMITTALS

A. Baseline Schedule

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

1. Submit Schedule in native file format and pdf format.
   a. Native file format shall be:
      1) Microsoft Project
2. Submit draft baseline Schedule to City prior to the pre-construction meeting and bring in hard copy to the meeting for review and discussion.

B. Progress Schedule
1. Submit progress Schedule in native file format and pdf format.
2. Submit progress Schedule monthly no later than the 25th day of the month.

C. Schedule Narrative
1. Submit the schedule narrative in pdf format.
2. Submit schedule narrative monthly no later than the 25th day of the month.

D. Submittal Process
1. Contractor shall submit one (1) hard copy of documents to the Project Manager's duly appointed representative.
2. Contractor shall submit documents via email to the Project Manager and their duly appointed representative.
3. Once the project has been completed and Final Acceptance has been issued by the City, no further progress schedules are required.

1.6 ACTION SUBMITTALS/INFORMATIONAL SUBMITTALS [NOT USED]

1.7 CLOSEOUT SUBMITTALS [NOT USED]

1.8 MAINTENANCE MATERIAL SUBMITTALS [NOT USED]

1.9 QUALITY ASSURANCE

A. The person preparing and revising the construction Progress Schedule shall be experienced in the preparation of schedules of similar complexity.

B. Schedule and supporting documents addressed in this Specification shall be prepared, updated and revised to accurately reflect the performance of the construction.

C. Contractor is responsible for the quality of all submittals in this section meeting the standard of care for the construction industry for similar projects.

1.10 DELIVERY, STORAGE, AND HANDLING [NOT USED]

1.11 FIELD [SITE] CONDITIONS [NOT USED]

1.12 WARRANTY [NOT USED]

PART 2 - PRODUCTS [NOT USED]

PART 3 - EXECUTION [NOT USED]

END OF SECTION

Revision Log

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

DATE	NAME	SUMMARY OF CHANGE

1

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

SECTION 01 33 00
SUBMITTALS

PART 1 - GENERAL

1.1 SUMMARY

A. Section Includes:
   1. General methods and requirements of submissions applicable to the following Work-related submittals:
      a. Shop Drawings
      b. Product Data (including Project Material Submittal Checklist submittals)
      c. Samples
      d. Mock Ups

B. Deviations from this City of Denton Standard Specification
   1. None.

C. Related Specification Sections include, but are not necessarily limited to:
   1. Division 0 – Bidding Requirements, Contract Forms and Conditions of the Contract
   2. Division 1 – General Requirements

1.2 PRICE AND PAYMENT PROCEDURES

A. Measurement and Payment
   1. Work associated with this Item is considered incidental to the various items bid. No separate payment will be allowed for this Item.

1.3 REFERENCES [NOT USED]

1.4 ADMINISTRATIVE REQUIREMENTS

A. Coordination
   1. Notify the City in writing, at the time of submittal, of any deviations in the submittals from the requirements of the Contract Documents.
   2. Coordination of Submittal Times
      a. Prepare, prioritize and transmit each submittal sufficiently in advance of performing the related Work or other applicable activities of the Specifications.
      b. Contractor is responsible such that the installation will not be delayed by processing times including, but not limited to:
         a) Disapproval and resubmittal (if required)
         b) Coordination with other submittals
         c) Testing
         d) Purchasing
         e) Fabrication
         f) Delivery
         g) Similar sequenced activities
      c. No extension of time will be authorized because of the Contractor's failure to transmit submittals sufficiently in advance of the Work.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

d. Make submittals promptly in accordance with approved schedule, and in such sequence as to cause no delay in the Work or in the work of any other contractor.

B. Submittal Numbering

1. When submitting shop drawings or samples, utilize a submittal cross-reference identification numbering system in the following manner:
   a. Use the applicable Specification Section Number.
   b. For the next 2 digits number use numbers 01-99 to sequentially number each initial separate item or drawing submitted under each specific Section number.
   c. Last use a letter, A-Z, indicating the resubmission of the same drawing (i.e. A=2nd submission, B=3rd submission, C=4th submission, etc.). A typical submittal number would be as follows:

303-02-B

   1) 303 is the Specification Section for Portland Cement Concrete Pavement
   2) 02 is the second initial submittal under this Specification Section
   3) B is the third submission (second resubmission) of that particular shop drawing

C. Contractor Certification

1. Review shop drawings, product data and samples, including those by subcontractors, prior to submission to determine and verify the following:
   a. Field measurements
   b. Field construction criteria
   c. Catalog numbers and similar data
   d. Conformance with the Contract Documents
2. Provide each shop drawing, sample and product data submitted by the Contractor with a Certification Statement affixed including:
   a. The Contractor's Company name
   b. Signature of submittal reviewer
   c. Certification Statement
      1) “By this submittal, I hereby represent that I have determined and verified field measurements, field construction criteria, materials, dimensions, catalog numbers and similar data and I have checked and coordinated each item with other applicable approved shop drawings."

D. Submittal Format

1. Fold shop drawings larger than 8 ½ inches x 11 inches to 8 ½ inches x 11inches.
2. Bind shop drawings and product data sheets together.
3. Order
   a. Cover Sheet
      1) Description of Packet
      2) Contractor Certification
   b. List of items / Table of Contents
   c. Product Data /Shop Drawings/Samples /Calculations

E. Submittal Content

1. The date of submission and the dates of any previous submissions

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

2. The Project title and number
3. Contractor identification
4. The names of:
    a. Contractor
    b. Supplier
    c. Manufacturer
5. Identification of the product, with the Specification Section number, page and paragraph(s)
6. Field dimensions, clearly identified as such
7. Relation to adjacent or critical features of the Work or materials
8. Applicable standards, such as ASTM or Federal Specification numbers
9. Identification by highlighting of deviations from Contract Documents
10. Identification by highlighting of revisions on resubmittals
11. An 8-inch x 3-inch blank space for Contractor and City stamps

F. Shop Drawings
1. As specified in individual Sections includes, but is not necessarily limited to:
    a. Custom-prepared data such as fabrication and erection/installation (working) drawings
    b. Scheduled information
    c. Setting diagrams
    d. Actual shopwork manufacturing instructions
    e. Custom templates
    f. Special wiring diagrams
    g. Coordination drawings
    h. Individual system or equipment inspection and test reports including:
        1) Performance curves and certifications
    i. As applicable to the Work
2. Details
    a. Relation of the various parts to the main members and lines of the structure
    b. Where correct fabrication of the Work depends upon field measurements
        1) Provide such measurements and note on the drawings prior to submitting for approval.

G. Product Data
1. For submittals of product data for products included on the City's Product Material Submittal Checklist, highlight each item selected for use on the Project.
2. For submittals of product data for products <u>not</u> included on the City's Product Material Submittal Checklist, submittal data may include, but is not necessarily limited to:
    a. Standard prepared data for manufactured products (sometimes referred to as catalog data)
        1) Such as the manufacturer's product specification and installation instructions
        2) Availability of colors and patterns
        3) Manufacturer's printed statements of compliances and applicability
        4) Roughing-in diagrams and templates
        5) Catalog cuts

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

6) Product photographs
7) Standard wiring diagrams
8) Printed performance curves and operational-range diagrams
9) Production or quality control inspection and test reports and certifications
10) Mill reports
11) Product operating and maintenance instructions and recommended spare-parts listing and printed product warranties
12) As applicable to the Work

3. Submittals of product data for products not included on the City's Product Material Submittal Checklist may be considered a Substitution in accordance with Section 01 25 00.
4. All deviations from City's Product Material Submittal Checklist shall require approval by the Design Professional for the Project.

H. Samples
1. As specified in individual Sections, include, but are not necessarily limited to:
a. Physical examples of the Work such as:
1) Sections of manufactured or fabricated Work
2) Small cuts or containers of materials
3) Complete units of repetitively used products color/texture/pattern swatches and range sets
4) Specimens for coordination of visual effect
5) Graphic symbols and units of Work to be used by the City for independent inspection and testing, as applicable to the Work

I. Do not start Work requiring a shop drawing, sample or product data nor any material to be fabricated or installed prior to the approval or qualified approval of such item.
1. Fabrication performed, materials purchased or on-site construction accomplished which does not conform to approved shop drawings and data is at the Contractor's risk.
2. The City will not be liable for any expense or delay due to corrections or remedies required to accomplish conformity.
3. Complete project Work, materials, fabrication, and installations in conformance with approved shop drawings, applicable samples, and product data.

J. Submittal Distribution
1. Electronic Distribution
a. Provide all submittals in electronic form via email to Project Manager and their duly appointed representative.
b. Shop Drawings
1) Email submittal to Project Manager and their duly appointed representative.
2) Hard Copies
a) Not required
c. Product Data
1) Email submittal to Project Manager and their duly appointed representative.
2) Hard Copies
a) Not required
d. Samples
1) Distributed to the Project Manager

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

K. Submittal Review

1. The review of shop drawings, data and samples will be for general conformance with the design concept and Contract Documents. This is not to be construed as:
   a. Permitting any departure from the Agreement requirements
   b. Relieving the Contractor of responsibility for any errors, including details, dimensions, and materials
   c. Approving departures from details furnished by the City, except as otherwise provided herein
2. The review and approval of shop drawings, samples or product data by the City does not relieve the Contractor from his/her responsibility with regard to the fulfillment of the terms of the Agreement.
   a. All risks of error and omission are assumed by the Contractor, and the City will have no responsibility therefore.
3. The Contractor remains responsible for details and accuracy, for coordinating the Work with all other associated work and trades, for selecting fabrication processes, for techniques of assembly and for performing Work in a safe manner.
4. If the shop drawings, data or samples as submitted describe variations and show a departure from the Agreement requirements which City finds to be in the interest of the City and to be so minor as not to involve a change in Contract Price or time for performance, the City may return the reviewed drawings without noting an exception.
5. Submittals will be returned to the Contractor under 1 of the following codes:
   a. Code 1
      1) "NO EXCEPTIONS TAKEN" is assigned when there are no notations or comments on the submittal.
         a) When returned under this code the Contractor may release the equipment and/or material for manufacture.
   b. Code 2
      1) "EXCEPTIONS NOTED". This code is assigned when a confirmation of the notations and comments IS NOT required by the Contractor.
         a) The Contractor may release the equipment or material for manufacture; however, all notations and comments must be incorporated into the final product.
   c. Code 3
      1) "EXCEPTIONS NOTED/RESUBMIT". This combination of codes is assigned when notations and comments are extensive enough to require a resubmittal of the package.
         a) This resubmittal is to address all comments, omissions and non-conforming items that were noted.
         b) Resubmittal is to be received by the City within 15 Calendar Days of the date of the City's transmittal requiring the resubmittal.
   d. Code 4
      1) "NOT APPROVED" is assigned when the submittal does not meet the intent of the Contract Documents.
         a) The Contractor must resubmit the entire package revised to bring the submittal into conformance.
         b) It may be necessary to resubmit using a different manufacturer/vendor to meet the Contract Documents.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

6. Resubmittals
   a. Handled in the same manner as first submittals
      1) Corrections other than requested by the City
      2) Marked with revision triangle or other similar method
         a) At Contractor's risk if not marked
   b. Submittals for each item will be reviewed no more than twice at the City's expense.
      1) All subsequent reviews will be performed at times convenient to the City and at the Contractor's expense, based on the City's or City Representative's then prevailing rates.
      2) Provide Contractor reimbursement to the City within 30 Calendar Days for all such fees invoiced by the City.
   c. The need for more than 1 resubmission or any other delay in obtaining City's review of submittals, will not entitle the Contractor to an extension of Contract Time.
7. Partial Submittals
   a. City reserves the right to not review submittals deemed partial, at the City's discretion.
   b. Submittals deemed by the City to be not complete will be returned to the Contractor, and will be considered "Not Approved" until resubmitted.
   c. The City may at its option provide a list or mark the submittal directing the Contractor to the areas that are incomplete.
8. If the Contractor considers any correction indicated on the shop drawings to constitute a change to the Contract Documents, then written notice must be provided thereof to the City at least 7 Calendar Days prior to release for manufacture.
9. When the shop drawings have been completed to the satisfaction of the City, the Contractor may carry out the construction in accordance therewith and no further changes therein except upon written instructions from the City.
10. Each submittal, appropriately coded, will be returned within 30 Calendar Days following receipt of submittal by the City.

L. Mock ups
   1. Mock Up units as specified in these Specifications, include, but are not necessarily limited to, complete units of the standard of acceptance for that type of Work to be used on the Project. Remove at the completion of the Work or when directed.

M. Qualifications
   1. If specifically required in other Sections of these Specifications, submit a P.E. Certification for each item required.

N. Request for Information (RFI)
   1. Contractor Request for additional information
      a. Clarification or interpretation of the Contract Documents
      b. When the Contractor believes there is a conflict between Contract Documents
      c. When the Contractor believes there is a conflict between the Drawings and Specifications
         1) Identify the conflict and request clarification
      d. When the Contractor encounters an unknown condition in the field
   2. Use the Request for Information (RFI) form provided by the City (attached).

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

3. Numbering of RFI
   a. Prefix with "RFI" followed by series number, "-xxx", beginning with "01" and increasing sequentially with each additional transmittal.
4. Sufficient information shall be attached to permit a written response without further information.
5. The City will log each request and will review the request.
   a. If review of the project information request indicates that a change to the Contract Documents is required, the City will issue a Construction Change Directive or Change Order, as appropriate.

1.5 SUBMITTALS [NOT USED]

1.6 ACTION SUBMITTALS/INFORMATIONAL SUBMITTALS [NOT USED]

1.7 CLOSEOUT SUBMITTALS [NOT USED]

1.8 MAINTENANCE MATERIAL SUBMITTALS [NOT USED]

1.9 QUALITY ASSURANCE [NOT USED]

1.10 DELIVERY, STORAGE, AND HANDLING [NOT USED]

1.11 FIELD [SITE] CONDITIONS [NOT USED]

1.12 WARRANTY [NOT USED]

PART 2 - PRODUCTS [NOT USED]

PART 3 - EXECUTION [NOT USED]

END OF SECTION

Revision Log		
DATE	NAME	SUMMARY OF CHANGE

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

REQUEST FOR INFORMATION

Project:	**RFI #**:
Engineering Project No.:	**Date Sent**:
Sender:	**Receiver**:
Copies To:	

Subject:
Request:
Sender's Proposed Answer/Solution:

THE PROPOSED ANSWER/SOLUTION☐ IS, ☐ IS NOT, INCLUDED IN THE CONTRACT.

Receiver's Response:

Response By:	**Company**:	**Date**:

DISTRIBUTION:

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

SECTION 01 35 13
SPECIAL PROJECT PROCEDURES

PART 1 - GENERAL

1.1 SUMMARY

A. Section Includes:
   1. The procedures for special project circumstances that includes, but is not limited to:
      a. Coordination with the Texas Department of Transportation
      b. Work near High Voltage Lines
      c. Confined Space Entry Program
      d. Excavation Protection
      e. Air Pollution Watch Days
      f. Use of Explosives, Drop Weight, Etc.
      g. Water Utilities Notification
      h. Public Notification Prior to Beginning Construction
      i. Coordination with United States Army Corps of Engineers
      j. Coordination within Railroad permits areas
      k. Dust Control
      l. Employee Parking
      m. Coordination with North Central Texas Council of Governments Clean Construction Specification
      n. Tree Protection

B. Deviations from this City of Denton Standard Specification
   1. None.

C. Related Specification Sections include, but are not necessarily limited to:
   1. Division 0 – Bidding Requirements, Contract Forms and Conditions of the Contract
   2. Division 1 – General Requirements

1.2 PRICE AND PAYMENT PROCEDURES

A. Measurement and Payment
   1. Coordination within Railroad permit areas
      a. Measurement
         1) Measurement for this Item will be by lump sum.
      b. Payment
         1) The work performed and materials furnished in accordance with this Item will be paid for at the lump sum price bid for Railroad Coordination.
      c. The price bid shall include:
         1) Mobilization
         2) Inspection
         3) Safety training
         4) Additional Insurance
         5) Insurance Certificates

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

6) Other requirements associated with general coordination with Railroad, including additional employees required to protect the right-of-way and property of the Railroad from damage arising out of and/or from the construction of the Project.

2. Railroad Flagmen
   a. Measurement
      1) Measurement for this Item will be per working day.
   b. Payment
      1) The work performed and materials furnished in accordance with this Item will be paid for each working day that Railroad Flagmen are present at the Site.
   c. The price bid shall include:
      1) Coordination for scheduling flagmen
      2) Flagmen
      3) Other requirements associated with Railroad
3. All other items
   a. Work associated with these Items is considered incidental to the various Items bid. No separate payment will be allowed for this Item.

1.3 REFERENCES

A. Reference Standards

1. Reference standards cited in this Specification refer to the current reference standard published at the time of the latest revision date logged at the end of this Specification, unless a date is specifically cited.
2. Health and Safety Code, Title 9. Safety, Subtitle A. Public Safety, Chapter 752. High Voltage Overhead Lines.
3. North Central Texas Council of Governments (NCTCOG) – Clean Construction Specification
4. Occupational Health and Safety Administration (OSHA) Standards – 29 CFR Part 1910.146 – Permit-Required Confined Spaces

1.4 ADMINISTRATIVE REQUIREMENTS

A. Coordination with the Texas Department of Transportation

1. When work in the right-of-way which is under the jurisdiction of the Texas Department of Transportation (TxDOT):
   a. Notify the Texas Department of Transportation prior to commencing any work therein in accordance with the provisions of the permit
   b. All work performed in the TxDOT right-of-way shall be performed in compliance with and subject to approval from the Texas Department of Transportation

B. Work near High Voltage Lines

1. Regulatory Requirements
   a. All Work near High Voltage Lines (more than 600 volts measured between conductors or between a conductor and the ground) shall be in accordance with Health and Safety Code, Title 9, Subtitle A, Chapter 752.
2. Warning sign
   a. Provide sign of sufficient size meeting all OSHA requirements.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

3. Equipment operating within 10 feet of high voltage lines will require the following safety features
   a. Insulating cage-type of guard about the boom or arm
   b. Insulator links on the lift hook connections for back hoes or dippers
   c. Equipment must meet the safety requirements as set forth by OSHA and the safety requirements of the owner of the high voltage lines
4. Work within 6 feet of high voltage electric lines
   a. Notification shall be given to:
      1) The power company (example: Denton Municipal Electric)
         a) Maintain an accurate log of all such calls to power company and record action taken in each case.
   b. Coordination with power company
      1) After notification coordinate with the power company to:
         a) Erect temporary mechanical barriers, de-energize the lines, or raise or lower the lines
   c. No personnel may work within 6 feet of a high voltage line before the above requirements have been met.

C. Confined Space Entry Program
1. Provide and follow approved Confined Space Entry Program in accordance with OSHA 29 CFR Part 1910.146 requirements.
2. Confined Spaces include:
   a. Manholes
   b. All other confined spaces in accordance with OSHA's Permit Required for Confined Spaces

D. Air Pollution Watch Days
1. General
   a. Observe the following guidelines relating to working on City construction sites on days designated as "AIR POLLUTION WATCH DAYS".
   b. Typical Ozone Season
      1) May 1 through October 31.
   c. Critical Emission Time
      1) 6:00 a.m. to 10:00 a.m.
2. Watch Days
   a. The Texas Commission on Environmental Quality (TCEQ), in coordination with the National Weather Service, will issue the Air Pollution Watch by 3:00 p.m. on the afternoon prior to the WATCH day.
   b. Requirements
      1) Begin work after 10:00 a.m. whenever construction phasing requires the use of motorized equipment for periods in excess of 1 hour.
      2) However, the Contractor may begin work prior to 10:00 a.m. if:
         a) Use of motorized equipment is less than 1 hour, or
         b) If equipment is new and certified by EPA as "Low Emitting", or equipment burns Ultra Low Sulfur Diesel (ULSD), diesel emulsions, or alternative fuels such as CNG.

E. TCEQ Air Permit
1. Obtain TCEQ Air Permit for construction activities per requirements of TCEQ.

F. Use of Explosives, Drop Weight, Etc.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

1. When Contract Documents permit on the Project the following will apply:
   a. Public Notification
      1) Submit notice to City and proof of adequate insurance coverage, 24 hours prior to commencing.
      2) Minimum 24-hour public notification in accordance with paragraph 1.4.H of this Section.

G. Water Utilities Coordination

1. During the construction of this Project, it may be necessary to deactivate, for a period of time, existing lines. The Contractor shall be required to coordinate with Water Utilities to determine the best times for deactivating and activating those lines.
2. Coordinate any event that will require connecting to or the operation of an existing City water line system with the City's representative.
   a. If needed, obtain a hydrant water meter from Water Utilities for use during the life of named Project.
   b. In the event that a water valve on an existing live system is required to be turned off or on to accommodate the construction of the Project is required, coordinate this activity through the appropriate City representative.
      1) Do not operate water line valves of existing water system.
         a) Failure to comply will render the Contractor in violation of Texas Penal Code Title 7, Chapter 28.03 (Criminal Mischief) and the Contractor will be prosecuted to the full extent of the law.
         b) In addition, the Contractor will assume all liabilities and responsibilities as a result of these actions.

H. Public Notification Prior to Beginning Construction

1. Prior to beginning construction on any block in the Project, on a block-by-block basis, prepare and deliver a notice or flyer of the pending construction to the front door of each residence or business that will be impacted by construction. The notice shall be prepared as follows:
   a. Post notice or flyer 7 days prior to beginning any construction activity on each block in the Project area.
      1) Prepare flyer on the Contractor's letterhead and include the following information:
         a) Name of Project
         b) Engineering Project Number (EPN)
         c) Scope of Project (i.e. type of construction activity)
         d) Actual construction duration within the block
         e) Name of the contractor's foreman and phone number
         f) Name of the City's inspector and phone number
         g) City's after-hours phone number
      2) A sample of the 'pre-construction notification' flyer is attached as Exhibit A.
      3) Submit schedule showing the construction start and finish time for each block of the Project to the inspector.
      4) Deliver flyer to the City Inspector for review prior to distribution.
   b. No construction will be allowed to begin on any block until the flyer is delivered to all residents of the block.

I. Public Notification of Temporary Water Service Interruption during Construction

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

1. In the event it becomes necessary to temporarily shut down water service to residents or businesses during construction, prepare and deliver a notice or flyer of the pending interruption to the front door of each affected resident.
2. Prepared notice as follows:
   a. The notification or flyer shall be posted 24 hours prior to the temporary interruption.
   b. Prepare flyer on the contractor's letterhead and include the following information:
      1) Name of the Project
      2) Date of the interruption of service
      3) Period the interruption will take place
      4) Name of the contractor's foreman and phone number
      5) Name of the City's inspector and phone number
   c. A sample of the temporary water service interruption notification is attached as Exhibit B.
   d. Deliver a copy of the temporary interruption notification to the City inspector for review prior to being distributed.
   e. No interruption of water service can occur until the flyer has been delivered to all affected residents and businesses.
   f. Electronic versions of the sample flyers can be obtained from the Project Construction Inspector.

J. Coordination with United States Army Corps of Engineers (USACE)
1. At locations in the Project where construction activities occur in areas where USACE permits are required, meet all requirements set forth in each designated permit.

K. Coordination within Railroad Permit Areas
1. At locations in the Project where construction activities occur in areas where railroad permits are required, meet all requirements set forth in each designated railroad permit. This includes, but is not limited to, provisions for:
   a. Flagmen
   b. Inspectors
   c. Safety training
   d. Additional insurance
   e. Insurance certificates
   f. Other employees required to protect the right-of-way and property of the Railroad Company from damage arising out of and/or from the construction of the Project. Proper utility clearance procedures shall be used in accordance with the permit guidelines.
2. Obtain any supplemental information needed to comply with the railroad's requirements.
3. Railroad Flagmen
   a. Submit receipts to City for verification of working days that railroad flagmen were present on Site.

L. Dust Control
1. Use acceptable measures to control dust at the Site.
   a. If water is used to control dust, capture and properly dispose of waste water.
   b. If wet saw cutting is performed, capture and properly dispose of slurry.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

M. Employee Parking
   1. Provide parking for employees at locations approved by the City.

N. Coordination with North Central Texas Council of Governments (NCTCOG) Clean Construction Specification
   1. Equipment Requirements
      a. All construction equipment being used to perform work on the Agreement shall meet EPA emissions standards of Tier 3 or equivalent, or cleaner. Model Form A.14. Schedule for Phase-In of Tier 1-Tier 4 Non-Road Engines is included in Appendix A. Compliance may be achieved through the use of equipment powered by an EPA-certified engine, through engine repowers, or through the use of retrofits which have been verified by the EPA and/or California Air Resources Board. A list of available retrofits is available online at EPA's website "Verified Technologies List for Clean Diesel."
      b. Equipment that meets one or more of the following conditions may be exempt from these requirements:
         1) Equipment powered by an engine that is less than or equal to ten (10) years old.
         2) Equipment that must be used to fulfill use or reporting requirements for a grant program or other clean air initiative. Documentation of such obligations must be submitted to City for verification.
         3) Equipment that is designated as low-use equipment, which is defined as any piece of construction equipment which is used for less than ten (10) hours per week on a single public works contract. A Low-Use Exemption Weekly Reporting Form will be required for all equipment for which this exemption is claimed.
         4) Equipment that is being used to address a critical or emergency public works need, including, but not limited to, broken water mains or sanitary sewer lines. This exemption is limited to work performed in a situation in which the procurement of construction services is performed on an emergency basis, as provided for by State law.
   2. Operational Requirements
      a. All diesel fuel used to perform work on the public works contract shall be Ultra-Low Sulfur Diesel (ULSD) fuel which also complies with Texas Low Emission Diesel (TxLED) program requirements. This may include TxLED-compliant Biodiesel blends.
      b. The Contractor shall limit idling of equipment to no more than five (5) minutes, unless the idling is applicable to one or more of the following exceptions:
         1) is being used for emergency response purposes;
         2) is idling as a necessary component of mechanical operation, maintenance, or diagnostic purposes; or
         3) is idling for the health or safety of the equipment operator.
      c. To the greatest extent possible, Contractor shall stage equipment away from, and minimize operation near, sensitive receptors including, but not limited to, fresh air intakes, hospitals, schools, licensed day care facilities, and residences.
   3. Reporting Requirements

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

a. On or before the day construction activity commences, the Contractor shall submit to the City an inventory report containing identifying data for each piece of equipment to be used on the worksite. A form for submitting such information will be provided by the City. This inventory may be used by the City to conduct site inspections and/or verify compliance with specification elements.
b. If additional equipment is brought on-site after construction begins, the Contractor shall provide this same inventory information to the City for the new equipment on or before the day it begins work on-site.
c. Reports shall be provided for all equipment used on-site.

4. Enforcement Requirements
a. All construction equipment used at the Site is subject to inspection by the City at random. Contractor is responsible for ensuring that all subcontractors meet the requirements of this specification.

O. Tree Protection
1. Install tree protection in accordance with the Drawings, if applicable.
2. Coordinate with City Building Inspections prior to commencing and earthwork activities to perform an initial tree protection inspection.

1.5 SUBMITTALS

A. Submittals shall be in accordance with Section 01 33 00.

B. All submittals shall be approved by the City prior to delivery.

1.6 ACTION SUBMITTALS/INFORMATIONAL SUBMITTALS

A. Construction Notice Flyer

B. Notice of Temporary Water Service Interruption

1.7 CLOSEOUT SUBMITTALS [NOT USED]

1.8 MAINTENANCE MATERIAL SUBMITTALS [NOT USED]

1.9 QUALITY ASSURANCE [NOT USED]

1.10 DELIVERY, STORAGE, AND HANDLING [NOT USED]

1.11 FIELD [SITE] CONDITIONS [NOT USED]

1.12 WARRANTY [NOT USED]

PART 2 - PRODUCTS [NOT USED]

PART 3 - EXECUTION [NOT USED]

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

1 **END OF SECTION**

2

Revision Log		
DATE	NAME	SUMMARY OF CHANGE

3

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

EXHIBIT A

(To be printed on Contractor's Letterhead)

Date: _____

EPN No.:_____
Project Name:
Limits of Construction:

NOTICE OF CONSTRUCTION

THIS IS TO INFORM YOU THAT UNDER A CONTRACT WITH THE CITY OF DENTON, OUR COMPANY WILL WORK ON UTILITY LINES ON OR AROUND YOUR PROPERTY.

CONSTRUCTION WILL BEGIN APPROXIMATELY SEVEN DAYS FROM THE DATE OF THIS NOTICE.

IF YOU HAVE QUESTIONS ABOUT ACCESS, SECURITY, SAFETY OR ANY OTHER ISSUE, PLEASE CALL:

<CONTRACTOR'S SUPERINTENDENT> AT <TELEPHONE NO.>

OR

<CITY INSPECTOR> AT < TELEPHONE NO.>

PLEASE KEEP THIS FLYER HANDY WHEN YOU CALL

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

EXHIBIT B

Date: _____

EPN No.:_____

Project Name:_____

NOTICE OF TEMPORARY WATER SERVICE INTERRUPTION

Due to utility improvements in your neighborhood, your water service will be interrupted on _____ between the hours of _____ and _____.

IF YOU HAVE QUESTIONS ABOUT THIS DISRUPTION, PLEASE CALL:

<CONTRACTOR'S SUPERINTENDENT> AT <TELEPHONE NO.>

OR

<CITY INSPECTOR> AT < TELEPHONE NO.>

THIS SERVICE INTERRUPTION WILL BE AS SHORT AS POSSIBLE

Thank you,
_____, Contractor

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

SECTION 01 45 23
TESTING AND INSPECTION SERVICES

PART 1 - GENERAL

1.1 SUMMARY

A. Section Includes:
   1. Testing and inspection services procedures and coordination

B. Deviations from this City of Denton Standard Specification
   1. None

C. Related Specification Sections include, but are not necessarily limited to:
   1. Division 0 – Bidding Requirements, Contract Forms and Conditions of the Contract
   2. Division 1 – General Requirements

1.2 PRICE AND PAYMENT PROCEDURES

A. Measurement and Payment
   1. Work associated with this Item is considered incidental to the various Items bid. No separate payment will be allowed for this Item.
      a. In accordance with Section 13.4 of the General Conditions, Contractor is responsible for performing, coordinating, and payment of all inspections, tests, re-tests, or approvals.
      b. In accordance with Section 13.4 of the General Conditions, City is responsible for performing and payment for first set additional independent testing chosen by the City to be performed.
         1) If the first independent test performed by the City fails, the Contractor is responsible for payment of subsequent testing until a passing test occurs.
            a) Final acceptance will not be issued by City until all required payments for testing by Contractor have been paid in full.

1.3 REFERENCES [NOT USED]

1.4 ADMINISTRATIVE REQUIREMENTS

A. Testing
   1. Complete testing in accordance with the Contract Documents.
   2. Coordination
      a. When testing is required to be performed by the City, notify City, sufficiently in advance, when testing is needed.
      b. When testing is required to be completed by the Contractor, notify City, sufficiently in advance, that testing will be performed.
   3. Distribution of Testing Reports
      a. Electronic Distribution
         1) Provide all reports to Project Manager and their duly appointed representative electronically via email.
   4. Provide Project Manager's duly appointed representative with trip tickets for each delivered load of Concrete or Lime material including the following information:

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

a. Name of pit
b. Date of delivery
c. Material delivered

B. Inspection

1. Inspection or lack of inspection does not relieve the Contractor from obligation to perform work in accordance with the Contract Documents.

1.5 SUBMITTALS

A. Submittals shall be in accordance with Section 01 33 00.

1.6 ACTION SUBMITTALS/INFORMATIONAL SUBMITTALS

A. Materials Testing Reports sealed by a Professional Engineer or Professional Geoscientist licensed in the State of Texas.

1.7 CLOSEOUT SUBMITTALS [NOT USED]

1.8 MAINTENANCE MATERIAL SUBMITTALS [NOT USED]

1.9 QUALITY ASSURANCE [NOT USED]

1.10 DELIVERY, STORAGE, AND HANDLING [NOT USED]

1.11 FIELD [SITE] CONDITIONS [NOT USED]

1.12 WARRANTY [NOT USED]

PART 2 - PRODUCTS [NOT USED]

PART 3 - EXECUTION [NOT USED]

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

1 **END OF SECTION**

2

Revision Log		
DATE	NAME	SUMMARY OF CHANGE

3

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

SECTION 01 50 00
TEMPORARY FACILITIES AND CONTROLS

PART 1 - GENERAL

1.1 SUMMARY

A. Section Includes:
   1. Provide temporary facilities and controls needed for the Work including, but not necessarily limited to:
      a. Temporary utilities
      b. Sanitary facilities
      c. Storage Sheds and Buildings
      d. Dust control
      e. Temporary fencing of the construction site

B. Deviations from this City of Denton Standard Specification
   1. None.

C. Related Specification Sections include, but are not necessarily limited to:
   1. Division 0 – Bidding Requirements, Contract Forms and Conditions of the Contract
   2. Division 1 – General Requirements

1.2 PRICE AND PAYMENT PROCEDURES

A. Measurement and Payment
   1. Work associated with this Item is considered incidental to the various Items bid. No separate payment will be allowed for this Item.

1.3 REFERENCES [NOT USED]

1.4 ADMINISTRATIVE REQUIREMENTS

A. Temporary Utilities
   1. Obtaining Temporary Service
      a. Make arrangements with utility service companies for temporary services.
      b. Abide by rules and regulations of utility service companies or authorities having jurisdiction.
      c. Be responsible for utility service costs until Work is approved for Final Acceptance.
         1) Included are fuel, power, light, heat and other utility services necessary for execution, completion, testing and initial operation of Work.
   2. Construction Water
      a. Contractor to provide water required for and in connection with Work to be performed and for specified tests of piping, equipment, devices or other use as required for the completion of the Work.
      b. Provide and maintain adequate supply of potable water for domestic consumption by Contractor, if required.
      c. Coordination
         1) Contact City 1 week before water for construction is desired

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

d. Metering and Payment for Construction Water
   1) For water system improvements:
      a) Obtain construction water meter from City to track water usage. Water will be provided at no cost to Contractor.
   2) For all other projects:
      a) Obtain construction water meter from City for payment as billed by City's established rates.

3. Electricity and Lighting
   a. Provide and pay for electric powered service as required for Work, including testing of Work.
      1) Provide power for lighting, operation of equipment, or other use.
   b. Electric power service includes temporary power service or generator to maintain operations during scheduled shutdown.

4. Telephone
   a. Provide emergency telephone service at Site for use by Contractor personnel and others performing work or furnishing services at Site.

5. Temporary Heat and Ventilation
   a. Provide temporary heat as necessary for protection or completion of Work.
   b. Provide temporary heat and ventilation to assure safe working conditions.

B. Sanitary Facilities

1. Provide and maintain sanitary facilities for persons on Site.
   a. Comply with regulations of State and local departments of health.
2. Enforce use of sanitary facilities by construction personnel at job site.
   a. Enclose and anchor sanitary facilities.
   b. No discharge will be allowed from these facilities.
   c. Collect and store sewage and waste so as not to cause nuisance or health problem.
   d. Haul sewage and waste off-site at no less than weekly intervals and properly dispose in accordance with applicable regulation.
3. Locate facilities near Site and keep clean and maintained throughout Project.
4. Remove facilities at completion of Project

C. Storage Sheds and Buildings

1. Provide adequately ventilated, watertight, weatherproof storage facilities with floor above ground level for materials and equipment susceptible to weather damage.
2. Storage of materials not susceptible to weather damage may be on blocks off ground.
3. Store materials in a neat and orderly manner.
   a. Place materials and equipment to permit easy access for identification, inspection and inventory.
4. Equip building with lockable doors and lighting, and provide electrical service for equipment space heaters and heating or ventilation as necessary to provide storage environments acceptable to specified manufacturers.
5. Fill and grade site for temporary structures to provide drainage away from temporary and existing buildings.
6. Remove building from site prior to Final Acceptance.

D. Temporary Fencing

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

1. Provide and maintain for the duration or construction when required in Contract Documents

E. Dust Control

1. Contractor is responsible for maintaining dust control through the duration of the project.
   a. Contractor remains on-call at all times
   b. Must respond in a timely manner

F. Temporary Protection of Construction

1. Contractor or subcontractors are responsible for protecting Work from damage due to weather.

1.5 SUBMITTALS [NOT USED]

1.6 ACTION SUBMITTALS/INFORMATIONAL SUBMITTALS [NOT USED]

1.7 CLOSEOUT SUBMITTALS [NOT USED]

1.8 MAINTENANCE MATERIAL SUBMITTALS [NOT USED]

1.9 QUALITY ASSURANCE [NOT USED]

1.10 DELIVERY, STORAGE, AND HANDLING [NOT USED]

1.11 FIELD [SITE] CONDITIONS [NOT USED]

1.12 WARRANTY [NOT USED]

PART 2 - PRODUCTS [NOT USED]

PART 3 - EXECUTION [NOT USED]

3.1 INSTALLERS [NOT USED]

3.2 EXAMINATION [NOT USED]

3.3 PREPARATION [NOT USED]

3.4 INSTALLATION

A. Temporary Facilities

1. Maintain all temporary facilities for duration of construction activities as needed.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

3.5 [REPAIR] / [RESTORATION]

3.6 RE-INSTALLATION

3.7 FIELD [OR] SITE QUALITY CONTROL [NOT USED]

3.8 SYSTEM STARTUP [NOT USED]

3.9 ADJUSTING [NOT USED]

3.10 CLEANING [NOT USED]

3.11 CLOSEOUT ACTIVITIES

A. Temporary Facilities
   1. Remove all temporary facilities and restore area after completion of the Work, to a condition equal to or better than prior to start of Work.

3.12 PROTECTION [NOT USED]

3.13 MAINTENANCE [NOT USED]

3.14 ATTACHMENTS [NOT USED]

END OF SECTION

Revision Log		
DATE	NAME	SUMMARY OF CHANGE

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

SECTION 01 56 39
TEMPORARY TREE AND PLANT PROTECTION

PART 1 GENERAL

1.1 SECTION INCLUDES

A. Protection of existing trees and plants that are affected by execution of the Work, including:
   1. General protection requirements.
   2. Root pruning.
   3. Crown pruning.
   4. Excavation and regrading.
   5. Tree and plant repair and replacement, if required.

1.2 DEFINITIONS

A. Caliper: Diameter of a trunk measured by a diameter tape or the average of the smallest and largest diameters at a height 6 inches (150 mm) above the ground for trees up to and including 4-inch (100-mm) size at this height and as measured at a height of 12 inches (300 mm) above the ground for trees larger than 4-inch (100-mm) size.

B. Caliper (DBH): Diameter breast height; diameter of a trunk as measured by a diameter tape or the average of the smallest and largest diameters at a height 54 inches (1372 mm) above the ground line for trees with caliper of 8 inches (200 mm) or greater as measured at a height of 12 inches (300 mm) above the ground.

C. Plant-Protection Zone: Area surrounding individual trees, groups of trees, shrubs, or other vegetation to be protected during construction and indicated on Drawings.

D. Tree-Protection Zone: Area surrounding individual trees or groups of trees to be protected during construction and defined by a circle concentric with each tree with a radius equal to the diameter of the drip line unless otherwise indicated.

E. Vegetation: Trees, shrubs, groundcovers, grass, and other plants.

1.3 ADMINISTRATIVE REQUIREMENTS

A. Preinstallation Conference: Conduct conference at Project site.
   1. Review methods and procedures related to temporary tree and plant protection including, but not limited to, the following:
      a. Tree-service firm's personnel, and equipment needed to make progress and avoid delays.
      b. Arborist's responsibilities.
      c. Quality-control program.
      d. Coordination of Work and equipment movement with the locations of protection zones.
      e. Trenching by hand or with air spade within protection zones.
      f. Field quality control.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

1.4 SUBMITTALS

A. Submittals shall be in accordance with Section 01 33 00.

B. Product Data: For each type of product.

C. Shop Drawings:
1. Include plans, elevations, sections, and locations of protection-zone fencing and signage, showing relation of equipment-movement routes and material storage locations with protection zones.
2. Detail fabrication and assembly of protection-zone fencing and signage.
3. Indicate extent of trenching by hand or with air spade within protection zones.

D. Samples: For each type of the following:
1. Organic Mulch: 1-quart (1-L) volume of organic mulch; in sealed plastic bags labeled with composition of materials by percentage of weight and source of mulch.
2. Protection-Zone Fencing: Assembled Samples of manufacturer's standard size made from full-size components.
3. Protection-Zone Signage: Full-size Samples of each size and text, ready for installation.

E. Tree Pruning Schedule: Written schedule detailing scope and extent of pruning of trees to remain that interfere with or are affected by construction.
1. Species and size of tree.
2. Location on site plan. Include unique identifier for each.
3. Reason for pruning.
4. Description of pruning to be performed.
5. Description of maintenance following pruning.

F. Qualification Data: For arborist and tree service firm.

G. Certification: From arborist, certifying that trees indicated to remain have been protected during construction according to recognized standards and that trees were promptly and properly treated and repaired when damaged.

H. Maintenance Recommendations: From arborist, for care and protection of trees affected by construction during and after completing the Work.

I. Existing Conditions: Documentation of existing trees and plantings indicated to remain, which establishes preconstruction conditions that might be misconstrued as damage caused by construction activities.
1. Use sufficiently detailed photographs or video recordings.
2. Include plans and notations to indicate specific wounds and damage conditions of each tree or other plants designated to remain.

J. Quality-control program.

1.5 QUALITY ASSURANCE

A. Arborist Qualifications: Comply with one or more of the following:
1. Certified Arborist as certified by ISA.
2. Certified Arborist-Municipal Specialist as certified by ISA.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

3. Licensed arborist in jurisdiction where Project is located.
4. Current member of ASCA.
5. Registered Consulting Arborist as designated by ASCA.

B. Tree Service Firm Qualifications: An experienced tree service firm that has successfully completed temporary tree and plant protection work similar to that required for this Project and that will assign an experienced, qualified arborist to Project site during execution of the Work.

C. Quality-Control Program: Prepare a written program to systematically demonstrate the ability of personnel to properly follow procedures and handle materials and equipment during the Work without damaging trees and plantings. Include dimensioned diagrams for placement of protection zone fencing and signage, the arborist's and tree-service firm's responsibilities, instructions given to workers on the use and care of protection zones, and enforcement of requirements for protection zones.

1.6 FIELD CONDITIONS

A. The following practices are prohibited within protection zones:
1. Storage of construction materials, debris, or excavated material.
2. Moving or parking vehicles or equipment.
3. Foot traffic.
4. Erection of sheds or structures.
5. Impoundment of water.
6. Excavation or other digging unless otherwise indicated.
7. Attachment of signs to or wrapping materials around trees or plants unless otherwise indicated.

B. Do not direct vehicle or equipment exhaust toward protection zones.

C. Prohibit heat sources, flames, ignition sources, and smoking within or near protection zones and organic mulch.

PART 2 PRODUCTS

2.1 MATERIALS

A. Backfill Soil: Stockpiled soil mixed with planting soil of suitable moisture content and granular texture for placing around tree; free of stones, roots, plants, sod, clods, clay lumps, pockets of coarse sand, concrete slurry, concrete layers or chunks, cement, plaster, building debris, and other extraneous materials harmful to plant growth.
1. Mixture: Well-blended mix of two parts stockpiled soil to one part planting soil.

B. Organic Mulch: Free from deleterious materials and suitable as a top dressing for trees and shrubs, consisting of one of the following:
1. Type: Ground or shredded bark or wood and bark chips.
2. Size Range: 3 inches (76 mm) maximum, 1/2 inch (13 mm) minimum.
3. Color: Natural.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

C. Protection-Zone Fencing: Fencing fixed in position and meeting one of the following requirements:
   1. Chain-Link Protection-Zone Fencing: Galvanized-steel fencing fabricated from minimum 2-inch (50-mm) opening, 0.148-inch- (3.76-mm-) diameter wire chain-link fabric; with pipe posts, minimum 2-3/8-inch- (60-mm-) OD line posts, and 2-7/8-inch- (73-mm-) OD corner and pull posts; with 0.177-inch- (4.5-mm-) diameter top tension wire and 0.177-inch- (4.5-mm-) diameter bottom tension wire; with tie wires, hog ring ties, and other accessories for a complete fence system.
      a. Height: 72 inches (1800 mm), minimum.
   2. Wood Protection-Zone Fencing: Constructed of two 2-by-4-inch (50-by-100-mm) horizontal rails, with 4-by-4-inch (100-by-100-mm) preservative-treated wood posts spaced not more than 96 inches (2400 mm) apart, and lower rail set halfway between top rail and ground.
      a. Height: 48 inches (1200 mm),minimum.
   3. Plastic Protection-Zone Fencing: Plastic construction fencing constructed of high-density extruded and stretched polyethylene fabric with 2-inch (50-mm) maximum opening in pattern and weighing a minimum of 0.4 lb/ft. (0.6 kg/m); remaining flexible from minus 60 to plus 200 deg F (minus 16 to plus 93 deg C); inert to most chemicals and acids; minimum tensile yield strength of 2000 psi (13.8 MPa) and ultimate tensile strength of 2680 psi (18.5 MPa); secured with plastic bands or galvanized-steel or stainless-steel wire ties; and supported by tubular or T-shape galvanized-steel posts spaced not more than 96 inches (2400 mm) apart.
      a. Height: 48 inches (1200 mm), minimum.
      b. Color: High-visibility orange, nonfading.
   4. Gates: Single-swing access gates matching material and appearance of fencing, to allow for maintenance activities within protection zones; leaf width 24 inches (610 mm), minimum.

D. Protection-Zone Signage: Shop-fabricated, rigid plastic or metal sheet with attachment holes prepunched and reinforced; legibly printed with nonfading lettering and as follows:
   1. Lettering: 3-inch- (75-mm-) high minimum, white ot black characters on red background.

PART 3 EXECUTION

3.1 EXAMINATION

A. Examine the site to verify that temporary erosion- and sedimentation-control measures are in place. Verify that flows of water redirected from construction areas or generated by construction activity do not enter or cross protection zones.

B. Prepare written report, endorsed by arborist, listing conditions detrimental to tree and plant protection.

3.2 PREPARATION

A. Locate and clearly identify trees, shrubs, and other vegetation to remain or to be relocated. Flag ot tie a 1-inch (25-mm) blue vinyl tape around each tree trunk at 54 inches (1372 mm) above the ground.

B. Protect tree root systems from damage caused by runoff or spillage of noxious materials while mixing, placing, or storing construction materials. Protect root systems from ponding, eroding, or excessive wetting caused by dewatering operations.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

C. Tree-Protection Zones: Mulch areas inside tree-protection zones and other areas indicated. Do not exceed indicated thickness of mulch.
   1. Apply 2-inch (50-mm) uniform thickness of organic mulch unless otherwise indicated. Do not place mulch within 6 inches (150 mm) of tree trunks.

3.3 PROTECTION ZONES

A. Protection-Zone Fencing: Install protection-zone fencing along edges of protection zones before materials or equipment are brought on the site and construction operations begin in a manner that will prevent people and animals from easily entering protected areas except by entrance gates. Construct fencing so as not to obstruct safe passage or visibility at vehicle intersections where fencing is located adjacent to pedestrian walkways or in close proximity to street intersections, drives, or other vehicular circulation.
   1. Chain-Link Fencing: Install to comply with ASTM F 567 and with manufacturer's written instructions.
   2. Posts: Set or drive posts into ground one-third the total height of the fence without concrete footings. Where a post is located on existing paving or concrete to remain, provide appropriate means of post support acceptable to Architect.
   3. Access Gates: Adjust to operate smoothly, easily, and quietly; free of binding, warp, excessive deflection, distortion, nonalignment, misplacement, disruption, or malfunction throughout entire operational range. Confirm that latches and locks engage accurately and securely without forcing or binding.

B. Protection-Zone Signage: Install protection-zone signage in visibly prominent locations in a manner approved by Architect. Install one sign spaced approximately every 20 feet (6 m) on protection-zone fencing, but no fewer than four signs with each facing a different direction.

C. Maintain protection zones free of weeds and trash.

D. Maintain protection-zone fencing and signage in good condition as acceptable to Architect and remove when construction operations are complete and equipment has been removed from the site.
   1. Do not remove protection-zone fencing, even temporarily, to allow deliveries or equipment access through the protection zone.
   2. Temporary access is permitted subject to preapproval in writing by arborist if a root buffer effective against soil compaction is constructed as directed by arborist. Maintain root buffer so long as access is permitted.

3.4 EXCAVATION

A. General: Excavate at edge of protection zones and for trenches indicated within protection zones according to requirements in Section 312000 "Earth Moving" unless otherwise indicated.

B. Trenching within Protection Zones: Where utility trenches are required within protection zones, excavate under or around tree roots by hand or with air spade, or tunnel under the roots by drilling, auger boring, or pipe jacking. Do not cut main lateral tree roots or taproots; cut only smaller roots that interfere with installation of utilities. Cut roots as required for root pruning. If excavating by hand, use narrow-tine spading forks to comb soil and expose roots.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

C. Redirect roots in backfill areas where possible. If encountering large, main lateral roots, expose roots beyond excavation limits as required to bend and redirect them without breaking. If encountered immediately adjacent to location of new construction and redirection is not practical, cut roots approximately 3 inches (75 mm) back from new construction and as required for root pruning.

D. Do not allow exposed roots to dry out before placing permanent backfill. Provide temporary earth cover or pack with peat moss and wrap with burlap. Water and maintain in a moist condition. Temporarily support and protect roots from damage until they are permanently relocated and covered with soil.

3.5 CROWN PRUNING

A. Prune branches that are affected by temporary and permanent construction. Prune branches as shown on Drawings, under direction of arborist.
   1. Prune to remove only injured, broken, dying, or dead branches unless otherwise indicated. Do not prune for shape unless otherwise indicated.
   2. Do not remove or reduce living branches to compensate for root loss caused by damaging or cutting root system.
   3. Prune trees according to ANSI A300 (Part 1) and as indicated on Drawings.

B. Unless otherwise directed by arborist and acceptable to Architect, do not cut tree leaders.

C. Cut branches with sharp pruning instruments; do not break or chop.

D. Do not paint or apply sealants to wounds.

E. Provide subsequent maintenance pruning during Contract period as recommended by arborist.

F. Chip removed branches and dispose of off-site.

3.6 REGRADING

A. Lowering Grade: Where new finish grade is indicated below existing grade around trees, slope grade beyond the protection zone. Maintain existing grades within the protection zone.

B. Lowering Grade within Protection Zone: Where new finish grade is indicated below existing grade around trees, slope grade away from trees as recommended by arborist unless otherwise indicated.
   1. Root Pruning: Prune tree roots exposed by lowering the grade. Do not cut main lateral roots or taproots; cut only smaller roots. Cut roots as required for root pruning.

C. Raising Grade: Where new finish grade is indicated above existing grade around trees, slope grade beyond the protection zone. Maintain existing grades within the protection zone.

D. Minor Fill within Protection Zone: Where existing grade is 2 inches (50 mm) or less below elevation of finish grade, fill with backfill soil. Place backfill soil in a single uncompacted layer and hand grade to required finish elevations.

3.7 FIELD QUALITY CONTROL

A. Inspections: Engage a qualified arborist to direct plant-protection measures in the vicinity of trees, shrubs, and other vegetation indicated to remain and to prepare inspection reports.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

3.8 REPAIR AND REPLACEMENT

A. General: Repair or replace trees, shrubs, and other vegetation indicated to remain or to be relocated that are damaged by construction operations, in a manner approved by Architect.
   1. Submit details of proposed pruning and repairs.
   2. Perform repairs of damaged trunks, branches, and roots within 24 hours according to arborist's written instructions.
   3. Replace trees and other plants that cannot be repaired and restored to full-growth status, as determined by Architect.

B. Trees: Remove and replace trees indicated to remain that are more than 25 percent dead or in an unhealthy condition before the end of the corrections period or are damaged during construction operations that Architect determines are incapable of restoring to normal growth pattern.
   1. Small Trees: Provide new trees of same size and species as those being replaced for each tree that measures 6 inches (150 mm) or smaller in caliper size.
   2. Large Trees: Provide one new tree of 6-inch (150-mm) caliper size for each tree being replaced that measures more than 6 inches (150 mm) in caliper size.
      a. Species: As selected by Architect.

C. Excess Mulch: Rake mulched area within protection zones, being careful not to injure roots. Rake to loosen and remove mulch that exceeds a 2-inch (50-mm) uniform thickness to remain.

D. Soil Aeration: Where directed by Architect, aerate surface soil compacted during construction. Aerate 10 feet (3 m) beyond drip line and no closer than 36 inches (900 mm) to tree trunk. Drill 2-inch-(50-mm-) diameter holes a minimum of 12 inches (300 mm) deep at 24 inches (600 mm) o.c. Backfill holes with an equal mix of augered soil and sand.

3.9 DISPOSAL OF WASTE MATERIALS

A. Remove excess excavated material, displaced trees, trash, and debris and legally dispose of off Owner's property.

END OF SECTION

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

SECTION 01 57 13
STORM WATER POLLUTION PREVENTION

PART 1 - GENERAL

1.1 SUMMARY

A. Section Includes:
   1. Procedures for Storm Water Pollution Prevention Plans

B. Deviations from this City of Denton Standard Specification
   1. None.

C. Related Specification Sections include, but are not necessarily limited to:
   1. Division 0 – Bidding Requirements, Contract Forms and Conditions of the Contract
   2. Division 1 – General Requirements

1.2 PRICE AND PAYMENT PROCEDURES

A. Measurement and Payment
   1. Construction Activities resulting in less than 1 acre of disturbance
      a. Work associated with this Item is considered subsidiary to the various Items bid. No separate payment will be allowed for this Item.
   2. Construction Activities resulting in greater than 1 acre of disturbance
      a. Measurement for this Item shall be by lump sum.
      b. Payment
         1) The work performed and the materials furnished in accordance with this item shall be paid for at the lump sum price bid for "Storm Water Pollution Prevention Plan", and made in partial payments as follows:
            a) When 1% of the Contract Sum is earned, 15% of the SWPPP lump sum bid will be paid.
            b) When 10% of the Contract Sum is earned, 25% of the SWPPP lump sum bid will be paid. Previous payments under the item will be deducted from this amount.
            c) When 25% of the Contract Sum is earned, 30% of the SWPPP lump sum bid will be paid. Previous payments under the item will be deducted from this amount.
            d) When 50% of the Contract Sum is earned, 50% of the SWPPP lump sum bid will be paid. Previous payments under the item will be deducted from this amount.
            e) When 75% of the Contract Sum is earned, 75% of the SWPPP lump sum bid will be paid. Previous payments under the item will be deducted from this amount.
            f) When 100% of the Contract Sum is earned and final stabilization has been achieved, 100% of the SWPPP lump sum bid will be paid. Previous payments under the item will be deducted from this amount.
      c. The price bid shall include:
         1) Preparation of Storm Water Pollution Prevention Plan

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

2) Implementation
3) Permitting fees
4) Final Stabilization

1.3 REFERENCES

A. Abbreviations and Acronyms
1. Notice of Intent: NOI
2. Notice of Termination: NOT
3. Storm Water Pollution Prevention Plan: SWPPP
4. Texas Commission on Environmental Quality: TCEQ
5. Notice of Change: NOC

A. Reference Standards
1. Reference standards cited in this Specification refer to the current reference standard published at the time of the latest revision date logged at the end of this Specification, unless a date is specifically cited.
2. Integrated Storm Management (iSWM) Technical Manual for Construction Controls

1.4 ADMINISTRATIVE REQUIREMENTS

A. General
1. Contractor is responsible for resolution and payment of any fines issued associated with compliance to Stormwater Pollution Prevention Plan.
2. As a condition of approval, applicants conducting land disturbing activities will complete the online construction site survey. This survey can be found at https://www.surveymonkey.com/r/dentonconstruction.
3. Refer to TCEQ website for further information about stormwater permits at https://www.tceq.texas.gov/permitting/stormwater/construction/TXR15_AIR.html.

B. Construction Activities resulting in:
1. Less than 1 acre of disturbance
   a. Provide erosion and sediment control in accordance with Section 31 25 14.
2. 1 to less than 5 acres of disturbance
   a. Texas Pollutant Discharge Elimination System (TPDES) General Construction Permit is required
   b. Complete SWPPP in accordance with TCEQ requirements
      1) Indicate City is a Secondary Operator
      2) TCEQ Small Construction Site Notice Required under general permit TXR150000
         a) Post at job site
         b) Prior to Preconstruction Meeting, send 1 copy to City Watershed Protection Division, Watershed@cityofdenton.com, Joetta Dailey (940) 349-7153 or Zach Peterson.(940) 349-7141.
      3) Provide erosion and sediment control in accordance with Section 31 25 14.
      4) Once the project has been completed and all the closeout requirements of TCEQ have been met, send copy of signed Small Construction Site Notice to Watershed Protection division, Watershed@cityofdenton.com, Joetta Dailey (940) 349-7153 or Zach Peterson (940) 349-7141.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

3. 5 acres or more of Disturbance
    a. Texas Pollutant Discharge Elimination System (TPDES) General Construction Permit is required
    b. Complete SWPPP in accordance with TCEQ requirements
        1) Prepare a TCEQ NOI form and submit to TCEQ along with required fee
            a) Send copy to City Watershed Protection Division, Watershed@cityofdenton.com, Joetta Dailey (940) 349-7153 or Zach Peterson (940) 349-7141.
        2) TCEQ Notice of Change required if making changes or updates to NOI
        3) Provide erosion and sediment control in accordance with Section 31 25 14.
        4) Once the project has been completed and all the closeout requirements of TCEQ have been met a TCEQ Notice of Termination can be submitted.
            a) Send copy to City Watershed Protection Division, Watershed@cityofdenton.com, Joetta Dailey (940) 349-7153 or Zach Peterson (940) 349-7141.

C. Sites adjacent to or encroaching into Environmentally Sensitive Areas (ESAs):
    1. Provide tree protective fencing at the boundary of any identified onsite ESAs and approved construction activities that would result in land disturbances.
    2. Provide signs identifying the area as an ESA and prohibiting construction activity.

1.5 SUBMITTALS

A. SWPPP
    1. Submit in accordance with Section 01 33 00, except as stated herein.
        a. Prior to the Preconstruction Meeting, submit a draft copy of SWPPP to the City as follows:
            1) 1 copy to the Project Manager
                a) Project Manager will forward to the City Watershed Protection Department, Watershed@cityofdenton.com, Joetta Dailey (940) 349-7153 or Zach Peterson (940) 349-7141.

B. Modified SWPPP
    1. If the SWPPP is revised during construction, resubmit modified SWPPP to the City in accordance with Section 01 33 00.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

1.6 ACTION SUBMITTALS/INFORMATIONAL SUBMITTALS [NOT USED]

1.7 CLOSEOUT SUBMITTALS [NOT USED]

1.8 MAINTENANCE MATERIAL SUBMITTALS [NOT USED]

1.9 QUALITY ASSURANCE [NOT USED]

1.10 DELIVERY, STORAGE, AND HANDLING [NOT USED]

1.11 FIELD [SITE] CONDITIONS [NOT USED]

1.12 WARRANTY [NOT USED]

PART 2 - PRODUCTS [NOT USED]

PART 3 - EXECUTION [NOT USED]

END OF SECTION

Revision Log		
DATE	NAME	SUMMARY OF CHANGE

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

SECTION 01 58 13
TEMPORARY PROJECT SIGNAGE

PART 1 - GENERAL

1.1 SUMMARY

A. Section Includes:
   1. Temporary Project Signage Requirements

B. Deviations from this City of Denton Standard Specification
   1. None.

C. Related Specification Sections include, but are not necessarily limited to:
   1. Division 0 – Bidding Requirements, Contract Forms and Conditions of the Contract
   2. Division 1 – General Requirements

1.2 PRICE AND PAYMENT PROCEDURES

A. Measurement and Payment
   1. Temporary Project Sign
      a. Measurement
         1) Measurement for this Item will be per each project sign installed.
      b. Payment
         1) The work performed and materials furnished in accordance with this Item and measured as provided under "Measurement" shall be paid for at the unit price bid per each "Temporary Project Sign."
      c. The price bid shall include:
         1) Installation of Temporary Project Sign
         2) Excavation
         3) Hauling
         4) Disposal of excess Materials
         5) Maintenance and Repair of Signs During Construction
         6) Removal and Disposal of Temporary Project Sign

1.3 REFERENCES [NOT USED]

1.4 ADMINISTRATIVE REQUIREMENTS [NOT USED]

1.5 SUBMITTALS [NOT USED]

1.6 ACTION SUBMITTALS/INFORMATIONAL SUBMITTALS [NOT USED]

1.7 CLOSEOUT SUBMITTALS [NOT USED]

1.8 MAINTENANCE MATERIAL SUBMITTALS [NOT USED]

1.9 QUALITY ASSURANCE [NOT USED]

1.10 DELIVERY, STORAGE, AND HANDLING [NOT USED]

1.11 FIELD [SITE] CONDITIONS [NOT USED]

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

1.12 WARRANTY [NOT USED]

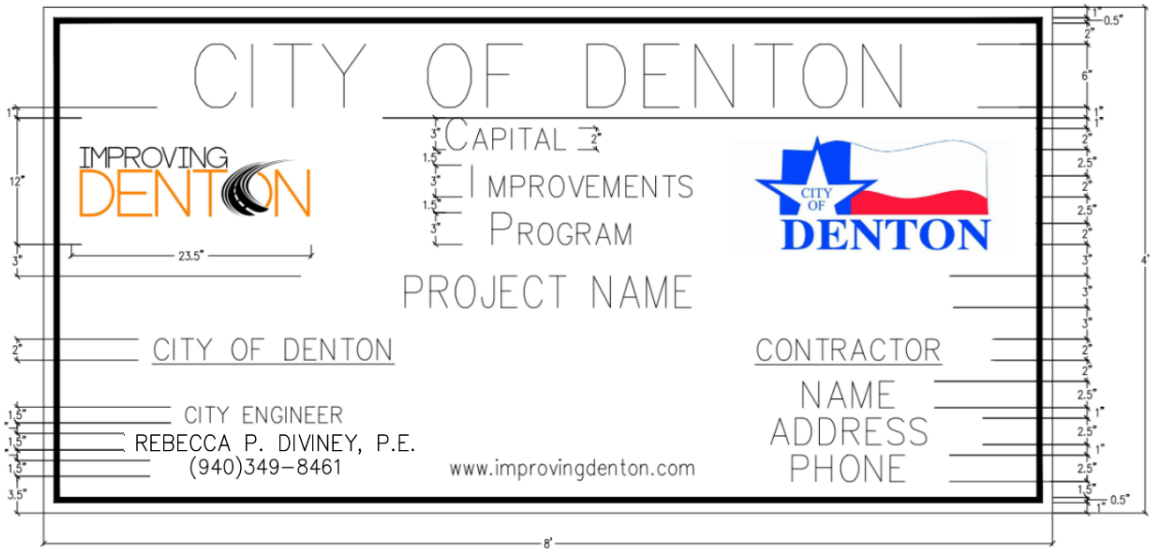
PART 2 - PRODUCTS

2.1 OWNER-FURNISHED [OR] OWNER-SUPPLIEDPRODUCTS [NOT USED]

2.2 EQUIPMENT, PRODUCT TYPES, AND MATERIALS

A. Design Criteria

1. Provide free standing Project Designation Sign as indicated below:





The flag shall resemble the Texas Flag. The background of the stars and the "City of Denton" lettering shall be blue. The lower bar of the flag shall be red, and the upper bar shall be white. The dimensions, from the farthest ends, shall be 12-inches vertically and 23.5-inches horizontally. The flag shall appear in the dimensions shown. The contractor may request a digital copy in either .jpg or .tif format.

2. The Project Designation Sign shall be placed at strategic points with lettering as needed to adequately describe the Work.
3. Signs shall be painted white with blue letters and symbols. Letter size shall conform to dimensions shown on sign drawing. Exceptions or variations from the sign shown above shall not be allowed.

B. Materials

1. Sign
   a. Constructed of ¾-inch fir plywood, grade A-C (exterior) or better

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

2.3 ACCESSORIES [NOT USED]

2.4 SOURCE QUALITY CONTROL [NOT USED]

PART 3 - EXECUTION

3.1 INSTALLERS [NOT USED]

3.2 EXAMINATION [NOT USED]

3.3 PREPARATION [NOT USED]

3.4 INSTALLATION

A. General
   1. Provide vertical installation at extents of Project.
   2. Signs shall be placed prior to beginning the Work and maintained until the end of the Project.
   3. Relocate sign as needed, upon request of the City.

B. Mounting options
   a. Skids
   b. Posts
   c. Barricade

3.5 -- 3.12 [NOT USED]

3.6 MAINTENANCE

A. General
   1. Maintenance will include painting and repairs as needed or directed by the City.

3.7 ATTACHMENTS [NOT USED]

END OF SECTION

Revision Log		
DATE	NAME	SUMMARY OF CHANGE

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

SECTION 01 66 00
PRODUCT STORAGE AND HANDLING REQUIREMENTS

PART 1 - GENERAL

1.1 SUMMARY

A. Section Includes:
   1. Scheduling of product delivery
   2. Packaging of products for delivery
   3. Protection of products against damage from:
      a. Handling
      b. Exposure to elements or harsh environments

B. Deviations from this City of Denton Standard Specification
   1. None.

C. Related Specification Sections include, but are not necessarily limited to:
   1. Division 0 – Bidding Requirements, Contract Forms and Conditions of the Contract
   2. Division 1 – General Requirements

1.2 PRICE AND PAYMENT PROCEDURES

A. Measurement and Payment
   1. Work associated with this Item is considered incidental to the various Items bid. No separate payment will be allowed for this Item.

1.3 REFERENCES [NOT USED]

1.4 ADMINISTRATIVE REQUIREMENTS [NOT USED]

1.5 SUBMITTALS [NOT USED]

1.6 ACTION SUBMITTALS/INFORMATIONAL SUBMITTALS [NOT USED]

1.7 CLOSEOUT SUBMITTALS [NOT USED]

1.8 MAINTENANCE MATERIAL SUBMITTALS [NOT USED]

1.9 QUALITY ASSURANCE [NOT USED]

1.10 DELIVERY AND HANDLING

A. Delivery Requirements
   1. Schedule delivery of products or equipment as required to allow timely installation and to avoid prolonged storage.
   2. Provide appropriate personnel and equipment to receive deliveries.
   3. Delivery trucks will not be permitted to wait extended periods of time on the Site for personnel or equipment to receive the delivery.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

4. Deliver products or equipment in manufacturer's original unbroken cartons or other containers designed and constructed to protect the contents from physical or environmental damage.
5. Clearly and fully mark and identify as to manufacturer, item and installation location.
6. Provide manufacturer's instructions for storage and handling.

B. Handling Requirements
   1. Handle products or equipment in accordance with these Contract Documents and manufacturer’s recommendations and instructions.

C. Storage Requirements
   1. Store materials in accordance with manufacturer’s recommendations and requirements of these Specifications.
   2. Make necessary provisions for safe storage of materials and equipment.
      a. Place loose soil materials and materials to be incorporated into Work in a manner that prevents damage to any part of Work or existing facilities and that maintains free access at all times to all parts of Work and to utility service company installations in vicinity of Work.
   3. Keep materials and equipment neatly and compactly stored in locations that will cause minimum inconvenience to other contractors, public travel, adjoining owners, tenants and occupants.
      a. Arrange storage to provide easy access for inspection.
   4. Restrict storage to areas available on construction site for storage of material and equipment as shown on Drawings, or approved by Project Manager or their duly authorized representative.
   5. Provide off-site storage and protection when on-site storage is not adequate.
      a. Provide addresses of and access to off-site storage locations for inspection by Project Manager or their duly authorized representative.
   6. Do not use lawns, grass plots or other private property for storage purposes without written permission of owner or other person in possession or control of premises.
   7. Store in manufacturers’ unopened containers.
   8. Neatly, safely and compactly stack materials delivered and stored along line of Work to avoid inconvenience and damage to property owners and general public and maintain at least 3 feet from fire hydrant.
   9. Keep public and private driveways and street crossings open.
   10. Repair or replace damaged lawns, sidewalks, streets or other improvements to satisfaction of Project Manager or their duly authorized representative.
      a. Total length which materials may be distributed along route of construction at one time is 1,000 linear feet, unless otherwise approved in writing by Project Manager.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

1.11 FIELD [SITE] CONDITIONS [NOT USED]

1.12 WARRANTY [NOT USED]

PART 2 - PRODUCTS [NOT USED]

PART 3 - EXECUTION

3.1 -3.6 [NOT USED]

3.2 FIELD [OR] SITE QUALITY CONTROL

A. Tests and Inspections
   1. Inspect all products or equipment delivered to the site prior to unloading.

B. Non-Conforming Work
   1. Reject all products or equipment that are damaged, used or in any other way unsatisfactory for use on the Project.

3.3 SYSTEM STARTUP [NOT USED]

3.4 ADJUSTING [NOT USED]

3.5 CLEANING [NOT USED]

3.6 CLOSEOUT ACTIVITIES [NOT USED]

3.7 PROTECTION

A. Protect all products or equipment in accordance with manufacturer's written directions.

B. Store products or equipment in location to avoid physical damage to items while in storage.

C. Protect equipment from exposure to elements and keep thoroughly dry if required by the manufacturer.

3.8 MAINTENANCE [NOT USED]

3.9 ATTACHMENTS [NOT USED]

END OF SECTION

Revision Log		
DATE	NAME	SUMMARY OF CHANGE

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

SECTION 01 70 00
MOBILIZATION AND REMOBILIZATION

PART 1 - GENERAL

1.1 SUMMARY

A. Section Includes:
1. Mobilization and Demobilization
   a. Mobilization
      1) Transportation of Contractor's personnel, equipment, and operating supplies to the Site
      2) Establishment of necessary general facilities for the Contractor's operation at the Site
      3) Premiums paid for performance and payment bonds
      4) Transportation of Contractor's personnel, equipment, and operating supplies to another location within the designated Site
      5) Relocation of necessary general facilities for the Contractor's operation from 1 location to another location on the Site.
   b. Demobilization
      1) Transportation of Contractor's personnel, equipment, and operating supplies away from the Site including disassembly
      2) Site Clean-up
      3) Removal of all buildings and/or other facilities assembled at the Site for this Contract
   c. Mobilization and Demobilization do not include activities for specific Items of Work for which payment is provided elsewhere in the contract.
2. Remobilization
   a. Remobilization for suspension of Work specifically required in the Contract Documents or as required by City includes:
      1) Demobilization
         a) Transportation of Contractor's personnel, equipment, and operating supplies from the Site including disassembly or temporarily securing equipment, supplies, and other facilities as designated by the Contract Documents necessary to suspend the Work.
         b) Site Clean-up as designated in the Contract Documents
      2) Remobilization
         a) Transportation of Contractor's personnel, equipment, and operating supplies to the Site necessary to resume the Work.
         b) Establishment of necessary general facilities for the Contractor's operation at the Site necessary to resume the Work.
      3) No Payments will be made for:
         a) Mobilization and Demobilization from one location to another on the Site in the normal progress of performing the Work.
         b) Stand-by or idle time
         c) Lost profits

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

B. Deviations from this City of Denton Standard Specification
   1. None.

C. Related Specification Sections include, but are not necessarily limited to:
   1. Division 0 – Bidding Requirements, Contract Forms and Conditions of the Contract
   2. Division 1 – General Requirements

1.2 PRICE AND PAYMENT PROCEDURES

A. Measurement and Payment
   1. Mobilization and Demobilization
      a. Measurement
         1) This Item will be measured by the lump sum as the work progresses.
      b. Payment
         1) For this Item, the adjusted Contract Sum will be calculated as the total Contract Sum less the lump sum for mobilization. Mobilization shall be made in partial payments as follows:
            a) When 1% of the adjusted Contract Sum for construction Items is earned, 25% of the mobilization lump sum bid will be paid.
            b) When 25% of the adjusted Contract Sum for construction Items is earned, 50% of the mobilization lump sum bid will be paid. Previous payments under the Item will be deducted from this amount.
            c) When 50% of the adjusted Contract Sum for construction Items is earned, 75% of the mobilization lump sum bid will be paid. Previous payments under the Item will be deducted from this amount.
            d) When 75% of the adjusted Contract Sum for construction Items is earned, 100% of the mobilization lump sum bid will be paid. Previous payments under the Item will be deducted from this amount.
            e) A bid containing a total for "Mobilization" in excess of <u>10%</u> of total contract shall be considered unbalanced and a cause for consideration of rejection.
      c. The price bid shall include:
         1) Mobilization of equipment to Site
         2) Performance Bond
         3) Payment Bond
         4) Maintenance Bond
         5) Remobilization as identified in the Contract Documents
         6) Demobilization
      d. No payments will be made for standby, idle time, or lost profits associated this Item.
   2. Remobilization for suspension of Work not identified in the Contract Documents, as required by City
      a. Measurement and Payment
         1) This shall be submitted as a Contract Claim in accordance with Article 15 of Section 00 72 00.
         2) No payments will be made for standby, idle time, or lost profits associated with this Item.

1.3 REFERENCES [NOT USED]

1.4 ADMINISTRATIVE REQUIREMENTS [NOT USED]

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

1.5 SUBMITTALS [NOT USED]

1.6 INFORMATIONAL SUBMITTALS [NOT USED]

1.7 CLOSEOUT SUBMITTALS [NOT USED]

1.8 MAINTENANCE MATERIAL SUBMITTALS [NOT USED]

1.9 QUALITY ASSURANCE [NOT USED]

1.10 DELIVERY, STORAGE, AND HANDLING [NOT USED]

1.11 FIELD [SITE] CONDITIONS [NOT USED]

1.12 WARRANTY [NOT USED]

PART 2 - PRODUCTS [NOT USED]

PART 3 - EXECUTION [NOT USED]

END OF SECTION

Revision Log		
DATE	NAME	SUMMARY OF CHANGE

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

EXHIBIT C

KEY PERSONNEL RESUME FORM

Offerors may attach an organizational chart (maximum of 1 page) as supporting documentation. Please list the key team members that will be assigned to the Project. The Offeror should, at a minimum, provide personnel experience for the Project Manager, Superintendent, and the Foreman/Foremen. Past experience projects should demonstrate experience in the categories listed in 12.2.2.7 of Section 00 21 16 – Instructions to Offerors.

NAME:	Michael A. Heimlich
JOB TITLE:	President /Senior Project Manager

LICENSES AND CERTIFICATIONS: P.E. License - Texas

TOTAL YEARS OF EXPERINCE: 39

TOTAL YEARS WITH CURRENT FIRM: 32

RELEVANT EXPERIENCE WITHIN LAST 5YRS., INCLUDE PROJECT ROLES AND RESPONSIBILITIES.

IDENTIFY IF PROJECTS WERE COMPLETED WITH CURRENT OR PREVIOUS FIRM:

Registered Profession Engineer - State of Texas - Certificate #71319

Storm Water Pollution Prevention (SW3P) Certified

OSHA 10-Hour Certification

Leading and coordinating complex civil projects

Overseeing cost estimating, scheduling and job planning

Manage budget with focus on efficiency and accountability

Coordinating with Owner and Engineers

Apply value engineering principles to optimize performance and cost

Ensurie excellence in construction management for pre-construction to close-out

LIST OTHER ACTIVE PROJECTS FOR THE DURATION OF THIS PROJECT AND INCLUDE PERCENTAGE OF TIME ALLOCATED FOR EACH:

City of Fort Worth - Three (3) Parks - 25% End July, 2025

Dallas County - Harry Hines Multimodal - 15% End April, 2025

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

EXHIBIT C

NAME:	Lucas S. Heimlich
JOB TITLE:	Project Manager

LICENSES AND CERTIFICATIONS: SW3P Certifed, OSHA 10 Hour, Traffic Control

TOTAL YEARS OF EXPERINCE: 16 Years

TOTAL YEARS WITH CURRENT FIRM: 15 Years

RELEVANT EXPERIENCE WITHIN LAST 5YRS., INCLUDE PROJECT ROLES AND RESPONSIBILITIES.

IDENTIFY IF PROJECTS WERE COMPLETED WITH CURRENT OR PREVIOUS FIRM:

Directing and coordinating all phases of construction

Develop accurate cost estimates and value engineering solutions

Managing project planning, scheduling and budget control

Coordinate with Owners and Engineers to maintain clear communication

Overseeing on-site teams and ensuring compliance with quality and safety standars

LIST OTHER ACTIVE PROJECTS FOR THE DURATION OF THIS PROJECT AND INCLUDE PERCENTAGE OF TIME ALLOCATED FOR EACH:

City of Fort Worth - Three (3) Parks - 40% End July, 2025

Dallas County - Harry Hines Multimodal - 20% End April, 2025

NAME:	Joshua S. Downing
JOB TITLE:	General Superintendent

LICENSES AND CERTIFICATIONS: OSHA 30 Hour, OSHA 10 Hour, SW3P Certified

TOTAL YEARS OF EXPERINCE: 15 Years

TOTAL YEARS WITH CURRENT FIRM: 11 Years

RELEVANT EXPERIENCE WITHIN LAST 5YRS., INCLUDE PROJECT ROLES AND RESPONSIBILITIES.

IDENTIFY IF PROJECTS WERE COMPLETED WITH CURRENT OR PREVIOUS FIRM:

Supervise daily construction activities and coordinate subcontractor and crew

Enforce strict safety standards, ensuring all personnel follow approved safety practices

Monitor project quality to meet all specified requirements and expectations.

Maintain effective communication with Project Manager, Engineer and field teams

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Identify and resolve field issues to avoid delays or compromises quality.

Site management

LIST OTHER ACTIVE PROJECTS FOR THE DURATION OF THIS PROJECT AND INCLUDE PERCENTAGE OF TIME ALLOCATED FOR EACH:

City of Fort Worth - Eight (8) Parks - 50% End July, 2025

Dallas County - Harry Hines Multimodal - 25% End April, 2025

NAME:	Eduardo Adame
JOB TITLE:	Project Superintendent

LICENSES AND CERTIFICATIONS: OSHA 10 Hour, SW3P Certified

TOTAL YEARS OF EXPERINCE: 14 Years

TOTAL YEARS WITH CURRENT FIRM: 12 Years

RELEVANT EXPERIENCE WITHIN LAST 5YRS., INCLUDE PROJECT ROLES AND RESPONSIBILITIES. IDENTIFY IF PROJECTS WERE COMPLETED WITH CURRENT OR PREVIOUS FIRM:

Proficient in organizing overall construction operations and logistics

Strong background in supervising construction crews and subcontractors

Skilled in interpreting and implementing engineering and architectural blueprints

Concrete construction expertise

Utility installation: water, sanitary sewer, storm drain

SW3P (Storm Water Pollution Prevention Plan) compliance

Effective management reporting and field documentation

Knowledgeable in safety protocols and environmental regulations

LIST OTHER ACTIVE PROJECTS FOR THE DURATION OF THIS PROJECT AND INCLUDE PERCENTAGE OF TIME ALLOCATED FOR EACH:

Dallas County - Harry Hines Multimodal - 100% End April, 2025

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

EXHIBIT C

NAME:

JOB TITLE:

LICENSES AND CERTIFICATIONS: _____

TOTAL YEARS OF EXPERINCE: _____

TOTAL YEARS WITH CURRENT FIRM:_____

RELEVANT EXPERIENCE WITHIN LAST 5YRS., INCLUDE PROJECT ROLES AND RESPONSIBILITIES.

IDENTIFY IF PROJECTS WERE COMPLETED WITH CURRENT OR PREVIOUS FIRM:_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

LIST OTHER ACTIVE PROJECTS FOR THE DURATION OF THIS PROJECT AND INCLUDE PERCENTAGE OF TIME ALLOCATED FOR EACH: _____

_____

_____

_____

_____

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

EXHIBIT D

ALTERNATES

NONE

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

EXHIBIT E

ALLOWANES

NONE

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

EXHIBIT F

UNIT PRICE BAFO PROPOSAL FORM - CSP

City of Denton - Capital Projects
901-B Texas Street
Denton, TX 76209
Erica Garcia/Purchasing Dept.

From: Northstar Construction LLC
2112 Solona Street
Haltom City, TX 76117
MICHAEL A. HEIMLICH
(817) 244-8885
mike@northstar93.com

PROJ.: **Villages of Carmel Park Construction**

RFP: 7985
ENG
PMO:

OFFEROR'S APPLICATION - UNIT PRICE PROPOSAL

Item No.	Spec. Section No.	Description	UOM	BID QTY	Unit Price	Extended Price
1		Demolition - (Includes existing barn cleanup, walk, utilities, etc.) per sheets G2.0	LS	1	$ 36,000.00	$ 36,000.00
2		Mobilization	LS	1	$ 136,000.00	$ 136,000.00
3		Temporary Construction Fencing - per Specification, around the entire site perimeter and also includes maintenance of and the removal of this fencing after substantial completion, to be coordinated and approved by owner.	LF	2,160	$ 4.50	$ 9,720.00
4		Tree Bark Protection - Per Sheets TP101, TP401, TP402, TP602	EA	170	$ 300.00	$ 51,000.00
5		Tree Protection Fencing - Per Sheets TP101, TP401, TP402, TP602	LF	6,784	$ 2.50	$ 16,960.00
6		Tree Removal, Clearing, & Site Prep - to include grubbing and stumb grinding as necessary, and removal of site trash piles and debris; materials to be removed cleanly and disposed of off-site at contractor's expense, per sheets G2.0, TP101, TP401, TP402	LS	1	$ 84,000.00	$ 84,000.00
7		Tree Pruning and Underbrush Clearing - to include removal of site trash piles and debris, materials to be cleanly removed and disposed of off site at contractors expense per sheets G2.0 and TP101, TP401, TP402	LS	1	$ 26,000.00	$ 26,000.00
8		Erosion Control - to include 12" Filter Tube, concrete washout, construction exit per sheet C1.1 & C1.10	LS	1	$ 35,000.00	$ 35,000.00
9		Earthwork - to include all rough grading for walks, pavilion, playground areas, open spaces, backfill, etc.; includes all importing or offsite removal of excess fill as necessary, per sheets LG3.1 & LG3.2	LS	1	$ 118,000.00	$ 118,000.00
10		Grade Maintenance for Site - to include fine grading, backfilling, and topsoil as indicated on drawings, etc. to perform site work	LS	1	$ 20,000.00	$ 20,000.00
11		Permeable Concrete Paving - 6" depth, to include all necessary jointing and thickended edges, US Concrete Pervious Concrete per sheets LS102, LS401, LS502 (Ref. detail 4 on sheet LS502)	SF	25,581	$ 10.00	$ 255,810.00
12		**Standard Park Monument Sign preparation, pad and footings (sign provided by Owner)**	LS	1	$ 1,000.00	$ 1,000.00
13		12" Concrete Mow Curb (P7) - 12" width and 6" thickness per sheets LS102, LS401, LS502 (Ref. Detail 9 on sheet LS502)	LF	1,162	$ 25.00	$ 29,050.00
14		Playground Containment Curb (P8) - 12" Width and 10" thickness per sheets LS401, LS502 (Ref. Detail 5 on sheet LS502)	LF	66	$ 43.00	$ 2,838.00
15		**Accessible Barrier Free Ramp - Per sheets LS102, LS401, LS503 (Ref. Detail 3 on Sheet LS503)**	EA	4	$ 8,600.00	$ 34,400.00
16		Decomposed Granite - delivered and installed, includes weed barrier per sheets LP101, LP401, & LS502 (Ref. Detail 8 on Sheet LS502)	SF	390	$ 6.00	$ 2,340.00
17		**Soft Surface Trail (P3) - delivered and installed, includes geogrid, geotextile, etc. per sheets LS102 & LS503 (Ref. Detail 1 & 2 on Sheet LS503)**	SF	7,550	$ 5.60	$ 42,280.00
18		Stone Blocks - 72"L 24"W 24" HT, delivered and installed per sheets LS102 & LS503	EA	37	$ 1,500.00	$ 55,500.00
19		Playground Surface Prep, Base & Drainage System - Includes installation, drainage system, base materials, and misc. items per sheet LS401 & LS502	LS	1	$ 8,000.00	$ 8,000.00
20		Playground Safety Surfacing (Pour in Place) - include installation, base materials, and misc. items per sheet LS401 & LS502	SF	5,310	$ 41.00	$ 217,710.00
21		Playground Equipment - includes delivery, installation, footing and misc. items per sheet LS401	LS	1	$ 275,000.00	$ 275,000.00
22		Pavilion - includes renovation work consiting of demolition, structural reinforcement, architectural façade, roofing refurbishment, new guttering, Bar countertop, and other architectural details per sheets AD1.0, A1.0, A3.1, S1.0, S4.0, S5.0,LS504	LS	1	$ 45,000.00	$ 45,000.00
23		Bed Prep - per sheet LP101, LP401, LP501	SF	2,231	$ 7.00	$ 15,617.00
24		1 Gal. Ornamental Grass - (Includes 39 Little Bluestem, *Schizachyrium Scoparium*) delivered, planted, and guaranteed per sheets LP101, LP401, LP501	EA	39	$ 22.00	$ 858.00
25		3 Gal. Ornamental Grass - (Includes 18 Indiangrass, *Sorghastrum Nutans* & 7 Inland Sea Oats, *Chasmanthium Latifolium*) delivered, planted, and guaranteed per sheets LP101, LP401, LP501	EA	25	$ 43.00	$ 1,075.00

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

26		1 Gal. Shrubs - (Includes 341 SF Wood Fern, *Thelypteris Kunthii* , 77 SF Lance Leaf Coreopsis, *Coreopsis Lancelata,* 512 SF Scarlet Sage, *Salvia coccinea*)delivered, planted, and guaranteed per sheets LP101, LP401, LP501	SF	930	$ 14.50	$ 13,485.00
27		3 Gal. Shrubs - (Includes 21 Dwarf Palmetto, *Sabal Minor* , 10 Beautyberry, *Callicarpa Americana*)delivered, planted, and guaranteed per sheets LP101, LP401, LP501	EA	31	$ 55.00	$ 1,705.00
28		5 Gal. Shrubs - (Includes 4 Dwarf Wax Myrtle, *Myrica Cerifera* , 6 Turks Cap, *Malvaviscus Arboreus var. Drummondii* , & 10 Red Yucca, *Hesperaloe Parviflora*) delivered, planted, and guaranteed per sheets LP101, LP401, LP501	EA	20	$ 68.00	$ 1,360.00
29		Buffalo Sod - Per Sheet LP101, LP401, and Specifications	SF	31,972	$ 1.25	$ 39,965.00
30		2" Mulch - Per Sheet LP101 and Specifications	CY	15	$ 105.00	$ 1,575.00
31		Native American Seed Shade- Friendly Wildflower Mix - Hydroseed Applicataion, Per Sheet LP101,LP401,LP501 and Specifications	SF	36,938	$ 0.30	$ 11,081.40
32		Landscape Boulder - Salvaged and installed per Sheet LP101,LP401, LS502, and Specifications	LS	1	$ 26,000.00	$ 26,000.00
33		Colorado' River Rock - Delievered and installed, per Sheets LP101,LP401,LP501, and Specifications	SF	309	$ 16.00	$ 4,944.00
34		Irrigation System - Includes valves, main lines, drip, etc., per sheets LI101, LI102, LI103, and Specifications	LS	1	$ 20,000.00	$ 20,000.00
35		Irrigation Controler - Includes Motorola 12 Station AC Irrinet-M Pedestal Mount model per sheets LI101,LI103, and Specifications	LS	1	$ 20,000.00	$ 20,000.00
36		Cistern Havesting System - Delivered and installed per sheet LI102 and Specifications	LS	1	$ 72,000.00	$ 72,000.00
37		New Electric Service and Site Lighting System - includes concrete pad, mounting, weatherproof enclosure, panel boards, contractors, site lighting poles, pole foundations, pavilion light fixtures, mounting, and all conduit/wiring, etc., per sheet E-1 & E-2,S1.0 and Specifications	LS	1	$ 278,000.00	$ 278,000.00
38		Well Pump Refurbishment - Per Specifications	LS	1	$ 20,000.00	$ 20,000.00
39		Geogrid / geocells for Tree Root Protection - Per Sheet LS502 (Ref. Detail 4 on Sheet LS502) and Specifications	SF	**33,131**	$ 4.00	$ 132,524.00
40		Square Table - Per sheet LS102, LS401, LS501(Ref. Detail 1 on Sheet LS501),and Specifications	EA	4	$ 4,480.00	$ 17,920.00
41		Accessible Square Table - Per sheet LS102, LS401, LS501 (Ref. Detail 2 on Sheet LS501), and Specifications	EA	2	$ 3,880.00	$ 7,760.00
42		Picnic Table - Per Sheet LS102, LS401, LS501(Ref. Detail 3 on Sheet LS501), and Specifications	EA	2	$ 7,600.00	$ 15,200.00
43		Accessible Picnic Table - Per Sheet LS102, LS401, LS501, (Ref. Detail 4 on Sheet LS501)and Specifications	EA	1	$ 7,900.00	$ 7,900.00
44		Bar Stool Chair - Per Sheet LS102, LS401, LS501(Ref. Detail 5 on Sheet LS501) and Specifications	EA	6	$ 1,130.00	$ 6,780.00
45		6' Bench - Per Sheet LS102, LS401, LS501(Ref. Detail 6 on Sheet LS501), and Specifications	EA	3	$ 2,480.00	$ 7,440.00
46		Grill - Per Sheet LS102, LS401, LS502 (Ref. Detail 1 on Sheet LS502) and Specifications	EA	1	$ 697.00	$ 697.00
47		Dog Waste Station - Per Sheet LS102, LS401, LS502(Ref. Detail 2 on Sheet LS502) and Specifications	EA	2	$ 750.00	$ 1,500.00
48		Trash Receptacle - Per Sheets LS102, LS401, and Specifications	EA	6	$ 1,400.00	$ 8,400.00
49		Bike Rack - Per Sheets LS102, LS401, LS504 (Ref. Detail 1 on Sheet LS504) and Specifications	EA	8	$ 500.00	$ 4,000.00
50		Cast In Place Concrete Steps - Per Sheets LS102, LS401, LS504 (Ref. Detail 2 on Sheet LS501), and Specifications	SF	**172**	$ 75.00	$ 12,900.00
51		Color Conditioned Concrete Pedestrian Paving - 6" depth, to include all necessary jointing and thickened edges, and colored conditioned per sheets LS401, LS506, and Specifications	SF	2,759	$ 17.00	$ 46,903.00
52		Retaining Wall - Per Sheet LS401, LS502 (Ref. Detail 7 on Sheet LS502) LG3.1,LG3.2, and Specifications. Area is square footage of wall face.	SF	**590**	$ 169.00	$ 99,710.00
53		Concrete Drive And Parking Lot - Per Sheet LS102, LS401, City of Denton Standard Details and Specifications	SF	5,414	$ 11.40	$ 61,719.60
54		**Handrails (at ramps and stairs)- Per sheets LS401, LS503, LS504, and Specifications**	LF	**380**	$ 95.00	$ 36,100.00
55		ADA Parking Signage - Per sheets LS102 and Specifications	EA	1	$ 450.00	$ 450.00
56		Parking Lot Striping - Per Sheets LS102 and Specifications	LS	1	$ 2,200.00	$ 2,200.00
57		Storm Water Polution Prevention Plan and Implementation - Per Section 015713	LS	1	$ 1,500.00	$ 1,500.00
58		**Drainage Grate - Neenah Foundry- 20" x 24" Type A Grate, Product ID:R-4990-FX A (H20 load rating), or approved equal**	LS	1	$ 34,000.00	$ 34,000.00
				TOTAL BASE PROPOSAL:		**$2,534,877.00**

7985 Villages of Carmel Park Construction	**TOTAL PROPOSAL:**	**$2,534,877.00**

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

EXHIBIT G

INITIAL SCHEDULE OF VALUES

NONE

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

NORTHSTAR
CONSTRUCTION, LLC

EXHIBIT H

February 19, 2025

City of Denton
901-B Texas Street
Denton, Texas 76209

RE: CSP 7985 Villages of Carmel Park Construction
Written Plan to Achieve Substantial Completion

To whom it may concern,

Thank you for the opportunity for us to provide a proposal. Northstar is excited about the prospect of being involved with such an innovative project. We do see opportunities to value engineering some of the design to assist with completing this project within budget and on time. We have completed every single project in our history within the contract allotted time and we believe this project will be no different.

The project will rely on extensive coordination. We take pride in our experience and quality of work that can be verified with many of the cities and park departments across North Texas.

Our sequencing would begin with submittals, followed up by a site visit with the engineer and all parties involved. Tree preservation is of the upmost importance and evaluating the site prior to construction will be critical to accomplishing this.

Once construction begins (Phase 1), we will focus on tree protection, selective tree removal and underbrush pruning and clearing. Secondly, site demolition of debris would follow. The access to this core of this project is limited and will need to be focused on as early as possible to maintain the critical path to completion. Once the interior of the project has been completed, (barn, well repairs, playgrounds, walls decorative concrete and ramps) we would move onto Phase 2. Phase 2 would consist of constructing the amphitheater and permeable walking trails. Phase 3 would follow with irrigation, planting, and parking lot construction. Lastly, Phase 4 would be fine grading, grass establishment, and amenity installations.

I have also attached a baseline schedule which includes more details and key dates.

Thank you again for the opportunity to bid on such an exciting and innovating project.

Sincerely,

NORTHSTAR CONSTRUCTION, LLC

Michael A. Heimlich

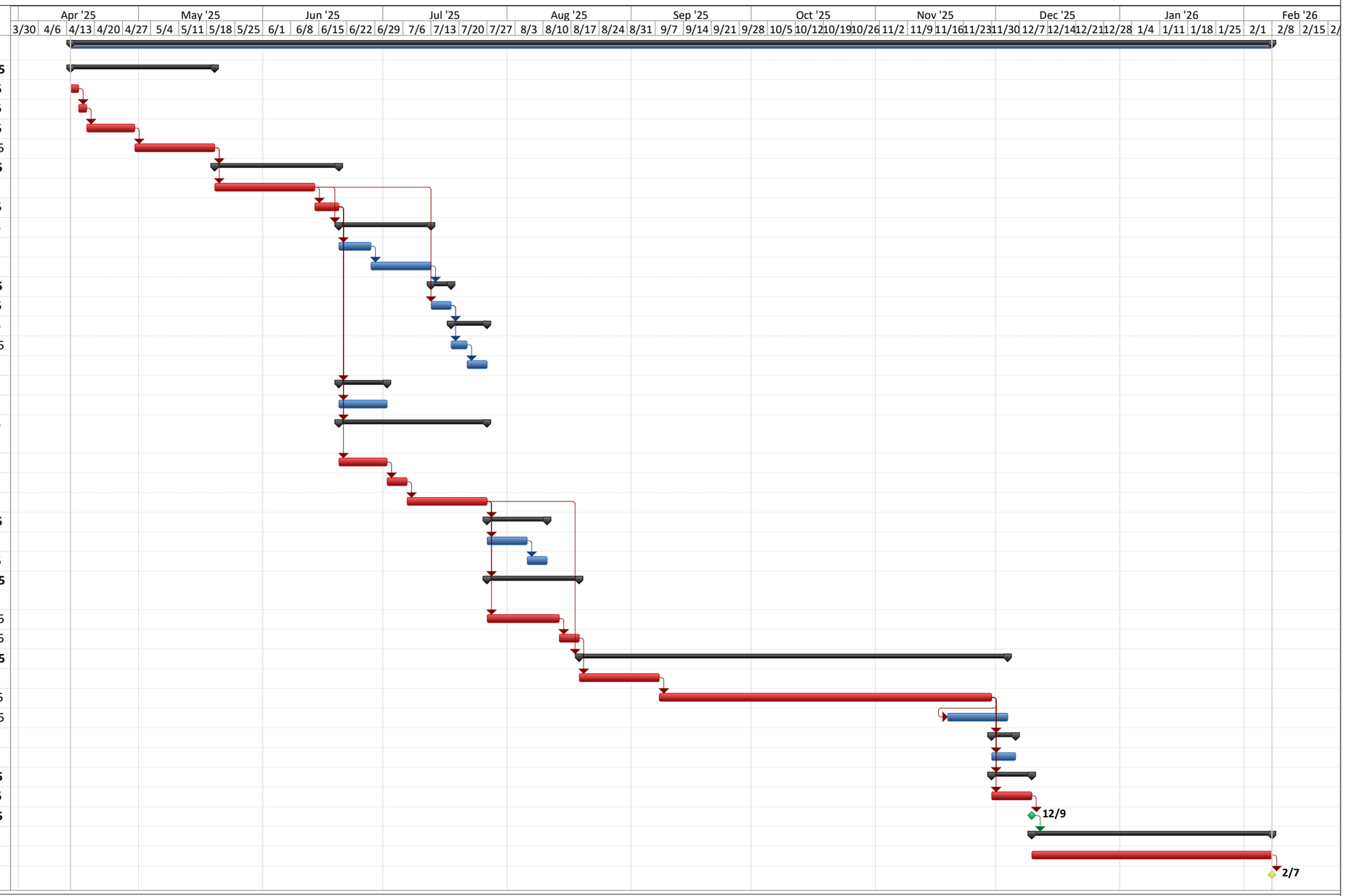
Michael A. Heimlich
President

EXHIBIT H

NORTHSTAR CONSTRUCTION, LLC

CITY OF DENTON
CSP 7985 VILLAGES OF CARMEL PARK

ID	Task Name	Duration	Start	Finish
1	**Villages of Carmel Property**	**300 days**	**Mon 4/14/25**	**Sat 2/7/26**
2	**Moblization, Demolition, Site Prep**	**36 days**	**Mon 4/14/25**	**Mon 5/19/25**
3	Mobilization	2 days	Mon 4/14/25	Tue 4/15/25
4	Erosion Control	2 days	Wed 4/16/25	Thu 4/17/25
5	Tree Protection/Prunning	12 days	Fri 4/18/25	Tue 4/29/25
6	Demolition/Tree Removal	20 days	Wed 4/30/25	Mon 5/19/25
7	**Grading & Drainage**	**31 days**	**Tue 5/20/25**	**Thu 6/19/25**
8	Earthwork	25 days	Tue 5/20/25	Fri 6/13/25
9	Drainage	6 days	Sat 6/14/25	Thu 6/19/25
10	**Pavilion Construction**	**23 days**	**Fri 6/20/25**	**Sat 7/12/25**
11	Removals/Salavage	8 days	Fri 6/20/25	Fri 6/27/25
12	Pavilion Construction	15 days	Sat 6/28/25	Sat 7/12/25
13	**Well Repair and Commisioning**	**5 days**	**Sun 7/13/25**	**Thu 7/17/25**
14	Well Construction	5 days	Sun 7/13/25	Thu 7/17/25
15	**Cistern/Pumps**	**9 days**	**Fri 7/18/25**	**Sat 7/26/25**
16	Cistern Pad	4 days	Fri 7/18/25	Mon 7/21/25
17	Cistern and Pumps Installation	5 days	Tue 7/22/25	Sat 7/26/25
18	**Electrical Underground**	**12 days**	**Fri 6/20/25**	**Tue 7/1/25**
19	Electrical Conduit (Underground)	12 days	Fri 6/20/25	Tue 7/1/25
20	**Playground Installation/Boulder Retaining Wall**	**37 days**	**Fri 6/20/25**	**Sat 7/26/25**
21	Boulder Retaining wall	12 days	Fri 6/20/25	Tue 7/1/25
22	Concrete Border	5 days	Wed 7/2/25	Sun 7/6/25
23	Playground Installation	20 days	Mon 7/7/25	Sat 7/26/25
24	**Amphitheater Construction**	**15 days**	**Sun 7/27/25**	**Sun 8/10/25**
25	Limestone Seating Wall	10 days	Sun 7/27/25	Tue 8/5/25
26	Decomposed Granite	5 days	Wed 8/6/25	Sun 8/10/25
27	**Concrete Retaining Walls, Stairs, Ramps, & Railings**	**23 days**	**Sun 7/27/25**	**Mon 8/18/25**
28	Concrete Retaining Wall	18 days	Sun 7/27/25	Wed 8/13/25
29	Stairs & ramps	5 days	Thu 8/14/25	Mon 8/18/25
30	**Flatwork & Decorative Surfaces**	**107 days**	**Tue 8/19/25**	**Wed 12/3/25**
31	Barn Slab	20 days	Tue 8/19/25	Sun 9/7/25
32	Permeable Concrete Trail	83 days	Mon 9/8/25	Sat 11/29/25
33	Concrete Parking Lot	15 days	Wed 11/19/25	Wed 12/3/25
34	**Site Furnishing**	**6 days**	**Sun 11/30/25**	**Fri 12/5/25**
35	Install Amenities	6 days	Sun 11/30/25	Fri 12/5/25
36	**Irrigation & Landscaping**	**10 days**	**Sun 11/30/25**	**Tue 12/9/25**
37	Irrigation & Landscaping	10 days	Sun 11/30/25	Tue 12/9/25
38	**Substaintial Completion**	**0 days**	**Tue 12/9/25**	**Tue 12/9/25**
39	**Punchlist/Final Acceptance**	**60 days**	**Wed 12/10/25**	**Sat 2/7/26**
40	Punchlist/Final Acceptance	60 days	Wed 12/10/25	Sat 2/7/26
41	**Final Acceptance Deadline**	0 days	Sat 2/7/26	Sat 2/7/26



Proposed Schedule- Carmel Park
Wed 1/29/25

Task	Summary	External Milestone	Inactive Summary	Manual Summary Rollup	Finish-only	Critical Split
Split	Project Summary	Inactive Task	Manual Task	Manual Summary	Deadline	Progress
Milestone	External Tasks	Inactive Milestone	Duration-only	Start-only	Critical	

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

EXHIBIT I

ESCROW AGREEMENT

NONE

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

EXHIBIT J

1 **SECTION 00 35 14**

2 CONFLICT OF INTEREST AFFIDAVIT - CSP

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.**

None

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 DocuSigned by: Northstar Construction, LLC
MIKE HELMICH
557B81DDBF3C419...
Signature of vendor doing business with the governmental entity

01/29/2025
Date

3 **END OF SECTION**

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

EXHIBIT K

SECTION 00 41 01

PROPOSAL FORM - CSP

TO: City of Denton
c/o: Purchasing Division
901-B Texas Street
Denton, Texas 76209

FOR: 7985 Villages of Camel Park Construction

1 Enter into Agreement

The undersigned Offeror proposes and agrees, if this Proposal is accepted, to enter into an Agreement with City in the form included in the Proposal Documents to perform and furnish all Work as specified or indicated in the Contract Documents for the Unit Price Proposal and within the Contract Time indicated in this Proposal and in accordance with the other terms and conditions of the Contract Documents.

2 OFFEROR Acknowledgements and Certification

2.1 In submitting this Proposal, Offeror accepts all of the terms and conditions of the INVITATION TO OFFORERS and INSTRUCTIONS TO OFFORERS, including without limitation those dealing with the disposition of Offeror's Bond.

2.2 Offeror is aware of all costs to provide the required insurance, will do so pending contract award, and will provide a valid insurance certificate meeting all requirements within 14 days of notification of award.

2.3 Offeror certifies that this Proposal is genuine and not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any collusive agreement or rules of any group, association, organization, or corporation.

2.4 Offeror has not directly or indirectly induced or solicited any other Offeror to submit a false or sham Proposal.

2.5 Offeror has not solicited or induced any individual or entity to refrain from proposing.

2.6 Offeror has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the Agreement. For the purposes of this Paragraph:

a. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the proposal process.

b. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the proposal process to the detriment of City (b) to establish proposal prices at artificial non-competitive levels, or (c) to deprive City of the benefits of free and open competition.

c. "collusive practice" means a scheme or arrangement between two or more Offerors, with or without the knowledge of City, a purpose of which is to establish proposal prices at artificial, non-competitive levels.

d. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the proposal process or affect the execution of the Contract.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

2.7 The Offeror acknowledges and agrees to comply with the requirements of City Ethics Ordinance No. 23-1165.

3 Time of Completion

3.1 The Work will be Substantially Complete as defined in the General Conditions within *240* Days after the date when the Contract Time commences to run, which is the day indicated in the Notice to Proceed, plus any extension thereof allowed in accordance with Article 11 of the General Conditions.

3.2 The Work will be complete for Final Acceptance within *300* Days after the date when the Contract Time commences to run, which is the day indicated in the Notice to Proceed, plus any extension thereof allowed in accordance with Article 8 of the General Conditions.

3.3 Offeror accepts the provisions of the Agreement as to Incentives as defined in the Supplementary Conditions, in the event of obtaining Substantial Completion prior to the Contract Time for Substantial Completion

3.4 Offeror accepts the provisions of the Agreement as to Liquidated Damages in the event of failure to obtain Milestones (if applicable), Substantial Completion, and Final Acceptance within the times specified in the Agreement.

4 Attached to this Proposal

4.1 The following documents are attached to and made a part of this Proposal:

a. Section 00 35 14 – Conflict of Interest Affidavit – CSP
b. Section 00 41 01 – This Proposal Form – CSP
c. <u>Section 00 42 44 – Unit Price Proposal Form – CSP – Excel Electronic Copy (either included in the hard copy Proposal, or submitted via Ionwave)</u>
d. Section 00 43 14 – Required Offeror's Bond – CSP, issued by a surety meeting the requirements of Paragraph 11.4 of the General Conditions.
e. Section 00 43 38 – Proposed Subcontractors Form – CSP
f. Section 00 43 39 – Vendor Compliance to State Law Non-Resident Offeror – CSP
g. Section 00 45 14 – Safety Record Questionnaire – CSP
h. Section 00 45 27 – Contractor Compliance with Workers Compensation Law – CSP
i. Section 00 45 44 – Corporate Resolution of Authorized Signatories – CSP
j. Any additional documents required by Paragraph 12 of Section 00 21 16 – Instructions to Offerors

5 Total Proposal Amount

5.1 Offeror will complete the Work in accordance with the Contract Documents for the following proposal amount. In the space provided below, please enter the total proposed amount for this project. This figure will be read publicly by the City at the proposal opening.

5.2 It is understood and agreed by the Offeror in signing this proposal that the total proposed amount entered below is subject to verification and/or modification by multiplying the unit prices for each pay item by the respective estimated quantities shown in this proposal and then totaling all of the extended amounts.

5.3 Evaluation of Alternate Proposal Items

Base Proposal Amount: $ 2,547,877.00

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Alternate 1 Proposal Amount (if any): $ 250,693.80
Alternate 2 Proposal Amount (if any): $ 175,230.00
Alternate 3 Proposal Amount (if any): $ 25,606.00
Alternate 4 Proposal Amount (if any): $ 97,760.00

Total Proposal Amount including ALT1 – ALT4: $ 3,097,166.80

6 Proposal Submittal

6.1 It is understood by Offeror that submission of the total proposal amount is only one of the factors for the City's evaluation process, and that any award of contract will be based on the complete evaluation of the Proposal and Offeror by City under the terms provided in the Instructions to Offerors or any validly issued amendments or addenda.

6.2 This Proposal is submitted on February 19, 2025 by the entity named below.

Respectfully submitted,

By: Michael A. Heimlich
(Signature)

Michael A. Heimlich
(Printed Name)

Title: President

Company: Northstar Construction, LLC

Address: 2112 Solona Street
Haltom City, TX 76117

State of Incorporation: _____

Email: mike@northstar93.com

Phone: (817) 244-8885

Receipt is acknowledged of the following Addenda:	Initial
Addenda No. 1:	MAH
Addenda No. 2:	MAH
Addenda No. 3:	MAH
Addenda No. 4:	
Addenda No. 5:	

END OF SECTION

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

BAFO PROPOSAL FORM ATTACHMENT

To: Erica Garcia
c/o: Purchasing Division
901-B Texas Street
Denton, Texas 76209

FOR: CSP 7985 – Villages of Carmel Park Construction

The undersigned Offeror hereby submits this Proposal Form Revision and Best and Final Offer (this "BAFO") for CSP 7985 – Villages of Carmel Park Construction and confirms that this BAFO Proposal is based on the project requirements per the CSP documents and any subsequent addenda.

1 Total BAFO Proposal Amount

1.1 Offeror will complete the Work in accordance with the Contract Documents for the following BAFO proposal amount. In the space provided below, please enter the total proposed BAFO amount for this project.

1.2 It is understood and agreed by the Offeror in signing this proposal that the total proposed BAFO amount entered below is subject to verification and/or modification by multiplying the unit prices for each pay item by the respective estimated quantities shown in this proposal and then totaling all of the extended amounts.

Total BAFO Proposal Amount: $ 2,534,877.00

2 BAFO Proposal Submittal

2.1 It is understood by Offeror that submission of the total BAFO proposal amount is only one of the factors for the City's evaluation process, and that any award of contract will be based on the complete evaluation of the Proposal and Offeror by City under the terms provided in the Instructions to Offerors or any validly issued amendments or addenda.

2.2 This BAFO Proposal is submitted on May 12, 20 25 by the entity named below.

Respectfully submitted,

By: Michael A. Heimlich
(Signature)

Michael A. Heimlich
(Printed Name)

Title: President

Company: Northstar Construction, LLC

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Address: 2112 Solona Street
Haltom City, TX 76117
State of Incorporation: Texas
Email: mike@northstar93.com
Phone: (817) 244-8885

END OF SECTION

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

"General Decision Number: TX20250016 03/07/2025

Superseded General Decision Number: TX20240016

State: Texas

Construction Type: Heavy

County: Denton County in Texas.

Heavy Construction, Including Treatment Plants (Does not include water/sewer lines)

Note: Contracts subject to the Davis-Bacon Act are generally required to pay at least the applicable minimum wage rate required under Executive Order 14026 or Executive Order 13658. Please note that these Executive Orders apply to covered contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but do not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(1).

If the contract is entered into on or after January 30, 2022, or the contract is renewed or extended (e.g., an option is exercised) on or after January 30, 2022:	. Executive Order 14026 generally applies to the contract. . The contractor must pay all covered workers at least $17.75 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in 2025.
If the contract was awarded on or between January 1, 2015 and January 29, 2022, and the contract is not renewed or extended on or after January 30, 2022:	. Executive Order 13658 generally applies to the contract. . The contractor must pay all covered workers at least $13.30 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on that contract in 2025.

The applicable Executive Order minimum wage rate will be adjusted annually. If this contract is covered by one of the Executive Orders and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must still submit a conformance request.

Additional information on contractor requirements and worker protections under the Executive Orders is available at http://www.dol.gov/whd/govcontracts.

Modification Number	Publication Date
0	01/03/2025
1	03/07/2025

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

ASBE0021-003 06/01/2023

	Rates	Fringes
ASBESTOS WORKER/HEAT & FROST INSULATOR (Includes application of all insulating materials, protective coverings, coatings, and finishings to all types of mechanical systems)	$ 31.32	7.52

---

* ELEC0020-004 12/01/2024

	Rates	Fringes
Electricians:		
Cable Splicer	$ 29.81	8.84
Electrician	$ 38.95	11.56

---

* ELEC0220-001 06/02/2024

	Rates	Fringes
Line Construction:		
CABLE SPLICERS	$ 17.12 **	14.5%+3.75
EQUIPMENT OPERATORS	$ 25.83	20.50%+7.75
GROUNDMAN	$ 19.28	4.5%+7.80
LINEMAN	$ 41.31	20.5%+7.25
TRUCK DRIVER	$ 23.14	9.5%+7.25

ENGI0178-001 06/01/2020

	Rates	Fringes
Cranes:		
Hydraulic Crane (35 ton & under)	$ 32.35	13.10
Hydraulic over 35 tons,Derricks, Overhead Gentry,Stiffleg,Tower,etc., and Cranes with Piledriving or Caisson attachements	$ 32.60	13.10

IRON0263-010 06/01/2024

	Rates	Fringes
Ironworkers:		
Reinforcing & Structural	$ 28.64	7.93

PLUM0100-002 11/01/2024

	Rates	Fringes
Plumbers and Pipefitters	$ 39.76	14.04

SHEE0068-002 11/01/2012

	Rates	Fringes
Sheet metal worker	$ 27.64	8.84

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

* SUTX1990-039 08/01/1990

	Rates	Fringes
CARPENTER	$ 10.536 **	
Concrete Finisher	$ 9.603 **	
Form Builder	$ 8.036 **	
Form Setter	$ 9.578 **	
Laborers:		
Common	$ 7.25 **	
Utility	$ 7.25 **	
Pipelayer	$ 7.961 **	
Power equipment operators:		
Backhoe	$ 10.971 **	
Bulldozer	$ 9.942 **	
Front end loader	$ 10.771 **	
Mechanic	$ 9.88 **	
Motor Grader	$ 11.633 **	
Oiler	$ 9.183 **	
Scraper	$ 8.00 **	
TRUCK DRIVER	$ 7.465 **	

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

==========

** Workers in this classification may be entitled to a higher minimum wage under Executive Order 14026 ($17.75) or 13658 ($13.30). Please see the Note at the top of the wage determination for more information. Please also note that the minimum wage requirements of Executive Order 14026 are not currently being enforced as to any contract or subcontract to which the states of Texas, Louisiana, or Mississippi, including their agencies, are a party.

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at https://www.dol.gov/agencies/whd/government-contracts.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (iii)).

The body of each wage determination lists the classifications and wage rates that have been found to be prevailing for the type(s) of construction and geographic area covered by the wage determination. The classifications are listed in alphabetical order under rate identifiers indicating whether the particular rate is a union rate (current union negotiated rate), a survey rate, a weighted union average rate, a state adopted rate, or a supplemental classification rate.

Union Rate Identifiers

A four-letter identifier beginning with characters other than ""SU"", ""UAVG"", ?SA?, or ?SC? denotes that a union rate was prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2024. PLUM is an identifier of the union whose collectively bargained rate prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. The date, 07/01/2024 in the example, is the effective date of the most current negotiated rate.

Union prevailing wage rates are updated to reflect all changes over time that are reported to WHD in the rates in the collective bargaining agreement (CBA) governing the classification.

Union Average Rate Identifiers

The UAVG identifier indicates that no single rate prevailed for those classifications, but that 100% of the data reported for the classifications reflected union rates. EXAMPLE: UAVG-OH-0010 01/01/2024. UAVG indicates that the rate is a weighted union average rate. OH indicates the State of Ohio. The next number, 0010 in the example, is an internal number used in producing the wage determination. The date, 01/01/2024 in the example, indicates the date the wage determination was updated to reflect the most current union average rate.

A UAVG rate will be updated once a year, usually in January, to reflect a weighted average of the current rates in the collective bargaining agreements on which the rate is based.

Survey Rate Identifiers

The ""SU"" identifier indicates that either a single non-union rate prevailed (as defined in 29 CFR 1.2) for this classification in the survey or that the rate was derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As a weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SUFL2022-007 6/27/2024. SU indicates the rate is a single non-union prevailing rate or a weighted average of survey data for that classification. FL indicates the State of Florida. 2022 is the year of the survey on which these classifications and rates are based. The next number, 007 in the example, is an internal

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

number used in producing the wage determination. The date, 6/27/2024 in the example, indicates the survey completion date for the classifications and rates under that identifier.

?SU? wage rates typically remain in effect until a new survey is conducted. However, the Wage and Hour Division (WHD) has the discretion to update such rates under 29 CFR 1.6(c)(1).

State Adopted Rate Identifiers

The ""SA"" identifier indicates that the classifications and prevailing wage rates set by a state (or local) government were adopted under 29 C.F.R 1.3(g)-(h). Example: SAME2023-007 01/03/2024. SA reflects that the rates are state adopted. ME refers to the State of Maine. 2023 is the year during which the state completed the survey on which the listed classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. The date, 01/03/2024 in the example, reflects the date on which the classifications and rates under the ?SA? identifier took effect under state law in the state from which the rates were adopted.

WAGE DETERMINATION APPEALS PROCESS

1) Has there been an initial decision in the matter? This can be:

a) a survey underlying a wage determination
b) an existing published wage determination
c) an initial WHD letter setting forth a position on a wage determination matter
d) an initial conformance (additional classification and rate) determination

On survey related matters, initial contact, including requests for summaries of surveys, should be directed to the WHD Branch of Wage Surveys. Requests can be submitted via email to davisbaconinfo@dol.gov or by mail to:

Branch of Wage Surveys
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

Regarding any other wage determination matter such as conformance decisions, requests for initial decisions should be directed to the WHD Branch of Construction Wage Determinations. Requests can be submitted via email to BCWD-Office@dol.gov or by mail to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2) If an initial decision has been issued, then any interested party (those affected by the action) that disagrees with the decision can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Requests for review and reconsideration can be submitted via

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

email to dba.reconsideration@dol.gov or by mail to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210.

==========

END OF GENERAL DECISION"

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

"General Decision Number: TX20250025 01/03/2025

Superseded General Decision Number: TX20240025

State: Texas

Construction Type: Highway

Counties: Archer, Callahan, Clay, Collin, Dallas, Delta, Denton, Ellis, Grayson, Hunt, Johnson, Jones, Kaufman, Parker, Rockwall, Tarrant and Wise Counties in Texas.

HIGHWAY CONSTRUCTION PROJECTS (excluding tunnels, building structures in rest area projects & railroad construction; bascule, suspension & spandrel arch bridges designed for commercial navigation, bridges involving marine construction; and other major bridges).

Note: Contracts subject to the Davis-Bacon Act are generally required to pay at least the applicable minimum wage rate required under Executive Order 14026 or Executive Order 13658. Please note that these Executive Orders apply to covered contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but do not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(1).

If the contract is entered into on or after January 30, 2022, or the contract is renewed or extended (e.g., an option is exercised) on or after January 30, 2022:	. Executive Order 14026 generally applies to the contract. . The contractor must pay all covered workers at least $17.75 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in 2025.
If the contract was awarded on or between January 1, 2015 and January 29, 2022, and the contract is not renewed or extended on or after January 30, 2022:	. Executive Order 13658 generally applies to the contract. . The contractor must pay all covered workers at least $13.30 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on that contract in 2025.

The applicable Executive Order minimum wage rate will be adjusted annually. If this contract is covered by one of the Executive Orders and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must still submit a conformance request.

Additional information on contractor requirements and worker protections under the Executive Orders is available at

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

http://www.dol.gov/whd/govcontracts.

Modification Number	Publication Date
0	01/03/2025

SUTX2011-007 08/03/2011

	Rates	Fringes
CONCRETE FINISHER (Paving and Structures)	$ 14.12 **	
ELECTRICIAN	$ 19.80	
FORM BUILDER/FORM SETTER		
Paving & Curb	$ 13.16 **	
Structures	$ 13.84 **	
LABORER		
Asphalt Raker	$ 12.69 **	
Flagger	$ 10.06 **	
Laborer, Common	$ 10.72 **	
Laborer, Utility	$ 12.32 **	
Pipelayer	$ 13.24 **	
Work Zone Barricade Servicer	$ 11.68 **	
POWER EQUIPMENT OPERATOR:		
Asphalt Distributor	$ 15.32 **	
Asphalt Paving Machine	$ 13.99 **	
Broom or Sweeper	$ 11.74 **	
Concrete Pavement Finishing Machine	$ 16.05 **	
Concrete Saw	$ 14.48 **	
Crane Operator, Lattice Boom 80 Tons or Less	$ 17.27 **	
Crane Operator, Lattice Boom over 80 Tons	$ 20.52	
Crane, Hydraulic 80 Tons or Less	$ 18.12	
Crawler Tractor	$ 14.07 **	
Excavator, 50,000 pounds or less	$ 17.19 **	
Excavator, over 50,000 pounds	$ 16.99 **	
Foundation Drill , Truck Mounted	$ 21.07	
Foundation Drill, Crawler Mounted	$ 17.99	
Front End Loader 3 CY or Less	$ 13.69 **	
Front End Loader, over 3 CY	$ 14.72 **	
Loader/Backhoe	$ 15.18 **	
Mechanic	$ 17.68 **	
Milling Machine	$ 14.32 **	
Motor Grader, Fine Grade	$ 17.19 **	
Motor Grader, Rough	$ 16.02 **	
Pavement Marking Machine	$ 13.63 **	
Reclaimer/Pulverizer	$ 11.01 **	
Roller, Asphalt	$ 13.08 **	
Roller, Other	$ 11.51 **	
Scraper	$ 12.96 **	
Small Slipform Machine	$ 15.96 **	
Spreader Box	$ 14.73 **	

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

Servicer.....$ 14.58 **

Steel Worker (Reinforcing).....$ 16.18 **

TRUCK DRIVER
Lowboy-Float.....$ 16.24 **
Off Road Hauler.....$ 12.25 **
Single Axle.....$ 12.31 **
Single or Tandem Axle Dump Truck.....$ 12.62 **
Tandem Axle Tractor with Semi Trailer.....$ 12.86 **
Transit-Mix.....$ 14.14 **

WELDER.....$ 14.84 **

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

==========

** Workers in this classification may be entitled to a higher minimum wage under Executive Order 14026 ($17.75) or 13658 ($13.30). Please see the Note at the top of the wage determination for more information. Please also note that the minimum wage requirements of Executive Order 14026 are not currently being enforced as to any contract or subcontract to which the states of Texas, Louisiana, or Mississippi, including their agencies, are a party.

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at https://www.dol.gov/agencies/whd/government-contracts.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (iii)).

The body of each wage determination lists the classifications and wage rates that have been found to be prevailing for the type(s) of construction and geographic area covered by the wage determination. The classifications are listed in alphabetical order under rate identifiers indicating whether the particular rate is a union rate (current union negotiated rate), a survey

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

rate, a weighted union average rate, a state adopted rate, or a supplemental classification rate.

Union Rate Identifiers

A four-letter identifier beginning with characters other than ""SU"", ""UAVG"", ?SA?, or ?SC? denotes that a union rate was prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2024. PLUM is an identifier of the union whose collectively bargained rate prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. The date, 07/01/2024 in the example, is the effective date of the most current negotiated rate.

Union prevailing wage rates are updated to reflect all changes over time that are reported to WHD in the rates in the collective bargaining agreement (CBA) governing the classification.

Union Average Rate Identifiers

The UAVG identifier indicates that no single rate prevailed for those classifications, but that 100% of the data reported for the classifications reflected union rates. EXAMPLE: UAVG-OH-0010 01/01/2024. UAVG indicates that the rate is a weighted union average rate. OH indicates the State of Ohio. The next number, 0010 in the example, is an internal number used in producing the wage determination. The date, 01/01/2024 in the example, indicates the date the wage determination was updated to reflect the most current union average rate.

A UAVG rate will be updated once a year, usually in January, to reflect a weighted average of the current rates in the collective bargaining agreements on which the rate is based.

Survey Rate Identifiers

The ""SU"" identifier indicates that either a single non-union rate prevailed (as defined in 29 CFR 1.2) for this classification in the survey or that the rate was derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As a weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SUFL2022-007 6/27/2024. SU indicates the rate is a single non-union prevailing rate or a weighted average of survey data for that classification. FL indicates the State of Florida. 2022 is the year of the survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. The date, 6/27/2024 in the example, indicates the survey completion date for the classifications and rates under that identifier.

?SU? wage rates typically remain in effect until a new survey is conducted. However, the Wage and Hour Division (WHD) has the discretion to update such rates under 29 CFR 1.6(c)(1).

State Adopted Rate Identifiers

The ""SA"" identifier indicates that the classifications and prevailing wage rates set by a state (or local) government were

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

adopted under 29 C.F.R 1.3(g)-(h). Example: SAME2023-007 01/03/2024. SA reflects that the rates are state adopted. ME refers to the State of Maine. 2023 is the year during which the state completed the survey on which the listed classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. The date, 01/03/2024 in the example, reflects the date on which the classifications and rates under the ?SA? identifier took effect under state law in the state from which the rates were adopted.

WAGE DETERMINATION APPEALS PROCESS

1) Has there been an initial decision in the matter? This can be:

a) a survey underlying a wage determination
b) an existing published wage determination
c) an initial WHD letter setting forth a position on a wage determination matter
d) an initial conformance (additional classification and rate) determination

On survey related matters, initial contact, including requests for summaries of surveys, should be directed to the WHD Branch of Wage Surveys. Requests can be submitted via email to davisbaconinfo@dol.gov or by mail to:

Branch of Wage Surveys
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

Regarding any other wage determination matter such as conformance decisions, requests for initial decisions should be directed to the WHD Branch of Construction Wage Determinations. Requests can be submitted via email to BCWD-Office@dol.gov or by mail to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2) If an initial decision has been issued, then any interested party (those affected by the action) that disagrees with the decision can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Requests for review and reconsideration can be submitted via email to dba.reconsideration@dol.gov or by mail to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

Docusign Envelope ID: D61E662E-F645-4551-BAC5-F4E0B594C80A

3) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210.

==========

END OF GENERAL DECISION"

Certificate Of Completion

Envelope Id: D61E662E-F645-4551-BAC5-F4E0B594C80A
Status: Sent
Subject: Please DocuSign: City Council Contract 7985 Villages of Carmel Park Construction
Source Envelope:
Document Pages: 206
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Erica Garcia
901B Texas Street
Denton, TX 76209
erica.garcia@cityofdenton.com
IP Address: 198.49.140.10

Record Tracking

Status: Original
5/30/2025 2:10:02 PM
Holder: Erica Garcia
erica.garcia@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Erica Garcia erica.garcia@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: 5/30/2025 2:21:05 PM Viewed: 5/30/2025 2:21:14 PM Signed: 5/30/2025 2:21:45 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: 5/30/2025 2:21:49 PM Viewed: 5/30/2025 2:32:14 PM Signed: 5/30/2025 2:45:09 PM
Marcella Lunn marcella.lunn@cityofdenton.com Senior Deputy City Attorney 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: 5/30/2025 2:45:13 PM Viewed: 6/2/2025 11:46:07 AM Signed: 6/2/2025 11:51:04 AM
MIKE HEIMLICH mike@northstar93.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 6/2/2025 12:07:10 PM ID: 523f976c-92bc-4d43-86fa-ee62ad2d1dd6	 Signature Adoption: Pre-selected Style Using IP Address: 96.40.55.182	Sent: 6/2/2025 11:51:08 AM Viewed: 6/2/2025 12:07:10 PM Signed: 6/2/2025 12:18:19 PM

Signer Events	Signature	Timestamp
Gary Packan Gary.Packan@cityofdenton.com Director of Parks and Recreation Parks and Recreation Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 6/11/2025 12:43:05 PM ID: bb7fbc73-9c94-4a62-a1c6-dc31ba0d9708	Signed by: Gary Packan AC6AE9F7A4264A9... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 6/2/2025 12:18:22 PM Viewed: 6/11/2025 12:43:05 PM Signed: 6/11/2025 12:43:19 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: 6/11/2025 12:43:23 PM
Sara Hensley sara.hensley@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Lauren Thoden lauren.thoden@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: 5/30/2025 2:21:49 PM
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None)	COPIED	Sent: 6/11/2025 12:43:23 PM Viewed: 6/16/2025 9:51:32 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		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/30/2025 2:21:05 PM
Envelope Updated	Security Checked	5/30/2025 2:23:14 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.

File #: ID 25-1193, **Version:** 1

AGENDA CAPTION

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive statements of qualifications under RFQ 8664 for a Pre-Qualified Professional List for Events, League, and Award Shirts for the Parks and Recreation Department; and providing an effective date (RFQ 8664).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: July 15, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive statements of qualifications under RFQ 8664 for a Pre-Qualified Professional List for Events, League, and Award Shirts for the Parks and Recreation Department; and providing an effective date (RFQ 8664).

INFORMATION/BACKGROUND

The City of Denton conducted a Request for Qualifications (RFQ) to request qualifications from multiple vendors to create a pre-qualified list of vendors for the supply, printing, graphic design service, and delivery of shirts and jerseys for the athletic leagues and special events for the Parks and Recreation Department. An RFQ was placed on the procurement's solicitation website for prospective suppliers to review and submit their qualifications.

After evaluating submissions from two vendors, Parks and Recreation Department (PARD) staff determined that rather than maintaining a pre-qualified vendor list, it would be more effective to contract with a single vendor. As a result, PARD has chosen to utilize an existing cooperative contract with a local vendor capable of meeting the department's service needs.

In accordance with the Local Government Code 252.043, the City Council may reject any and all proposals.

RECOMMENDATION

Staff recommends the rejection of all responses for RFQ 8664 for a Pre-Qualified Professional List for Events, League, and Award Shirts for the Parks and Recreation Department.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Jason Barrow, 940-349-7218.

Legal point of contact: Marcella Lunn at 940-349-8333.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, REJECTING ANY AND ALL COMPETITIVE STATEMENTS OF QUALIFICATIONS UNDER RFQ 8664 FOR A PRE-QUALIFIED PROFESSIONAL LIST FOR EVENTS, LEAGUE, AND AWARD SHIRTS FOR THE PARKS AND RECREATION DEPARTMENT; AND PROVIDING AN EFFECTIVE DATE (RFQ 8664).

WHEREAS, the City has solicited, received, and tabulated competitive proposals for professional services for a Pre-Qualification Professional List for Events, League, and Award Shirts for the Parks and Recreation Department (RFQ 8664) in accordance with the procedures of state laws and city ordinances; and

WHEREAS, the City Council has determined that it is in the best interest of the City that the herein described proposals should be rejected; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The following competitive proposals, as described in the "Request for Qualifications", "Bid Proposals" or plans and specifications on file in the Office of the City's Purchasing Agent filed according to the bid number assigned herein (RFQ 8664 - Pre-Qualified Professional List for Events, League, and Award Shirts for the Parks and Recreation Department) are hereby rejected.

SECTION 2. The City Manager, or their designee, is hereby authorized to execute all necessary documents for the rejection of said proposals. The City Manager, or their designee, is hereby authorized, in their discretion, to re-advertise to receive competitive bids, or proceed otherwise, to procure goods and services described in RFQ 8664.

SECTION 3. 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 the RFQ 8664 to the City Manager of the City of Denton, or their designee.

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 _____. This ordinance was passed and approved by the following vote [___ - ___]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

Scott Bray
Deputy City Attorney

File #: ID 25-1194, **Version:** 1

AGENDA CAPTION

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive proposals under RFP 8736 for Putting and Chipping Green Replacement for the Parks and Recreation Department; and providing an effective date (RFP 8736).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: July 15, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive proposals under RFP 8736 for Putting and Chipping Green Replacement for the Parks and Recreation Department; and providing an effective date (RFP 8736).

INFORMATION/BACKGROUND

The City of Denton conducted a Request for Proposal (RFP) to request proposals from multiple vendors to replace the existing turf on the putting and chipping greens for the North Lakes Driving Range. As outlined in the June 17, 2025, budget work session, the City of Denton is projecting a General Fund budget deficit in the current and upcoming fiscal year. Due to this projection, a change in organizational priorities and a reduction in discretionary spending are necessary. This project is being paused temporarily and will be re-evaluated at a later date.

In accordance with the Local Government Code 252.043, the City Council may reject any and all proposals.

RECOMMENDATION

Staff recommends the rejection of all responses for RFP 8736 for Putting and Chipping Green Replacement for the Parks and Recreation Department.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Jason Barrow, 940-349-7218.

Legal point of contact: Marcella Lunn at 940-349-8333.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, REJECTING ANY AND ALL COMPETITIVE PROPOSALS UNDER RFP 8736 FOR PUTTING AND CHIPPING GREEN REPLACEMENT FOR THE PARKS AND RECREATION DEPARTMENT; AND PROVIDING AN EFFECTIVE DATE (RFP 8736).

WHEREAS, the City has solicited, received, and tabulated competitive proposals to evaluate Putting and Chipping Green Replacement for the Parks and Recreation Department (RFP 8736) in accordance with the procedures of state laws and the City's ordinances; and

WHEREAS, the City staff recommends, and the City Council has determined, that it is in the best interest of the City that the herein described proposals should be rejected; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. All competitive proposals, as described in the "Request for Proposal", "Bid Proposals", or plans and specifications on file in the Office of the City's Purchasing Agent filed according to the bid number assigned herein (RFP 8736 – Putting and Chipping Green Replacement for the Parks and Recreation Department) are hereby rejected.

SECTION 2. The City Manager, or their designee, is hereby authorized to execute all necessary documents for the rejection of said proposals. The City Manager, or their designee, is hereby authorized, in their discretion, to re-advertise to receive competitive bids, or proceed otherwise, to procure goods and services described in RFP 8736.

SECTION 3. 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 the RFP 8736 to reject said proposals to the City Manager, or their designee.

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 _____. This ordinance was passed and approved by the following vote [___ - ___]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

Scott Bray
Deputy City Attorney

File #: ID 25-1195, **Version:** 1

AGENDA CAPTION

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 Freedom Commercial Services, LLC, for abatement of private property nuisances not abated by property owners for the Community Improvement Services Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8796 - awarded to Freedom Commercial Services, 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 $687,500.00).

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: July 15, 2025

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 Freedom Commercial Services, LLC, for abatement of private property nuisances not abated by property owners for the Community Improvement Services Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8796 – awarded to Freedom Commercial Services, 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 $687,500.00).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Support Healthy and Safe Communities.

INFORMATION/BACKGROUND

The City of Denton Community Improvement Services Division is authorized by law to abate private property nuisance violations not abated by property owners. The contractor selected in the recent bid process was Freedom Commercial Services, LLC. Per City Code, Freedom Commercial Services, LLC, will mow, weed eat, and edge parcels with grass and weeds growing in excess of 12 inches, remove trash and debris from parcels, secure vacant and open structures, and abate other property maintenance violations as permitted by code. The services outlined in this contract are not performed on an established cyclical basis but rather on an as-needed basis. The contractor may also provide property nuisance abatement support to other departments.

Estimated Contract Expenses

Category	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
Abatement Services	$125,000	$125,000	$125,000	$125,000	$125,000	$625,000
Contingency	12,500	12,500	12,500	12,500	12,500	62,500
Total	**$137,500**	**$137,500**	**$137,500**	**$137,500**	**$137,500**	**$687,500**

Request for Proposals was sent to 956 prospective suppliers, including 53 Denton firms. In addition, specifications were placed on the Procurement website for prospective suppliers to download and advertised in the local newspaper. Five (5) proposals were received, references were checked, and proposals were evaluated based upon published criteria including price, schedule, compliance with specifications, and probable performance. Best and Final Offers (BAFO) were requested from the top firm. Based upon this

evaluation, Freedom Commercial Services, LLC was ranked the highest and determined to be the best value for the City.

NIGP Code Used for Solicitation:	**909**-(Service Only)-Building Construction Services, New (Incl Maintenance & Repair Services) & **958**-(Service Only)-Management Services
Notifications sent for Solicitation sent in IonWave:	956
Number of Suppliers that viewed Solicitation in IonWave:	20
HUB-Historically Underutilized Business Invitations sent out:	149
SBE-Small Business Enterprise Invitations sent out:	357
Responses from Solicitation:	5

Below is the information Freedom Commercial Services, LLC provided regarding the wages they pay their employees who will be assigned to the City's contract.

Position Description	Number of Assigned Employees	Hourly Rate of Assigned Employees
Team Lead	3	$18.57
General Laborer	15-20	$14.00

RECOMMENDATION

Award a contract with Freedom Commercial Services, LLC, for abatement of private property nuisances not abated by property owners for the Community Improvement Services, in a 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 $687,500.

PRINCIPAL PLACE OF BUSINESS

Freedom Commercial Services, LLC
Denton, TX

ESTIMATED SCHEDULE OF PROJECT

This is an initial 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 services will be funded through the Community Improvement Services department's account 330001.7879. Requisitions will be entered on an as-needed basis. The annual budgeted amount for this item is $137,500. The City will only pay for services rendered and is not obligated to pay the full contract amount unless needed.

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: Joshua Ellison, 940-349-7433.

Legal point of contact: Marcella Lunn at 940-349-8333.

Exhibit 2
RFP 8796 - Pricing Evaluation for Property Nuisance Abatement

				Respondent's Business Name:	**Freedom Commercial Services LLC**		Texas Pipeline Services		Ferrer and Sons LLC		Waste Solutions USA LLC		Services Unlimited (Ed Hajek Inc.)	
				Principal Place of Business (City and State):	**Denton, TX**		Midland, TX		Plano, TX		Waller, TX		Fort Worth, TX	
Line #	**Description**	**QTY**	**UOM**		**Unit**	**Extended**	**Unit**	**Extended**	**Unit**	**Extended**	**Unit**	**Extended**	**Unit**	**Extended**
1	**Services Proposal Pricing for Private Property Maintenance Services**													
2	Minimum Work Order Cost	30	EA		**$85.00**	**$2,550.00**	$200.00	$6,000.00	$175.00	$5,250.00	$7,000.00	$210,000.00	$600.00	$18,000.00
3	**Mowing of Parcels (Price per lot, including obvious accumulations of trash, debris, or litter)**													
4	Parcels of land up to 10,000 square feet	10	EA		**$85.00**	**$850.00**	$75.00	$750.00	$325.00	$3,250.00	$200.00	$2,000.00	$600.00	$6,000.00
5	Parcels of land up to 10,001 to 20,000 square feet	1	EA		**$90.00**	**$90.00**	$150.00	$150.00	$395.00	$395.00	$300.00	$300.00	$750.00	$750.00
6	Parcels of land up to 20,001 to 30,000 square feet	1	EA		**$95.00**	**$95.00**	$200.00	$200.00	$475.00	$475.00	$400.00	$400.00	$1,000.00	$1,000.00
7	Parcels of land up to 30,001 to 43,560 square feet	1	EA		**$100.00**	**$100.00**	$225.00	$225.00	$550.00	$550.00	$500.00	$500.00	$1,250.00	$1,250.00
8	Parcels of land greater than one acre	1	EA		**$105.00**	**$105.00**	$225.00	$225.00	$550.00	$550.00	$600.00	$600.00	$1,500.00	$1,500.00
9	**Trash and Debris Removal**													
10	Trash and debris removal. Include all collection and hauling costs.	50	EA		**$38.00**	**$1,900.00**	$75.00	$3,750.00	$85.00	$4,250.00	$85.00	$4,250.00	$250.00	$12,500.00
11	Trash and debris removal. Include all collection and hauling costs.	1	EA		**$38.00**	**$38.00**	$85.00	$85.00	$85.00	$85.00	$30.00	$30.00	$500.00	$500.00
12	**Securing Open and Vacant Structures**													
13	Cost of material and labor per single window opening	5	EA		**$85.00**	**$425.00**	$65.00	$325.00	$175.00	$875.00	$100.00	$500.00	$540.00	$2,700.00
14	Cost of material and labor per double window opening	1	EA		**$85.00**	**$85.00**	$75.00	$75.00	$300.00	$300.00	$100.00	$100.00	$720.00	$720.00
15	Cost of material and labor per single door opening	5	EA		**$85.00**	**$425.00**	$85.00	$425.00	$325.00	$1,625.00	$100.00	$500.00	$655.00	$3,275.00
16	Cost of material and labor per double door opening	1	EA		**$170.00**	**$170.00**	$100.00	$100.00	$425.00	$425.00	$100.00	$100.00	$875.00	$875.00
17	Cost of material and labor per overhead garage door opening	1	EA		**$340.00**	**$340.00**	$400.00	$400.00	$625.00	$625.00	$100.00	$100.00	$1,305.00	$1,305.00
18	Cost of material and labor per extra large opening that requires additional labor and materials to secure.	1	EA		**$340.00**	**$340.00**	$400.00	$400.00	$795.00	$795.00	$150.00	$150.00	$2,500.00	$2,500.00
19	**Miscellaneous Costs**													
20	Hourly rate for weed eating for the parcels that cannot be mowed by lawnmower or tractor.	1	HR		**$25.00**	**$25.00**	$75.00	$75.00	$100.00	$100.00	$20.00	$20.00	$150.00	$150.00
21	Hourly rate for string trimming, when needed.	1	HR		**$25.00**	**$25.00**	$50.00	$50.00	$90.00	$90.00	$20.00	$20.00	$150.00	$150.00
22	Hourly rate for edging, when needed.	1	HR		**$25.00**	**$25.00**	$50.00	$50.00	$90.00	$90.00	$20.00	$20.00	$150.00	$150.00
23	Cost added to above-listed mowing pricing for lots with grass and weeds in excess of 3'	1	HR		**$25.00**	**$25.00**	$25.00	$25.00	$100.00	$100.00	$20.00	$20.00	$150.00	$150.00
24	Cost to fully demolish to grade a single family residential property per Square Foot (Bids will be requested for all demolition work orders prior to any work being completed)	1	HR		**$25.27**	**$25.27**	$12.00	$12.00	$9.00	$9.00	$250.00	$250.00	$30.00	$30.00

Evaluation

Item #	**Standard Criteria**	**Freedom Commercial Services LLC**	Texas Pipeline Services	Ferrer and Sons LLC	Waste Solutions USA LLC	Services Unlimited (Ed Hajek Inc.)
1	Delivery/Project Schedule - 10%	**8.00**	5.33	6.00	6.67	5.33
2	Compliance with Specifications - 10%	**8.67**	6.00	5.33	6.00	5.33
3	Probable Performance - 30%	**28.00**	18.00	18.00	18.00	14.00
4	Price, Total Cost of Ownership - 50%	**50.00**	28.67	19.25	7.14	7.14
	Total Score:	**94.67**	58.00	48.58	37.81	31.80

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH FREEDOM COMMERCIAL SERVICES, LLC, FOR ABATEMENT OF PRIVATE PROPERTY NUISANCES NOT ABATED BY PROPERTY OWNERS FOR THE COMMUNITY IMPROVEMENT SERVICES DEPARTMENT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFP 8796 – AWARDED TO FREEDOM COMMERCIAL SERVICES, 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 $687,500.00).

WHEREAS, the City has solicited, received, and evaluated competitive proposals for abatement of private property nuisances not abated by property owners for the Community Improvement Services 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
8796	Freedom Commercial Services, LLC	$687,500.00

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 _____. This ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____



Scott Bray
Deputy City Attorney

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

Docusign City Council Transmittal Coversheet

RFP	8796
File Name	Property nuisance abatement
Purchasing Contact	Kayla Clark
City Council Target Date	
Piggy Back Option	Yes
Contract Expiration	
Ordinance	

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

CONTRACT BY AND BETWEEN
CITY OF DENTON, TEXAS AND FREEDOM COMMERCIAL SERVICES, LLC
(Contract # 8796)

THIS CONTRACT is made and entered into this date _____, by and between Freedom Commercial Services, LLC, a Texas Limited Liability Company, whose address 317 Meadow Ln Denton, TX 76207, hereinafter referred to as "Contractor," and the **CITY OF DENTON, TEXAS**, a home rule municipal corporation, hereinafter referred to as "City," to be effective upon approval of the Denton City Council and subsequent execution of this Contract by the Denton City Manager or their 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 services in accordance with the City's RFP# 8796-Property Nuisance Abatement, a copy of which is on file at the office of Purchasing Agent and incorporated herein for all purposes. The Contract consists of this written agreement and the following items which are attached hereto, or on file, and incorporated herein by reference:

(a) Special Terms and Conditions **(Exhibit "A");**
(b) City of Denton's RFP 8796 (the "Solicitation") **(Exhibit "B" on file at the office of the Purchasing Agent**);
(c) City of Denton Standard Terms and Conditions **(Exhibit "C");**
(d) Certificate of Interested Parties Electronic Filing **(Exhibit "D");**
(e) Insurance Requirements **(Exhibit "E");**
(f) Contractor's Proposal ("Contractor's Offer") **(Exhibit "F")**;
(g) Form CIQ – Conflict of Interest Questionnaire **(Exhibit "G")**

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 the written agreement then to the contract documents in the 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 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 Contract, 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 Contract.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition on Contracts with Companies Boycotting Certain Energy Companies
Contractor acknowledges that in accordance with Chapter 2276 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

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 Contract.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition on Contracts with Companies Boycotting Certain Firearm Entities and Firearm Trade Associations

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 Contract, 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 this 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.

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 Contract, 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 Contract and will not become ineligible to receive payments under this Contract 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.

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 2275, 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.

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 WHEREOF, the parties of these presents have executed this Contract in the year and day first above written.

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

CONTRACTOR

BY: Signed by: 7C629F5AC839465... _____
AUTHORIZED SIGNATURE

Printed Name: Steve LaFlamme

Title: Operations manager

940-808-4835
PHONE NUMBER

stevel@dentonfreedomhouse.org
EMAIL ADDRESS

803138049
TEXAS ETHICS COMMISSION
CERTIFICATE NUMBER

CITY OF DENTON, TEXAS

BY: _____
SARA HENSLEY
CITY MANAGER

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: DocuSigned by: Marcella Lunn 4B070831B4AA438...

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

Signed by: Jesse Kent F418EB1B782348E...
SIGNATURE

Jesse Kent
PRINTED NAME

Director
TITLE

Community Services
DEPARTMENT

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

Exhibit A
Special Terms and Conditions

1. Total Contract Amount

The contract total for services shall not exceed $687,500. Pricing shall be per Exhibit F attached.

2. The Quantities

The quantities indicated on Exhibit F are estimates based upon the best available information. The City reserves the right to increase or decrease the quantities to meet its actual needs without any adjustments in the bid price. Individual purchase orders will be issued on an as needed basis.

3. Contract Terms

The contract term will be one (1) year, 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.

4. 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

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

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 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.

5. Performance Liquidated Damages

The Contractor shall incur contractual payment losses, as initiated by the City for performance that falls short of specified performance standards as outlined below:

- Delivery beyond contracted lead times
- Performance below contracted levels (services only)

The Contractor shall be assessed a one (1%) percent fee each month when any one of the performance standards outlined above are not met in full. The Contractor shall be assessed a two (2%) percent profit fee each month when any two (2) or more performance standards outlined above are not met in full. At the end of each month, the City will review the monthly reports and determine the percentage of penalty to be assessed to the Contractor's monthly profit margin.

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

Exhibit C
City of Denton
Standard Purchase Terms and Conditions

These standard Terms and Conditions and the Terms and Conditions, Specifications, Drawings and other requirements included in the City of Denton's contract are applicable to contracts/purchase orders issued by the City of Denton hereinafter referred to as the City or Buyer and the Seller or respondent herein after referred to as Contractor. Any deviations must be in writing and signed by a representative of the City's Procurement Department and the Contractor . No Terms and Conditions contained in the seller's proposal response, invoice, or statement shall serve to modify the terms set forth herein. If there is a conflict between the provisions on the face of the contract/purchase order these written provisions will take precedence.

The Contractor agrees that the Contract shall be governed by the following terms and conditions, unless exceptions are duly noted and fully negotiated. Unless otherwise specified in the Contract, Sections 3, 4, 5, 6, 7, 8, 20, and 21 shall apply only to a solicitation to purchase goods, and sections 9, 10, 11, and 22 shall apply only to a solicitation to purchase services to be performed principally at the City's premises or on public rights-of-way.

1. **CONTRACTOR'S OBLIGATIONS**. The Contractor shall fully and timely provide all deliverables described in the Solicitation and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable federal, State, and local laws, rules, and regulations.

2. **EFFECTIVE DATE/TERM**. Unless otherwise specified in the Solicitation or Exhibit A, this Contract shall be effective as of the date this Contract is signed by the City and shall continue in effect until all obligations are performed in accordance with the Contract.

3. **CONTRACTOR TO PACKAGE DELIVERABLES**: The Contractor will package deliverables in accordance with good commercial practice and shall include a packing list showing the description of each item, the quantity and unit price unless otherwise provided in the Solicitation or Contractor's Offer, each shipping container shall be clearly and permanently marked as follows: (a) The Contractor's name and address, (b) the City's name, address, purchase order or purchase release number, and the price agreement number, if applicable, (c) container number and total number of containers, e.g. box 1 of 4 boxes, and (d) the number of the container bearing the packing list. The Contractor shall bear cost of packaging. Deliverables shall be suitably packed to secure lowest transportation costs and to conform to all the requirements of common carriers and any applicable specification. The City's count or weight shall be final and conclusive on shipments not accompanied by packing lists.

4. **SHIPMENT UNDER RESERVATION PROHIBITED**: The Contractor is not authorized to ship the deliverables under reservation and no tender of a bill of lading will operate as a tender of deliverables.

5. **TITLE & RISK OF LOSS**: Title to and risk of loss of the deliverables shall pass to the City only when the City actually receives and accepts the deliverables.

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

6. **DELIVERY TERMS AND TRANSPORTATION CHARGES**: Deliverables shall be shipped F.O.B. point of delivery unless otherwise specified in the Solicitation or Contractor's Offer. Unless otherwise stated in the Contractor's Offer, the Contractor's price shall be deemed to include all delivery and transportation charges. The City shall have the right to designate what method of transportation shall be used to ship the deliverables. The place of delivery shall be that set forth in the purchase order.

7. **RIGHT OF INSPECTION AND REJECTION**: The City expressly reserves all rights under law, including, but not limited to the Uniform Commercial Code, to inspect the deliverables at delivery before accepting them, and to reject defective or non-conforming deliverables. If the City has the right to inspect the Contractor's, or the Contractor's Subcontractor's, facilities, or the deliverables at the Contractor's, or the Contractor's Subcontractor's, premises, the Contractor shall furnish, or cause to be furnished, without additional charge, all reasonable facilities and assistance to the City to facilitate such inspection.

8. **NO REPLACEMENT OF DEFECTIVE TENDER**: Every tender or delivery of deliverables must fully comply with all provisions of the Contract as to time of delivery, quality, and quantity. Any non-complying tender shall constitute a breach and the Contractor shall not have the right to substitute a conforming tender; provided, where the time for performance has not yet expired, the Contractor may notify the City of the intention to cure and may then make a conforming tender within the time allotted in the contract to perform but not afterward. If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

9. **PLACE AND CONDITION OF WORK**: This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way. The City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner, in accordance with and subject to the applicable security laws, rules, and regulations. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the Contract. The Contractor hereby releases and holds the City harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.

The Contractor shall, at all times, exercise reasonable precautions for the safety of their employees, City Staff, participants and others on or near the City's facilities.

10. **WORKFORCE** This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way.

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

A. The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.
B. The Contractor, its employees, Subcontractors, and Subcontractor's employees may not (1) while engaged in, participating, or responding to a solicitation; or (2) while in the course and scope of delivering goods or services under a City of Denton contract; or (3) on the City's property.

i. use or possess a firearm, including a concealed handgun that is licensed under State law, except as required by the terms of the contract; or

ii. use or possess alcoholic or other intoxicating beverages, illegal drugs, or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs.
C. If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

IMMIGRATION: THE CONTRACTOR REPRESENTS AND WARRANTS THAT IT SHALL COMPLY WITH THE REQUIREMENTS OF THE IMMIGRATION REFORM AND CONTROL ACT OF 1986 AND 1990 REGARDING EMPLOYMENT VERIFICATION AND RETENTION OF VERIFICATION FORMS FOR ANY INDIVIDUALS HIRED ON OR AFTER NOVEMBER 6, 1986, WHO WILL PERFORM ANY LABOR OR SERVICES UNDER THE CONTRACT AND THE ILLEGAL IMMIGRATION REFORM AND IMMIGRANT RESPONSIBILITY ACT OF 1996 ("IIRIRA) ENACTED ON SEPTEMBER 30, 1996, AND SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM ANY ACTION ARISING RELATED THERETO.

11. **COMPLIANCE WITH HEALTH, SAFETY, AND ENVIRONMENTAL REGULATIONS**: This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way. The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules, and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. **THE CONTRACTOR SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM AND AGAINST ALL CLAIMS, DEMANDS, SUITS, ACTIONS, JUDGMENTS, FINES, PENALTIES AND LIABILITY OF EVERY KIND ARISING FROM THE BREACH OF THE CONTRACTOR'S OBLIGATIONS UNDER THIS PARAGRAPH.**

Environmental Protection: The Contractor shall be in compliance with all applicable standards, orders, or regulations issued pursuant to the mandates of the Clean Air Act (42 U.S.C. §7401 *et seq*.) and the Federal Water Pollution Control Act, as amended, (33 U.S.C. §1251 *et seq*.).

12. **INVOICES**:
A. The Contractor shall submit separate invoices on each purchase order or purchase release after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.
B. **Proper Invoices must include a unique invoice number, invoice date, the purchase order number, and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department**. Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. The Contractor's name, remittance address and, if

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

applicable, the tax identification number on the invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice.

C. Invoices for labor shall include a copy of all time-sheets with trade labor rate and deliverables order number clearly identified. Invoices shall also include a tabulation of work-hours at the appropriate rates and grouped by work order number. Time billed for labor shall be limited to hours actually worked at the work site.

D. Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.

E. Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

13. **PAYMENT**:

A. All proper invoices need to be sent to Accounts Payable – accountspayable@cityofdenton.com. Approved invoices will be paid within thirty (30) calendar days of the invoice being received in Accounts Payable.

B. **If payment is not timely made, (per paragraph A); interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, including, but not limited to, those in Paragraph D , below, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.**

C. If partial shipments or deliveries are authorized by the City, the Contractor will be paid for the partial shipment or delivery, as stated above, provided that the invoice matches such shipment or delivery.

D. The City may withhold or set off the entire payment or part of any payment otherwise due to the Contractor to such extent as may be necessary on account of:

i. delivery of defective or non-conforming deliverables by the Contractor;

ii. third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;

iii. failure of the Contractor to pay Subcontractors, or for labor, materials, or equipment;

iv. damage to the property of the City or the City's agents, employees, or contractors, which is not covered by insurance required to be provided by the Contractor;

v. reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;

vi. failure of the Contractor to submit proper invoices with purchase order number, all required attachments, and supporting documentation; or

vii. failure of the Contractor to comply with any material provision of the Contract Documents.

E. Notice is hereby given to any awarded firm who is in arrears to the City for delinquent taxes of any kind or otherwise indebted to the City that the City shall be entitled to counterclaim and/or offset against any such debt, claim, demand, or account owed to the City through payment withholding until the debt is paid in full, and no assignment of such debt, claim, demand, or account after the said taxes or debt are due shall affect the right of the City to offset the said taxes or debt against same.

F. Payment will be made by check unless the parties mutually agree to payment by credit card or

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic funds transfer.
G. The Contractor acknowledges and agrees that the awarding or continuation of this Contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds appropriated and available for this Contract. The absence of appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not appropriated or available and any deliverables delivered but unpaid shall be returned to the Contractor. The City will not incur a debt or obligation to pay Contractor any amounts the City does not have the current funds available to pay. The City shall provide the Contractor written notice of the failure of the City to make an adequate appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of none or inadequate appropriation of funds, there will be no penalty or liability to the City, nor removal fees, cancellation fees, or the like charged to the City.

14. **TRAVEL EXPENSES**: All travel, lodging, and per diem expenses in connection with the Contract shall be paid by the Contractor, unless otherwise stated in the Contract Documents. During the term of this Contract, the Contractor shall bill and the City shall reimburse Contractor for all reasonable and approved out of pocket expenses which are incurred in the connection with the performance of duties hereunder. Notwithstanding the foregoing, expenses for the time spent by the Contractor in traveling to and from City facilities shall not be reimbursed, unless otherwise negotiated.

15. **FINAL PAYMENT AND CLOSE-OUT**:
A. If a DBE/MBE/WBE Program Plan is agreed to and the Contractor has identified Subcontractors, the Contractor is required to submit a Contract Close-Out MBE/WBE Compliance Report to the Purchasing Manager no later than the fifteenth (15^{th}) calendar day after completion of all work under the contract. Final payment, retainage, or both may be withheld if the Contractor is not in compliance with the requirements as accepted by the City.
B. The making and acceptance of final payment will constitute:

i. a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and

ii. a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

16. **SPECIAL TOOLS & TEST EQUIPMENT**: If the price stated on the Contractor's Offer includes the cost of any special tooling or special test equipment fabricated or required by the Contractor for the purpose of filling this order, such special tooling equipment and any process sheets related thereto shall become the property of the City and shall be identified by the Contractor as such.

17. **RIGHT TO AUDIT**:
A. The Contractor agrees that the City shall, until the expiration of five (5) years after final payment under this Contract unless required to be retained for longer under applicable law, have

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

electronic access to and the right to examine all books, records, and computations pertaining to this Contract. If necessary, the City shall have the right to audit and make copies of the books, records, and computations pertaining to the Contract. The Contractor shall retain such books, records, documents, and other evidence pertaining to the Contract period and five (5) 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 ten (10) business days of written request. All books and records will be made available within a fifty (50) mile radius of the City of Denton if the vendor is not able to provide electronic access. The cost of the audit will be borne by the City 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 (5) business days of receipt of an invoice.

B. The Contractor further agrees to include in all its subcontracts hereunder a provision to the effect that the Subcontractor, material supplier, or other payee agrees that the City shall, until the expiration of five (5) years after final payment under the subcontract unless required to be retained for longer under applicable law, have electronic access to and the right to examine all books, records, documents, and other evidence of the Subcontractor, material supplier, or other payee involving transactions relating to the subcontract. If necessary, the City maintains the right to photocopy any physical books, documents, papers, and records of the subconsultant involving transactions relating to the subcontract. All books and records will be made available within a fifty (50) mile radius of the City of Denton. The cost of the audit will be borne by the City 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 (5) business days of receipt of an invoice.

C. Failure to comply with the provisions of this section shall be a material breach of the Contract and shall constitute, in the City'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.

18. **SUBCONTRACTORS**:

A. If the Contractor-identified subcontractors ("Subcontractor") in a DBE/MBE/WBE agreed-to plan (the "Plan"), the Contractor shall comply with all requirements approved by the City. The Contractor shall not initially employ any subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing. No acceptance by the City of any subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract Awards and Expenditures Report to the Procurement Manager, no later than the tenth calendar day of each month.

B. Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the Contract Documents, and shall contain provisions that:

i. require that all deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract;

ii. prohibit the Subcontractor from further subcontracting any portion of the Contract

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;

iii. require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;

iv. require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and

v. require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.

C. The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.

D. The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten (10) calendar days after receipt of payment from the City.

19. **WARRANTY-PRICE**:

A. The Contractor warrants the prices quoted in the Contractor's Offer are no higher than the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.

B. The Contractor certifies that the prices in the Contractor's Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.

C. In the event Contractor breaches this warranty, in addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like deliverables under similar terms of purchase, or in the alternative, the City may cancel this Contract without liability to Contractor for breach.

20. **WARRANTY – TITLE**: **The Contractor warrants that it has good and indefeasible title to all deliverables furnished under the Contract, and that the deliverables are free and clear of all liens, claims, security interests, and encumbrances. The Contractor shall indemnify and hold the City harmless from and against all adverse title claims to the deliverables.**

21. **WARRANTY – DELIVERABLES**: The Contractor warrants and represents that all deliverables sold the City under the Contract shall be free from defects in design, workmanship, or manufacture, and conform in all material respects to the specifications, drawings, and descriptions in the Contract Documents, to any samples furnished by the Contractor, to the terms, covenants, and conditions of the Contract, and to all applicable State, federal, or local laws, rules, and regulations, and industry codes and standards. Unless otherwise stated in the Solicitation, the deliverables shall be new or recycled merchandise, and not used or reconditioned. In addition, Contractor warrants that the goods sold to City shall conform to the standards promulgated by the

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

U.S. Department of Labor under the Occupational Safety and Health Act (OSHA). In the event the product does not conform to OSHA standards, City may return the product for correction or replacement at the Contractor's expense. In the event Contractor fails to make the appropriate correction within a reasonable time, correction made by City will be at Contractor's expense.

A. Recycled deliverables shall be clearly identified as such.

B. The Contractor may not limit, exclude, or disclaim the foregoing warranty or any warranty implied by law; and any attempt to do so shall be without force or effect.

C. Unless otherwise specified in the Contract or required by the Solicitation, the warranty period shall be at least one (1) year from the date of acceptance of the deliverables or from the date of acceptance of any replacement deliverables. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand either repair the non-conforming deliverables, or replace the non-conforming deliverables with fully conforming deliverables, at the City's option and at no additional cost to the City. All costs incidental to such repair or replacement, including but not limited to, any packaging and shipping costs shall be borne exclusively by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach of warranty, but failure to give timely notice shall not impair the City's rights under this section.

D. If the Contractor is unable or unwilling to repair or replace defective or non-conforming deliverables as required by the City, then in addition to any other available remedy, the City may reduce the quantity of deliverables it may be required to purchase under the Contract from the Contractor, and purchase conforming deliverables from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such deliverables from another source.

E. If the Contractor is not the manufacturer, and the deliverables are covered by a separate manufacturer's warranty, the Contractor shall transfer and assign such manufacturer's warranty to the City. If for any reason the manufacturer's warranty cannot be fully transferred to the City, the Contractor shall assist and cooperate with the City to the fullest extent to enforce such manufacturer's warranty for the benefit of the City.

F. Contractor shall not limit, exclude, or disclaim any implied warranties, and any attempt to do so shall be without force or effect, or alternatively, at the City's option, render this Contract voidable.

22. **WARRANTY – SERVICES**: The Contractor warrants and represents that all services to be provided to the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable federal, State, and local laws, rules or regulations.

A. The Contractor may not limit, exclude, or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect, or alternatively, at the City's option, render this Contract voidable.

B. Unless otherwise specified in the Contract, the warranty period shall be at least one (1) year from the date of acceptance of the work. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the City's rights under this section.

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

C. If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.

23. **ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES**: If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses, and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

24. **RIGHT TO ASSURANCE**: Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified (being a minimum of 5 days) after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

25. **STOP WORK NOTICE**: The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.

26. **DEFAULT**:
A. The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely, and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under Paragraph 25, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by the Contractor to the City.
B. In the event the City terminates the awarded contract for default or any other reason, the Contractor shall not be relieved of liability to the City for damages sustained by the City by reason of any default of the contract by the Contractor or otherwise, and the City may withhold any payments to the Contractor for the purpose of an offset until such time as the amount of damages due the City from the Contractor can be determined.

27. **TERMINATION FOR CAUSE:** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs,

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. Additionally, in the event of a default by the Contractor, the City may remove the Contractor from the City's vendor list for three (3) years and/or any offer submitted by the Contractor may be disqualified for up to three (3) years. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law. The requirements of Subchapter J, Chapter 552 of the Texas Government Code, may apply to this Contract and the Contractor agrees that the Contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

28. **TERMINATION WITHOUT CAUSE**: The City shall have the right to terminate the Contract, in whole or in part, without cause and/or for convenience any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof, provided such payment amount is not disputed by City. The City reserves all rights, causes of action, and remedies available under law or in equity with respect to any dispute under this Contract and a termination under this provision does not waive such rights, causes of action, and remedies.

29. **FRAUD**: Fraudulent statements by the Contractor in any offer, Contract Document, or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.

30. **DELAYS**:

A. The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified in Paragraph 53. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.

B. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such party. In the event of default or delay in Contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

31. **TIME OF COMPLETION AND LIQUIDATED DAMAGES**: Contractor agrees and acknowledges that completing the services and/or delivering the goods described in this Contract in a timely manner is very important to the City. Contractor agrees to perform all obligations within the timeframes required. As it is impracticable and extremely difficult to fix the actual damages, if any, that may proximately result from a failure by Contractor to provide the goods or

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

perform the service, should Contractor fail to timely perform its obligations, Contractor agrees to pay to City, or have withheld and offset from monies due it, the amount stated in the Contract Documents as liquidated damages for each calendar day of delay or nonperformance. Any sums due and payable hereunder by the Contractor shall be payable, not as a penalty, but as liquidated damages representing an estimate of delay damages likely to be sustained by the City, estimated at the time of executing this Contract. Execution of the Contract shall constitute agreement by the City and Contractor that said amount is the minimum value of the costs and actual damage caused by the Contractor's failure to timely perform. Adjustments to the contract times can only be made as provided in the Contract Documents and any conditions or specifications referenced therein.

32. **INDEMNITY**:

A. Definitions:

i. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments, and liability of every character, type, or description, including all reasonable costs and expenses of litigation, mediation, or other alternate dispute resolution mechanism, including attorney and other professional fees for: (1) damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and Subcontractors; the officers, agents, and employees of such Subcontractors; and third parties); and/or (2) death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's Subcontractors, and third parties), ii. "Fault" shall include the sale of defective or non-conforming deliverables, negligence, willful misconduct or a breach of any legally imposed strict liability standard.

B. **THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.**

33. **LIMITATION OF LIABILITY**: This Contract does not, and shall not be interpreted to, contain an artificial limitation of liability (e.g. liability limited to contract price or liability capped at an amount actually paid in previous 3 months, etc.) or an artificial statute of limitations (e.g. any lawsuit must be commenced within one year of the event).

34. **INSURANCE**: The Contractor shall procure and maintain insurance of the types and in the minimum amounts acceptable to the City of Denton outlined in the Insurance Exhibit attached hereto, if applicable. The insurance shall be written by a company licensed to do business in the State of Texas and satisfactory to the City of Denton. The City of Denton reserves the right to add insurance during the contract term.

B. Specific Coverage Requirements: Specific insurance requirements are contained in the

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

Solicitation and the Insurance Exhibit.

35. **CLAIMS**: If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse effect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Denton City Attorney. Personal delivery to the City Attorney shall be to City Hall, 215 East McKinney Street, Denton, Texas 76201.

36. **NOTICES**: Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the Contractor shall be sent to the address specified in the Contractor's Offer, or at such other address as a party may notify the other in writing. Notices to the City shall be addressed to the City at 901B Texas Street, Denton, Texas 76209 and marked to the attention of the Purchasing Manager.

37. **RIGHTS TO BID, PROPOSAL AND CONTRACTUAL MATERIAL**: All material submitted by the Contractor to the City shall become property of the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, and Texas Government Code. The requirements of Subchapter J, Chapter 552 of the Texas Government Code, may apply to this Contract and the Contractor agrees that the Contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

38. **INDEMNIFICATION AGAINST INFRINGEMENTS**: The Contractor represents and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the deliverables and (ii) the deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the deliverables and the Contractor does not know of any valid basis for any such claims. Moreover, Contractor does not know of any valid basis for any such claims. **THE CONTRACTOR SHALL, AT ITS SOLE EXPENSE, DEFEND, INDEMNIFY, AND HOLD THE CITY HARMLESS FROM AND AGAINST ALL LIABILITY, DAMAGES, AND COSTS (INCLUDING COURT COSTS AND REASONABLE FEES OF ATTORNEYS AND OTHER PROFESSIONALS) ARISING OUT OF OR RESULTING FROM: (I) ANY CLAIM THAT THE CITY'S EXERCISE ANYWHERE IN THE WORLD OF THE RIGHTS ASSOCIATED WITH THE CITY'S' OWNERSHIP, AND IF APPLICABLE, LICENSE RIGHTS, AND ITS USE OF THE DELIVERABLES INFRINGES THE INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY; OR (II) THE CONTRACTOR'S BREACH OF ANY OF CONTRACTOR'S REPRESENTATIONS OR WARRANTIES STATED IN THIS CONTRACT. IN THE EVENT OF ANY SUCH CLAIM, THE CITY SHALL HAVE THE**

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

RIGHT TO MONITOR SUCH CLAIM OR AT ITS OPTION ENGAGE ITS OWN SEPARATE COUNSEL TO ACT AS CO-COUNSEL ON THE CITY'S BEHALF. FURTHER, CONTRACTOR AGREES THAT THE CITY'S SPECIFICATIONS REGARDING THE DELIVERABLES SHALL IN NO WAY DIMINISH CONTRACTOR'S WARRANTIES OR OBLIGATIONS UNDER THIS PARAGRAPH AND THE CITY MAKES NO WARRANTY THAT THE PRODUCTION, DEVELOPMENT, OR DELIVERY OF SUCH DELIVERABLES WILL NOT IMPACT SUCH WARRANTIES OF CONTRACTOR. THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

39. **CONFIDENTIALITY**: In order to provide the deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Contract, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.

40. **OWNERSHIP AND USE OF DELIVERABLES**: The City shall own all rights, titles, and interests throughout the world in and to the deliverables.

A. Patents. As to any patentable subject matter contained in the deliverables, the Contractor agrees to disclose such patentable subject matter to the City. Further, if requested by the City, the Contractor agrees to assign and, if necessary, cause each of its employees to assign the entire right, title, and interest to specific inventions under such patentable subject matter to the City and to execute, acknowledge, and deliver and, if necessary, cause each of its employees to execute, acknowledge, and deliver an assignment of letters patent, in a form to be reasonably approved by the City, to the City upon request by the City.

B. Copyrights. As to any deliverables containing copyrightable subject matter, the Contractor agrees that upon their creation, such deliverables shall be considered as work made-for-hire by the Contractor for the City and the City shall own all copyrights in and to such deliverables, provided however, that nothing in this Paragraph 41 shall negate the City's sole or joint ownership of any such deliverables arising by virtue of the City's sole or joint authorship of such deliverables. Should by operation of law, such deliverables not be considered works made-for-hire, the Contractor hereby assigns to the City (and agrees to cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver an assignment to the City of) all worldwide right, title, and interest in and to such deliverables. With respect to such work made-for-hire, the Contractor agrees to execute, acknowledge, and deliver and cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver a work-made-for-hire agreement, in a form to be reasonably approved by the City, to the City upon

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

delivery of such deliverables to the City or at such other time as the City may request.
C. Additional Assignments. The Contractor further agrees to, and if applicable, cause each of its employees to, execute, acknowledge, and deliver all applications, specifications, oaths, assignments, and all other instruments which the City might reasonably deem necessary in order to apply for and obtain copyright protection, mask work registration, trademark registration and/or protection, letters patent, or any similar rights in any and all countries and in order to assign and convey to the City, its successors, assigns and nominees, the sole and exclusive right, title, and interest in and to the deliverables. The Contractor's obligations to execute, acknowledge, and deliver (or cause to be executed, acknowledged, and delivered) instruments or papers such as those described in this Paragraph 41 A., B., and C. shall continue after the termination of this Contract with respect to such deliverables. In the event the City should not seek to obtain copyright protection, mask work registration or patent protection for any of the deliverables, but should desire to keep the same secret, the Contractor agrees to treat the same as Confidential Information under the terms of Paragraph 40 above.

41. **PUBLICATIONS**: All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.

42. **ADVERTISING**: The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent necessary to comply with proper requests for information from an authorized representative of the federal, State, or local government.

43. **NO CONTINGENT FEES**: The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

44. **GRATUITIES**: The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Denton with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.

45. **PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS**: The Contractor agrees to comply with the conflict of interest provisions of the City of Denon Code of Ordinances and/or State law. 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

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

solicitation as defined in the City's Ethic Ordinance codified at Chapter 2, Article XI and in the City Charter Section 14.04, as amended. 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 Contractor shall complete and submit the City's Conflict of Interest Questionnaire. The Contractor agrees to maintain current, updated disclosure of information on file with the Procurement Department throughout the term of this Contract.

46. **NO SUBCONTRACTING BID AFTER AWARD**: Following the award of the Contract, no subcontracting except that specifically identified in the response to the Solicitation will be permitted without the express prior written consent of the City.

47. **NO GIFT OF PUBLIC PROPERTY**: The City will not agree to any terms or conditions that cause the City to lend its credit or grant public money or anything of value to the selected Contractor.

48. **INDEPENDENT CONTRACTOR**: The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City of Denton, Texas for the purposes of income tax, withholding, social security taxes, vacation or sick leave benefits, worker's compensation, or any other City employee benefit. The City shall not have supervision and control of the Contractor or any employee of the Contractor, and it is expressly understood that Contractor shall perform the services hereunder according to the attached specifications at the general direction of the City Manager of the City of Denton, Texas, or their designee under this Contract. The Contractor is expressly free to advertise and perform services for other parties while performing services for the City.

49. **ASSIGNMENT-DELEGATION**: The Contract shall be binding upon and enure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this Paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there are no third party beneficiaries to the Contract.
The Vendor shall notify the City's Purchasing Manager, in writing, of a company name, ownership, or address change for the purpose of maintaining updated City records. The president of the company or authorized official must sign the letter. A letter indicating changes in a company name or ownership must be accompanied with supporting legal documentation such as an updated W-9, documents filed with the state indicating such change, copy of the board of director's resolution approving the action, or an executed merger or acquisition agreement. Failure to do so may adversely impact future invoice payments.

50. **WAIVER**: No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character. No delay, failure, or waiver of either party's exercise or partial exercise of any right or remedy under the Contract shall operate to limit, impair, preclude, cancel, waive or otherwise affect such right or remedy.

51. **MODIFICATIONS**: The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document submitted to the City by Contractor shall have any force or effect to change the terms, covenants, and conditions of the Contract.

52. **INTERPRETATION**: The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this agreement even though the accepting or acquiescing party has knowledge of the performance and opportunity for objection. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

53. **DISPUTE RESOLUTION**:

A. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute, however any decision requiring approval of the City Council of the City will be required to be submitted to the City Council and the senior level person shall have authority to recommend approval of any resolution. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.

B. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option; the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Denton County Alternative Dispute Resolution Program (DCAP). The parties agree to participate in mediation in good faith

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.
C. The parties shall not be required to submit to binding arbitration.

54. **JURISDICTION AND VENUE**: The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Denton County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.

55. **INVALIDITY**: The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

56. **HOLIDAYS:** The following holidays are observed by the City:

New Year's Day (observed)
Martin Luther King, Jr. Day
Memorial Day
Juneteenth
Independence Day
Labor Day
Veteran's Day
Thanksgiving Day
Friday After Thanksgiving
Christmas Eve (observed)
Christmas Day (observed)

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday. Normal hours of operation shall be between 8:00 am and 4:00 pm, Monday through Friday, excluding City of Denton Holidays. Any scheduled deliveries or work performance not within the normal hours of operation **must be approved** by the City Manager of Denton, Texas or their authorized designee.

57. **SURVIVABILITY OF OBLIGATIONS:** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract for fifteen (15) years.

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

58. **NON-SUSPENSION OR DEBARMENT CERTIFICATION:**
The City of Denton is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Denton Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Denton.

59. **EQUAL OPPORTUNITY** Contractor agrees that during the performance of its contract it will:
A. Treat all applicants and employees without discrimination as to race, color, religion, sex, national origin, marital status, age, or handicap.
B. Identify itself as an "Equal Opportunity Employer" in all help wanted advertising or request. The Contractor shall be advised of any complaints filed with the City alleging that Contractor is not an Equal Opportunity Employer. The City reserves the right to consider its reports from its human relations administrator in response to such complaints in determining whether or not to terminate any portion of this contract for which purchase orders or authorities to deliver have not been included, however, the Contractor is specifically advised that no Equal Opportunity Employment complaint will be the basis for cancellation of this contract for which a purchase order has been issued or authority to deliver granted.
C. **Americans with Disabilities Act (ADA) Compliance:** No Contractor, or Contractor's agent, shall engage in any discriminatory employment practice against individuals with disabilities as defined
in the ADA.

60. **BUY AMERICAN ACT-SUPPLIES (Applicable to certain federally funded requirements)**
The following federally funded requirements are applicable. A. Definitions. As used in this paragraph –
i. "Component" means an article, material, or supply incorporated directly into an end product.
ii. "Cost of components" means -
(1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or
(2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the end product.
iii. "Domestic end product" means-
(1) An unmanufactured end product mined or produced in the United States; or
(2) An end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as those that the agency determines are not mined, produced, or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality are treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic.

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

iv. "End product" means those articles, materials, and supplies to be acquired under the contract for public use.
v. "Foreign end product" means an end product other than a domestic end product.
vi. "United States" means the 50 States, the District of Columbia, and outlying areas.
B. The Buy American Act (41 U.S.C. 10a - 10d) provides a preference for domestic end products for supplies acquired for use in the United States.
C. The City does not maintain a list of foreign articles that will be treated as domestic for this Contract; but will consider for approval foreign articles as domestic for this product if the articles are on a list approved by another Governmental Agency. The Contractor shall submit documentation with their offer demonstrating that the article is on an approved Governmental list.
D. The Contractor shall deliver only domestic end products except to the extent that it specified delivery of foreign end products in the provision of the Solicitation entitled "Buy American Act Certificate".

61. **RIGHT TO INFORMATION:** The City of Denton reserves the right to use any and all information presented in any response to this Contract, whether amended or not, except as prohibited by law. Selection of rejection of the submittal does not affect this right.

62. **LICENSE FEES OR TAXES:** Provided the solicitation requires an awarded contractor or supplier to be licensed by the State of Texas, any and all fees and taxes are the responsibility of the respondent.

63. **PREVAILING WAGE RATES:** The 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).

64. **COMPLIANCE WITH ALL STATE, FEDERAL, AND LOCAL LAWS:** The Contractor or supplier shall comply with all State, federal, and local laws and requirements. The Contractor must comply with all applicable laws at all times, including, without limitation, the following: (i) §36.02 of the Texas Penal Code, which prohibits bribery; (ii) §36.09 of the Texas Penal Code, which prohibits the offering or conferring of benefits to public servants; and (iii) Chapter 552 of the Texas Government Code, which outlines policy for public information. The Contractor shall give all notices and comply with all laws and regulations applicable to furnishing and performance of the Contract.

65. **FEDERAL, STATE, AND LOCAL REQUIREMENTS:** Contractor shall demonstrate on-site compliance with the provisions of federal law dealing with issuance of Form W-2's to common law employees. Contractor is responsible for both federal and State unemployment insurance coverage and standard Workers' Compensation insurance coverage. Contractor shall ensure compliance with all federal and State tax laws and withholding requirements. The City of Denton shall not be liable to Contractor or its employees for any Unemployment or Workers' Compensation coverage, or federal or State withholding requirements. Contractor shall indemnify the City of Denton and shall pay all costs, penalties, or losses resulting from Contractor's omission or breach of this Section.

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

66. **ATTORNEY'S FEES; LEGAL COSTS:** Contractor and City agree that the City will not be required to pay Contractor's attorney's fees or legal costs under any circumstances, unless expressly required by law.

67. **DRUG FREE WORKPLACE:** The Contractor shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (Public Law 100-690, Title V, Subtitle D; 41 U.S.C. 701 ET SEQ.) and maintain a drug-free work environment; and the final rule, government-wide requirements for drug-free work place (grants), issued by the Office of Management and Budget and the Department of Defense (32 CFR Part 280, Subpart F) to implement the provisions of the Drug-Free Work Place Act of 1988 is incorporated by reference and the Contractor shall comply with the relevant provisions thereof, including any amendments to the final rule that may hereafter be issued.

68. **CONTRACTOR LIABILITY FOR DAMAGE TO GOVERNMENT PROPERTY:** The Contractor shall be liable for all damages to government-owned, leased, or occupied property and equipment caused by the Contractor and its employees, agents, subcontractors, and suppliers, including any delivery or cartage company, in connection with any performance pursuant to the Contract. The Contractor shall notify the City of Denton Procurement Manager in writing of any such damage within one (1) calendar day.

69. **FORCE MAJEURE:** The City of Denton, any Customer, and the Contractor shall not be responsible for performance under the Contract should it be prevented from performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributable to the fault or negligence of the City of Denton. In the event of an occurrence under this Section, the Contractor will be excused from any further performance or observance of the requirements so affected for as long as such circumstances prevail and the Contractor continues to use commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay. The Contractor shall immediately notify the City of Denton Procurement Manager by telephone (to be confirmed in writing within five (5) calendar days of the inception of such occurrence) and describe at a reasonable level of detail the circumstances causing the non-performance or delay in performance.

70. **NON-WAIVER OF RIGHTS:** Failure of a Party to require performance by another Party under the Contract will not affect the right of such Party to require performance in the future. No delay, failure, or waiver of either Party's exercise or partial exercise of any right or remedy under the Contract shall operate to limit, impair, preclude, cancel, waive or otherwise affect such right or remedy. A waiver by a Party of any breach of any term of the Contract will not be construed as a waiver of any continuing or succeeding breach.

71. **NO WAIVER OF SOVEREIGN IMMUNITY:** The Parties expressly agree that no provision of the Contract is in any way intended to constitute a waiver by the City of Denton of any immunities from suit or from liability that the City of Denton may have by operation of law.

72. **RECORDS RETENTION:** The Contractor shall retain all financial records, supporting documents, statistical records, and any other records or books relating to the performances called for in the Contract. The Contractor shall retain all such records for a period of four (4) years after the expiration of the Contract, or until the CPA or State Auditor's Office is satisfied that all audit and litigation matters are resolved, whichever period is longer. The Contractor shall grant access

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

to all books, records and documents pertinent to the Contract to the CPA, the State Auditor of Texas, and any federal governmental entity that has authority to review records due to federal funds being spent under the Contract. In the event the value of this Contract is One Million ($1,000,000) Dollars or greater: (i) all contracting information related to this contract will be preserved for the duration of the Contact; (ii) the Contractor shall provide any contracting information in its possession promptly upon request by the City; and (iii) at the expiration of this Contract, the Contractor will either provide all contracting information in its possession to the City or preserve same as required by the record retention requirements of the State of Texas.

73. **PROCUREMENT LAWS**: The City will not agree to any terms or conditions that cause the City to violate any federal, State, or local procurement laws, including its own Charter or Procurement Policy and any such laws included in boilerplate terms, online terms or other terms provided by the Contractor are considered null and void.

74. **AUTHORITY**: Contractor represents and warrants to the other that (a) it has company authority to execute and perform this Contract; (b) executing this Contract does not constitute a material conflict with, breach, or default under any applicable law, its respective organizational documents, or any documents, agreements, contracts or instruments which are binding upon it; and (c) this Contract creates valid, legal, and binding obligation enforceable against it, subject to applicable insolvency and bankruptcy laws. Contractor recognizes and agrees that a violation of this provision constitutes a material breach under this Contract.

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

Exhibit D
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.

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

Exhibit E

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:

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

- 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 Operations, Independent Contractors and Contractual Liability with minimum

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

combined bodily injury (including death) and property damage limits of $1,000,000.00 per occurrence and $2,000,000.00 general aggregate.

The policy shall include:

a. Coverage for mobile equipment

B. <u>WORKERS' COMPENSATION and EMPLOYERS LIABILITY INSURANCE</u>

Workers' Compensation within the regulations of the Texas Workers' Compensation Act. The minimum policy limits for **Employers Liability** are:

Bodily Injury by Accident: $100,000.00 Each Accident
Bodily Injury by Disease: $100,000.00 Each Employee
Bodily Injury by Disease: $500,000.00 Policy Limit

NOTES:

a. If CONTRACTOR will not be providing services under the contract at a City facility, has no employees and/or is operating as a sole owner and single operator, CONTRACTOR shall provide a signed letter, with the current date, on official letterhead stating such to meet the requirement.

b. If CONTRACTOR is a non-subscriber or is self-insured CONTRACTOR shall provide a copy of its Certificate of Authority to Self-Insure from the Texas Department of Insurance, Division of Workers' Compensation Self Insurance Regulation Program, evidence of alternative coverage and internal safety and injury coverage policies and procedures.

C. <u>BUSINESS AUTOMOBILE LIABILITY INSURANCE</u>

Business Automobile Liability Insurance covering owned, hired, and non-owned vehicles, with a minimum combined single limit for bodily injury (including death) and property damage limit of $500,000.00 per occurrence.

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

Exhibit F

1	Services Proposal Pricing for Private Property Maintenance Services
2	Minimum Work Order Cost Quantity: 30 UOM: EA Price: $85.00 Total: $2,550.00 Item Notes: Charged when services provided fall under this amount instead of per service rates.
3	Mowing of Parcels (Price per lot, including obvious accumulations of trash, debris, or litter)
4	Parcels of land up to 10,000 square feet Quantity: 10 UOM: EA Price: $85.00 Total: $850.00 Item Notes: Per Lot

5	Parcels of land up to 10,001 to 20,000 square feet Quantity: 1 UOM: EA Item Notes: Per Lot	Price:	$90.00	Total:	$90.00
6	Parcels of land up to 20,001 to 30,000 square feet Quantity: 1 UOM: EA Item Notes: Per Lot	Price:	$95.00	Total:	$95.00
7	Parcels of land up to 30,001 to 43,560 square feet Quantity: 1 UOM: EA Item Notes: Per Lot	Price:	$100.00	Total:	$100.00
8	Parcels of land greater than one acre Quantity: 1 UOM: EA Item Notes: cost per acre to mow	Price:	$105.00	Total:	$105.00

9	Trash and Debris Removal
10	Trash and debris removal. Include all collection and hauling costs. Quantity: 50 UOM: EA Price: $38.00 Total: $1,900.00 Item Notes: (Per cubic yard up to 20 CY) Supplier Notes: Construction debris removal (concrete, rock, tile, shingles, etc) may require additional charges up to $90/cubic yard due to the increase in weight per cubic yard.

11 Trash and debris removal. Include all collection and hauling costs.

Quantity: 1 UOM: EA Price: $38.00 Total: $38.00

Item Notes: (Per 21 and up cubic yards)

Supplier Notes: See above

12 Securing Open and Vacant Structures

13 Cost of material and labor per single window opening

Quantity: 5 UOM: EA Price: $85.00 Total: $425.00

14 Cost of material and labor per double window opening

Quantity: 1 UOM: EA Price: $85.00 Total: $85.00

15 Cost of material and labor per single door opening

Quantity: 5 UOM: EA Price: $85.00 Total: $425.00

16 Cost of material and labor per double door opening

Quantity: 1 UOM: EA Price: $170.00 Total: $170.00

17 Cost of material and labor per overhead garage door opening

Quantity: 1 UOM: EA Price: $340.00 Total: $340.00

18 Cost of material and labor per extra large opening that requires additional labor and materials to secure.

Quantity: 1 UOM: EA Price: $340.00 Total: $340.00

Supplier Notes: Securing and boarding an opening larger than a garage may incur additional costs subject to market pricing of supplies and man hours per our contracted labor rates.

19 Miscellaneous Costs

20 Hourly rate for weed eating for the parcels that cannot be mowed by lawnmower or tractor.

Quantity: 1 UOM: HR Price: $25.00 Total: $25.00

21 Hourly rate for string trimming, when needed.

Quantity: 1 UOM: HR Price: $25.00 Total: $25.00

22 Hourly rate for edging, when needed.

Quantity: 1 UOM: HR Price: $25.00 Total: $25.00

23 Cost added to above-listed mowing pricing for lots with grass and weeds in excess of 3'

Quantity: 1 UOM: HR Price: $25.00 Total: $25.00

24 Cost to fully demolish to grade a single family residential property per Square Foot (Bids will be requested for all demolition work orders prior to any work being completed)

Quantity: 1 UOM: HR Price: $25.27 Total: $25.27

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

Exhibit G

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) and by City of Denton Ethics Code, Ordinance 18-757.
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.**

Freedom Commercial 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 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.**

_____
Name of Officer

Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relations hip with the local government 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 Signed by:

7C629F5AC839465...
Signature of vendor doing business with the governmental entity

5/28/2025
Date

Docusign Envelope ID: C3ACE6D2-D393-49BD-965D-05B350EAF059

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/ Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(A) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

City of Denton Ethics Code Ordinance Number 18-757

Definitions:

Relative: a family member related to a City Official within the third 3rd degree of affinity (marriage) or consanguinity (blood or adoption)

City Official: for purpose of this article, the term consists of the Council Members, Department Heads, or member of the Board of Ethics, Planning and zoning Commission Members, Board of Adjustment, Historic Landmark Commission, or Public Utilities Board

Vendor: a person who provides or seeks to provide goods, services, and/or real property to the City in exchange for compensation. This definition does not include those property owners from whom the City acquires public right-of-way or other real property interests for public use.

Per the City of Denton Ethics Code, Section 2-273. – Prohibitions

(3) It shall be a violation of this Article for a Vendor to offer or give a Gift to City Official exceeding fifty dollars ($50.00) per gift, or multiple gifts cumulatively valued at more than two hundred dollars ($200.00) per a single fiscal year.

Per the City of Denton Ethics Code, Section 2-282. – Disposition (b), (5) Ineligibility

If the Board of Ethics finds that a Vendor has violated this Article, the Board may recommend to the City Manager that the Vendor be deemed ineligible to enter into a City contract or other arrangement for goods, services, or real property, for a period of one (1) year.

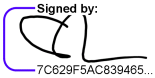
Certificate Of Completion

Envelope Id: C3ACE6D2-D393-49BD-965D-05B350EAF059
Status: Sent
Subject: Please DocuSign: City Council Contract 8796 - Property Nuisance Abatement
Source Envelope:
Document Pages: 36
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Envelope Originator:
Kayla Clark
901B Texas Street
Denton, TX 76209
kayla.clark@cityofdenton.com
IP Address: 198.49.140.104

Record Tracking

Status: Original
5/27/2025 6:31:18 AM
Holder: Kayla Clark
kayla.clark@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Kayla Clark kayla.clark@cityofdenton.com Buyer City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	**Completed** Using IP Address: 198.49.140.104	Sent: 5/27/2025 6:37:14 AM Viewed: 5/27/2025 6:37:47 AM Signed: 5/27/2025 6:38:22 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	DS  Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 5/27/2025 6:38:25 AM Viewed: 5/27/2025 7:03:46 AM Signed: 5/27/2025 7:04:32 AM
Marcella Lunn marcella.lunn@cityofdenton.com Senior Deputy City Attorney City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	DocuSigned by:  4B070831B4AA438... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 5/27/2025 7:04:35 AM Viewed: 5/28/2025 9:33:30 AM Signed: 5/28/2025 9:36:51 AM
Steve LaFlamme stevel@dentonfreedomhouse.org Operations manager Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 5/28/2025 9:40:18 AM ID: 6ba19d72-808d-4eaa-958e-d8c169f0e08b	Signed by:  7C629F5AC839465... Signature Adoption: Drawn on Device Using IP Address: 172.59.193.188 Signed using mobile	Sent: 5/28/2025 9:36:56 AM Viewed: 5/28/2025 9:40:18 AM Signed: 5/28/2025 9:45:24 AM

Signer Events	Signature	Timestamp
Jesse Kent Jesse.kent@cityofdenton.com Director Security Level: Email, Account Authentication (None)	Signed by:  F418EB1B782348F...	Sent: 5/28/2025 9:45:28 AM Resent: 6/6/2025 6:13:16 AM Resent: 6/6/2025 6:17:25 AM Viewed: 6/6/2025 9:26:15 AM Signed: 6/6/2025 9:27:29 AM
Electronic Record and Signature Disclosure: Accepted: 6/6/2025 9:26:15 AM ID: 8d30ff66-ea54-45bf-845a-bc214f461f77	Signature Adoption: Drawn on Device Using IP Address: 185.219.141.19	
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: 6/6/2025 9:27:33 AM
Sara Hensley sara.hensley@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Lauren Thoden lauren.thoden@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: 5/27/2025 6:38:25 AM
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None)	COPIED	Sent: 6/6/2025 9:27:33 AM Viewed: 6/9/2025 2:14:10 PM

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		
Joshua Ellison Joshua.ellison@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	5/27/2025 6:37:14 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.

File #: ID 25-1196, **Version:** 1

AGENDA CAPTION

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 Questcare Medical Services, PLLC, for the performance of medical direction services for the Denton Fire Department; providing for the expenditure of funds therefor; and providing an effective date (File 8799 - awarded to Questcare Medical Services, PLLC, 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 $400,000.00).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: July 15, 2025

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 Questcare Medical Services, PLLC, for the performance of medical direction services for the Denton Fire Department; providing for the expenditure of funds therefor; and providing an effective date (File 8799 – awarded to Questcare Medical Services, PLLC, 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 $400,000.00).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Support Healthy and Safe Communities.

INFORMATION/BACKGROUND

The proposed contract is for medical direction services provided to the Denton Fire Department as required by the Texas Department of State Health Services (DSHS). The Fire Department employs Paramedics and Emergency Medical Technicians (EMT) to provide emergency medical response within the City of Denton. To perform emergency medical services, DSHS requires that Paramedics and EMTs operate under the direction and board certification of an Emergency Medical Physician.

Medical direction will be given primarily in two methods: online medical direction, which will primarily be actual communications between the Medical Director and Fire Department personnel; and off-line medical direction, which will include additional administrative duties of the Medical Director.

Essential duties of online medical direction include the ability for Paramedics and EMTs to contact the medical director or designee 24 hours per day, seven (7) days per week, and 365 days per year for receiving physicians' orders. In addition, the medical director must have the ability to receive 12-lead electrocardiogram data transmitted from the Fire Department.

Essential duties of off-line medical direction include the development of medical protocols, the provision of quarterly continuing education training, and ad hoc specialty course instruction. In addition, this contract stipulates the implementation of a clinical quality assurance and quality improvement program and the development of a skills review. Lastly, the off-line services include the Drug Enforcement Agency physician's licensure for the procurement and administration of controlled substances and related medical equipment.

RECOMMENDATION

Award a contract with Questcare Medical Services, PLLC, for the performance of medical direction services for the Denton Fire Department, in a three (3) year, with the option for two (2) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of $400,000.

PRINCIPAL PLACE OF BUSINESS

Questcare Medical Services, PLLC
Dallas, TX

ESTIMATED SCHEDULE OF PROJECT

This is an initial three (3) 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

These services will be funded from General Fund Fire Department operations account 320001.7890. Requisitions will be entered on an as-needed basis. The budgeted amount for this item is $400,000. The City will only pay for services rendered and is not obligated to pay the full contract amount unless needed.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance and Contract

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Lindsey Garrison, 940-349-8844.

Legal point of contact: Marcella Lunn at 940-349-8333.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH QUESTCARE MEDICAL SERVICES, PLLC, FOR THE PERFORMANCE OF MEDICAL DIRECTION SERVICES FOR THE DENTON FIRE DEPARTMENT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (FILE 8799 – AWARDED TO QUESTCARE MEDICAL SERVICES, PLLC, 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 $400,000.00).

WHEREAS, Questcare Medical Services, PLLC, the professional services provider (the "Provider") set forth in this ordinance, is 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 [Operation of emergency ambulance service]; and

WHEREAS, the fees under the proposed contract 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 contract attached hereto with Questcare Medical Services, PLLC, for the performance of medical direction services for the Denton Fire Department.

SECTION 2. The City Manager, or their designee, is authorized to expend funds as required by the attached contract.

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:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____ Scott Bray
Deputy City Attorney

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

Docusign City Council Transmittal Coversheet

FILE	8799
File Name	Medical Director Services
Purchasing Contact	Kayla Clark
City Council Target Date	
Piggy Back Option	Not Applicable
Contract Expiration	
Ordinance	

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

CONTRACT BY AND BETWEEN
CITY OF DENTON, TEXAS AND QUESTCARE MEDICAL SERVICES, PLLC
(Contract #8799)

THIS CONTRACT is made and entered into this date _____, by and between Questcare Medical Services, PLLC a Texas Limited Liability company, whose address is 20 BURTON HILLS BLVD, SUITE 300, NASHVILLE, TN 37215, hereinafter referred to as "Contractor," and the **CITY OF DENTON, TEXAS**, a home rule municipal corporation, hereinafter referred to as "City," to be effective upon approval of the Denton City Council and subsequent execution of this Contract by the Denton City Manager or their 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 services in accordance with the contractor's proposal in Exhibit E, a copy of which is on file at the office of Purchasing Agent and incorporated herein for all purposes. The Contract consists of this written agreement and the following items which are attached hereto, or on file, and incorporated herein by reference:

(a) Special Terms and Conditions **(Exhibit "A");**
(b) City of Denton Standard Terms and Conditions **(Exhibit "B");**
(c) Certificate of Interested Parties Electronic Filing **(Exhibit "C");**
(d) Insurance Requirements **(Exhibit "D");**
(e) Contractor's Proposal ("Contractor's Offer") **(Exhibit "E")**;
(f) Form CIQ – Conflict of Interest Questionnaire **(Exhibit "F")**

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 the written agreement then to the contract documents in the order in which they are listed above. These documents shall be referred to collectively as "Contract Documents." These Contract Documents represent the entire understanding and agreement between the City and Contractor with respect to the subject matter hereof, and supersedes all other negotiations, understandings and representations (if any), oral or otherwise, made by the parties.

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 Contract, 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 Contract.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

Prohibition on Contracts with Companies Boycotting Certain Energy Companies
Contractor acknowledges that in accordance with Chapter 2276 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 Contract.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition on Contracts with Companies Boycotting Certain Firearm Entities and Firearm Trade Associations
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 Contract, 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 this 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.

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 Contract, 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 Contract and will not become ineligible to receive payments under this Contract 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.

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 2275, 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.

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 WHEREOF, the parties of these presents have executed this Contract in the year

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

and day first above written.

THIS CONTRACT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational obligations
and business terms.

Signed by:
Kenneth Hedges
8C476FC45B304C3...

Kenneth Hedges
SIGNATURE PRINTED NAME

Fire Chief
TITLE

Fire
DEPARTMENT

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

DocuSigned by:
Marcella Lunn
BY: 4B070831B4AA438...

CONTRACTOR

Signed by:
Matt Bush
BY: C127C55B4EA44CA...
AUTHORIZED SIGNATURE

Printed Name: Matt Bush

Title: EVP

2142171911
PHONE NUMBER

Matt.Bush@envisionhealth.com
EMAIL ADDRESS

matthew.bush@envisionhealth.com
TEXAS ETHICS COMMISSION
CERTIFICATE NUMBER

CITY OF DENTON, TEXAS

BY: _____
SARA HENSLEY
CITY MANAGER

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

Exhibit A
Special Terms and Conditions

1. Total Contract Amount

The contract total for services shall not exceed $400,000. Pricing shall be per Exhibit E attached.

2. Contract Terms

The contract term will be Three (3) years, effective from date of award. The City and the Contractor shall have the option to renew this contract for an additional two (2) 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 Contractor'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

On Contractor's request in the form stated herein, the City will implement an 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 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 Contractor 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. Contractor 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 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.
Contract 8799

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

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.

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

Exhibit B
City of Denton
Standard Purchase Terms and Conditions

These standard Terms and Conditions and the Terms and Conditions, Specifications, Drawings and other requirements included in the City of Denton's contract are applicable to contracts/purchase orders issued by the City of Denton hereinafter referred to as the City or Buyer and the Seller or respondent herein after referred to as Contractor. Any deviations must be in writing and signed by a representative of the City's Procurement Department and the Contractor . No Terms and Conditions contained in the seller's proposal response, invoice, or statement shall serve to modify the terms set forth herein. If there is a conflict between the provisions on the face of the contract/purchase order these written provisions will take precedence.

The Contractor agrees that the Contract shall be governed by the following terms and conditions, unless exceptions are duly noted and fully negotiated. Unless otherwise specified in the Contract, Sections 3, 4, 5, 6, 7, 8, 20, and 21 shall apply only to a solicitation to purchase goods, and sections 9, 10, 11, and 22 shall apply only to a solicitation to purchase services to be performed principally at the City's premises or on public rights-of-way.

1. **CONTRACTOR'S OBLIGATIONS**. The Contractor shall fully and timely provide all deliverables described in the Solicitation and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable federal, State, and local laws, rules, and regulations.

2. **EFFECTIVE DATE/TERM**. Unless otherwise specified in the Solicitation or Exhibit A, this Contract shall be effective as of the date this Contract is signed by the City and shall continue in effect until all obligations are performed in accordance with the Contract.

3. **CONTRACTOR TO PACKAGE DELIVERABLES**: The Contractor will package deliverables in accordance with good commercial practice and shall include a packing list showing the description of each item, the quantity and unit price unless otherwise provided in the Solicitation or Contractor's Offer, each shipping container shall be clearly and permanently marked as follows: (a) The Contractor's name and address, (b) the City's name, address, purchase order or purchase release number, and the price agreement number, if applicable, (c) container number and total number of containers, e.g. box 1 of 4 boxes, and (d) the number of the container bearing the packing list. The Contractor shall bear cost of packaging. Deliverables shall be suitably packed to secure lowest transportation costs and to conform to all the requirements of common carriers and any applicable specification. The City's count or weight shall be final and conclusive on shipments not accompanied by packing lists.

4. **SHIPMENT UNDER RESERVATION PROHIBITED**: The Contractor is not authorized to ship the deliverables under reservation and no tender of a bill of lading will operate as a tender of deliverables.

5. **TITLE & RISK OF LOSS**: Title to and risk of loss of the deliverables shall pass to the City only when the City actually receives and accepts the deliverables.

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

6. **DELIVERY TERMS AND TRANSPORTATION CHARGES**: Deliverables shall be shipped F.O.B. point of delivery unless otherwise specified in the Solicitation or Contractor's Offer. Unless otherwise stated in the Contractor's Offer, the Contractor's price shall be deemed to include all delivery and transportation charges. The City shall have the right to designate what method of transportation shall be used to ship the deliverables. The place of delivery shall be that set forth in the purchase order.

7. **RIGHT OF INSPECTION AND REJECTION**: The City expressly reserves all rights under law, including, but not limited to the Uniform Commercial Code, to inspect the deliverables at delivery before accepting them, and to reject defective or non-conforming deliverables. If the City has the right to inspect the Contractor's, or the Contractor's Subcontractor's, facilities, or the deliverables at the Contractor's, or the Contractor's Subcontractor's, premises, the Contractor shall furnish, or cause to be furnished, without additional charge, all reasonable facilities and assistance to the City to facilitate such inspection.

8. **NO REPLACEMENT OF DEFECTIVE TENDER**: Every tender or delivery of deliverables must fully comply with all provisions of the Contract as to time of delivery, quality, and quantity. Any non-complying tender shall constitute a breach and the Contractor shall not have the right to substitute a conforming tender; provided, where the time for performance has not yet expired, the Contractor may notify the City of the intention to cure and may then make a conforming tender within the time allotted in the contract to perform but not afterward. If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

9. **PLACE AND CONDITION OF WORK**: This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way. The City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner, in accordance with and subject to the applicable security laws, rules, and regulations. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the Contract. The Contractor hereby releases and holds the City harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.

The Contractor shall, at all times, exercise reasonable precautions for the safety of their employees, City Staff, participants and others on or near the City's facilities.

10. **WORKFORCE** This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way.

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

A. The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.
B. The Contractor, its employees, Subcontractors, and Subcontractor's employees may not (1) while engaged in, participating, or responding to a solicitation; or (2) while in the course and scope of delivering goods or services under a City of Denton contract; or (3) on the City's property.

i. use or possess a firearm, including a concealed handgun that is licensed under State law, except as required by the terms of the contract; or

ii. use or possess alcoholic or other intoxicating beverages, illegal drugs, or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs.

C. If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

IMMIGRATION: THE CONTRACTOR REPRESENTS AND WARRANTS THAT IT SHALL COMPLY WITH THE REQUIREMENTS OF THE IMMIGRATION REFORM AND CONTROL ACT OF 1986 AND 1990 REGARDING EMPLOYMENT VERIFICATION AND RETENTION OF VERIFICATION FORMS FOR ANY INDIVIDUALS HIRED ON OR AFTER NOVEMBER 6, 1986, WHO WILL PERFORM ANY LABOR OR SERVICES UNDER THE CONTRACT AND THE ILLEGAL IMMIGRATION REFORM AND IMMIGRANT RESPONSIBILITY ACT OF 1996 ("IIRIRA) ENACTED ON SEPTEMBER 30, 1996, AND SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM ANY ACTION ARISING RELATED THERETO.

11. **COMPLIANCE WITH HEALTH, SAFETY, AND ENVIRONMENTAL REGULATIONS**: This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way. The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules, and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. **THE CONTRACTOR SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM AND AGAINST ALL CLAIMS, DEMANDS, SUITS, ACTIONS, JUDGMENTS, FINES, PENALTIES AND LIABILITY OF EVERY KIND ARISING FROM THE BREACH OF THE CONTRACTOR'S OBLIGATIONS UNDER THIS PARAGRAPH.**

Environmental Protection: The Contractor shall be in compliance with all applicable standards, orders, or regulations issued pursuant to the mandates of the Clean Air Act (42 U.S.C. §7401 *et seq*.) and the Federal Water Pollution Control Act, as amended, (33 U.S.C. §1251 *et seq*.).

12. **INVOICES**:
A. The Contractor shall submit separate invoices on each purchase order or purchase release after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.
B. **Proper Invoices must include a unique invoice number, invoice date, the purchase order number, and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department**. Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. The Contractor's name, remittance address and, if

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

applicable, the tax identification number on the invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice.

C. Invoices for labor shall include a copy of all time-sheets with trade labor rate and deliverables order number clearly identified. Invoices shall also include a tabulation of work-hours at the appropriate rates and grouped by work order number. Time billed for labor shall be limited to hours actually worked at the work site.

D. Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.

E. Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

13. **PAYMENT**:

A. All proper invoices need to be sent to Accounts Payable – accountspayable@cityofdenton.com. Approved invoices will be paid within thirty (30) calendar days of the invoice being received in Accounts Payable.

B. **If payment is not timely made, (per paragraph A); interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, including, but not limited to, those in Paragraph D , below, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.**

C. If partial shipments or deliveries are authorized by the City, the Contractor will be paid for the partial shipment or delivery, as stated above, provided that the invoice matches such shipment or delivery.

D. The City may withhold or set off the entire payment or part of any payment otherwise due to the Contractor to such extent as may be necessary on account of:

i. delivery of defective or non-conforming deliverables by the Contractor;

ii. third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;

iii. failure of the Contractor to pay Subcontractors, or for labor, materials, or equipment;

iv. damage to the property of the City or the City's agents, employees, or contractors, which is not covered by insurance required to be provided by the Contractor;

v. reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;

vi. failure of the Contractor to submit proper invoices with purchase order number, all required attachments, and supporting documentation; or

vii. failure of the Contractor to comply with any material provision of the Contract Documents.

E. Notice is hereby given to any awarded firm who is in arrears to the City for delinquent taxes of any kind or otherwise indebted to the City that the City shall be entitled to counterclaim and/or offset against any such debt, claim, demand, or account owed to the City through payment withholding until the debt is paid in full, and no assignment of such debt, claim, demand, or account after the said taxes or debt are due shall affect the right of the City to offset the said taxes or debt against same.

F. Payment will be made by check unless the parties mutually agree to payment by electronic

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by electronic funds transfer.

G. The Contractor acknowledges and agrees that the awarding or continuation of this Contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds appropriated and available for this Contract. The absence of appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not appropriated or available and any deliverables delivered but unpaid shall be returned to the Contractor. The City will not incur a debt or obligation to pay Contractor any amounts the City does not have the current funds available to pay. The City shall provide the Contractor written notice of the failure of the City to make an adequate appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of none or inadequate appropriation of funds, there will be no penalty or liability to the City, nor removal fees, cancellation fees, or the like charged to the City.

14. **TRAVEL EXPENSES**: All travel, lodging, and per diem expenses in connection with the Contract shall be paid by the Contractor, unless otherwise stated in the Contract Documents. During the term of this Contract, the Contractor shall bill and the City shall reimburse Contractor for all reasonable and approved out of pocket expenses which are incurred in the connection with the performance of duties hereunder. Notwithstanding the foregoing, expenses for the time spent by the Contractor in traveling to and from City facilities shall not be reimbursed, unless otherwise negotiated.

15. **FINAL PAYMENT AND CLOSE-OUT**:

A. If a DBE/MBE/WBE Program Plan is agreed to and the Contractor has identified Subcontractors, the Contractor is required to submit a Contract Close-Out MBE/WBE Compliance Report to the Purchasing Manager no later than the fifteenth (15^{th}) calendar day after completion of all work under the contract. Final payment, retainage, or both may be withheld if the Contractor is not in compliance with the requirements as accepted by the City.

B. The making and acceptance of final payment will constitute:

i. a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and

ii. a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

16. **SPECIAL TOOLS & TEST EQUIPMENT**: If the price stated on the Contractor's Offer includes the cost of any special tooling or special test equipment fabricated or required by the Contractor for the purpose of filling this order, such special tooling equipment and any process sheets related thereto shall become the property of the City and shall be identified by the Contractor as such.

17. **RIGHT TO AUDIT**:

A. The Contractor agrees that the City shall, until the expiration of five (5) years after final payment under this Contract unless required to be retained for longer under applicable law, have

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

electronic access to and the right to examine all books, records, and computations pertaining to this Contract. If necessary, the City shall have the right to audit and make copies of the books, records, and computations pertaining to the Contract. The Contractor shall retain such books, records, documents, and other evidence pertaining to the Contract period and five (5) 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 ten (10) business days of written request. All books and records will be made available within a fifty (50) mile radius of the City of Denton if the Contractor is not able to provide electronic access. The cost of the audit will be borne by the City 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 (5) business days of receipt of an invoice.

B. The Contractor further agrees to include in all its subcontracts hereunder a provision to the effect that the Subcontractor, material supplier, or other payee agrees that the City shall, until the expiration of five (5) years after final payment under the subcontract unless required to be retained for longer under applicable law, have electronic access to and the right to examine all books, records, documents, and other evidence of the Subcontractor, material supplier, or other payee involving transactions relating to the subcontract. If necessary, the City maintains the right to photocopy any physical books, documents, papers, and records of the subcontractor involving transactions relating to the subcontract, if the subcontractor is not able to provide electronic access. All books and records will be made available within a fifty (50) mile radius of the City of Denton. The cost of the audit will be borne by the City 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 (5) business days of receipt of an invoice.

C. Failure to comply with the provisions of this section shall be a material breach of the Contract and shall constitute, in the City'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.

18. **SUBCONTRACTORS**:

A. If the Contractor-identified subcontractors ("Subcontractor") in a DBE/MBE/WBE agreed-to plan (the "Plan"), the Contractor shall comply with all requirements approved by the City. The Contractor shall not initially employ any subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing. No acceptance by the City of any subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract Awards and Expenditures Report to the Procurement Manager, no later than the tenth calendar day of each month.

B. Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the Contract Documents, and shall contain provisions that:

i. require that all deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract;

ii. prohibit the Subcontractor from further subcontracting any portion of the Contract

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;

iii. require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;

iv. require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and

v. require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.

C. The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.

D. The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten (10) calendar days after receipt of payment from the City.

19. **WARRANTY-PRICE**:

A. The Contractor warrants the prices quoted in the Contractor's Offer are no higher than the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.

B. The Contractor certifies that the prices in the Contractor's Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.

C. In the event Contractor breaches this warranty, in addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like deliverables under similar terms of purchase, or in the alternative, the City may cancel this Contract without liability to Contractor for breach.

20. **WARRANTY – TITLE**: **The Contractor warrants that it has good and indefeasible title to all deliverables furnished under the Contract, and that the deliverables are free and clear of all liens, claims, security interests, and encumbrances. The Contractor shall indemnify and hold the City harmless from and against all adverse title claims to the deliverables.**

21. **WARRANTY – DELIVERABLES**: The Contractor warrants and represents that all deliverables sold the City under the Contract shall be free from defects in design, workmanship, or manufacture, and conform in all material respects to the specifications, drawings, and descriptions in the Contract Documents, to any samples furnished by the Contractor, to the terms, covenants, and conditions of the Contract, and to all applicable State, federal, or local laws, rules, and regulations, and industry codes and standards. Unless otherwise stated in the Solicitation, the deliverables shall be new or recycled merchandise, and not used or reconditioned. In addition, Contractor warrants that the goods sold to City shall conform to the standards promulgated by the

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

U.S. Department of Labor under the Occupational Safety and Health Act (OSHA). In the event the product does not conform to OSHA standards, City may return the product for correction or replacement at the Contractor's expense. In the event Contractor fails to make the appropriate correction within a reasonable time, correction made by City will be at Contractor's expense.

A. Recycled deliverables shall be clearly identified as such.

B. The Contractor may not limit, exclude, or disclaim the foregoing warranty or any warranty implied by law; and any attempt to do so shall be without force or effect.

C. Unless otherwise specified in the Contract or required by the Solicitation, the warranty period shall be at least one (1) year from the date of acceptance of the deliverables or from the date of acceptance of any replacement deliverables. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand either repair the non-conforming deliverables, or replace the non-conforming deliverables with fully conforming deliverables, at the City's option and at no additional cost to the City. All costs incidental to such repair or replacement, including but not limited to, any packaging and shipping costs shall be borne exclusively by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach of warranty, but failure to give timely notice shall not impair the City's rights under this section.

D. If the Contractor is unable or unwilling to repair or replace defective or non-conforming deliverables as required by the City, then in addition to any other available remedy, the City may reduce the quantity of deliverables it may be required to purchase under the Contract from the Contractor, and purchase conforming deliverables from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such deliverables from another source.

E. If the Contractor is not the manufacturer, and the deliverables are covered by a separate manufacturer's warranty, the Contractor shall transfer and assign such manufacturer's warranty to the City. If for any reason the manufacturer's warranty cannot be fully transferred to the City, the Contractor shall assist and cooperate with the City to the fullest extent to enforce such manufacturer's warranty for the benefit of the City.

F. Contractor shall not limit, exclude, or disclaim any implied warranties, and any attempt to do so shall be without force or effect, or alternatively, at the City's option, render this Contract voidable.

22. **WARRANTY – SERVICES**: The Contractor warrants and represents that all services to be provided to the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable federal, State, and local laws, rules or regulations.

A. The Contractor may not limit, exclude, or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect, or alternatively, at the City's option, render this Contract voidable.

B. Unless otherwise specified in the Contract, the warranty period shall be at least one (1) year from the date of acceptance of the work. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the City's rights under this section.

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

C. If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.

23. **ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES**: If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses, and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

24. **RIGHT TO ASSURANCE**: Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified (being a minimum of 5 business days) after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

25. **STOP WORK NOTICE**: The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.

26. **DEFAULT**:
A. The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely, and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under Paragraph 25, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by the Contractor to the City.
B. In the event the City terminates the awarded contract for default or any other reason, the Contractor shall not be relieved of liability to the City for damages sustained by the City by reason of any default of the contract by the Contractor or otherwise, and the City may withhold any payments to the Contractor for the purpose of an offset until such time as the amount of damages due the City from the Contractor can be determined.

27. **TERMINATION FOR CAUSE:** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs,

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. Additionally, in the event of a default by the Contractor, the City may remove the Contractor from the City's vendor list for three (3) years and/or any offer submitted by the Contractor may be disqualified for up to three (3) years. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law. The requirements of Subchapter J, Chapter 552 of the Texas Government Code, may apply to this Contract and the Contractor agrees that the Contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

28. **TERMINATION WITHOUT CAUSE**: Either party shall have the right to terminate the Contract, in whole or in part, without cause and/or for convenience any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination and in instances where practicable, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof, except as it pertains to the portion of any such payment amount that is disputed by City in good faith. Each party reserves all rights, causes of action, and remedies available under law or in equity with respect to any dispute under this Contract and a termination under this provision does not waive such rights, causes of action, and remedies.

29. **FRAUD**: Fraudulent statements by the Contractor in any offer, Contract Document, or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.

30. **DELAYS**:
A. The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified in Paragraph 53. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.
B. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such party. In the event of default or delay in Contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

31. **TIME OF COMPLETION**: Contractor agrees and acknowledges that completing the services and/or delivering the goods described in this Contract in a timely manner is very important to the City. Contractor agrees to perform all obligations within the timeframes required. Adjustments to

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

the contract times can only be made as provided in the Contract Documents and any conditions or specifications referenced therein.

32. **INDEMNITY**:

A. Definitions:

i. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments, and liability of every character, type, or description, including all reasonable costs and expenses of litigation, mediation, or other alternate dispute resolution mechanism, including attorney and other professional fees for: (1) damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and Subcontractors; the officers, agents, and employees of such Subcontractors; and third parties); and/or (2) death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's Subcontractors, and third parties), ii. "Fault" shall include the sale of defective or non-conforming deliverables, negligence, willful misconduct or a breach of any legally imposed strict liability standard.

B. **THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.**

33. **LIMITATION OF LIABILITY**: This Contract does not, and shall not be interpreted to, contain an artificial limitation of liability (e.g. liability limited to contract price or liability capped at an amount actually paid in previous 3 months, etc.) or an artificial statute of limitations (e.g. any lawsuit must be commenced within one year of the event).

34. **INSURANCE**: The Contractor shall procure and maintain insurance of the types and in the minimum amounts acceptable to the City of Denton outlined in the Insurance Exhibit attached hereto, if applicable. The insurance shall be written by a company licensed to do business in the State of Texas and satisfactory to the City of Denton. The City of Denton reserves the right to add insurance during the contract term.

B. Specific Coverage Requirements: Specific insurance requirements are contained in the Solicitation and the Insurance Exhibit.

35. **CLAIMS**: If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse effect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Denton City Attorney. Personal delivery to the City Attorney shall be to City Hall, 215 East McKinney Street, Denton, Texas 76201.

36. **NOTICES**: Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the Contractor shall be sent to the address specified in the Contractor's Offer, or at such other address as a party may notify the other in writing. Notices to the City shall be addressed to the City at 901B Texas Street, Denton, Texas 76209 and marked to the attention of the Purchasing Manager.

37. **RIGHTS TO BID, PROPOSAL AND CONTRACTUAL MATERIAL**: All material submitted by the Contractor to the City shall become property of the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, and Texas Government Code. The requirements of Subchapter J, Chapter 552 of the Texas Government Code, may apply to this Contract and the Contractor agrees that the Contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

38. **INDEMNIFICATION AGAINST INFRINGEMENTS**: The Contractor represents and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the deliverables and (ii) the deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the deliverables and the Contractor does not know of any valid basis for any such claims. Moreover, Contractor does not know of any valid basis for any such claims. **THE CONTRACTOR SHALL, AT ITS SOLE EXPENSE, DEFEND, INDEMNIFY, AND HOLD THE CITY HARMLESS FROM AND AGAINST ALL LIABILITY, DAMAGES, AND COSTS (INCLUDING COURT COSTS AND REASONABLE FEES OF ATTORNEYS AND OTHER PROFESSIONALS) ARISING OUT OF OR RESULTING FROM: (I) ANY CLAIM THAT THE CITY'S EXERCISE ANYWHERE IN THE WORLD OF THE RIGHTS ASSOCIATED WITH THE CITY'S' OWNERSHIP, AND IF APPLICABLE, LICENSE RIGHTS, AND ITS USE OF THE DELIVERABLES INFRINGES THE INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY; OR (II) THE CONTRACTOR'S BREACH OF ANY OF CONTRACTOR'S REPRESENTATIONS OR WARRANTIES STATED IN THIS CONTRACT. IN THE EVENT OF ANY SUCH CLAIM, THE CITY SHALL HAVE THE RIGHT TO MONITOR SUCH CLAIM OR AT ITS OPTION ENGAGE ITS OWN SEPARATE COUNSEL TO ACT AS CO-COUNSEL ON THE CITY'S BEHALF. FURTHER, CONTRACTOR AGREES THAT THE CITY'S SPECIFICATIONS REGARDING THE DELIVERABLES SHALL IN NO WAY DIMINISH CONTRACTOR'S WARRANTIES OR OBLIGATIONS UNDER THIS PARAGRAPH AND THE CITY MAKES NO WARRANTY THAT THE PRODUCTION, DEVELOPMENT, OR DELIVERY OF SUCH DELIVERABLES WILL NOT IMPACT SUCH WARRANTIES OF CONTRACTOR. THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.**

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

39. **CONFIDENTIALITY**: In order to provide the deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Contract, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.

40. **OWNERSHIP AND USE OF DELIVERABLES**: The City shall own all rights, titles, and interests throughout the world in and to the deliverables.

A. Patents. As to any patentable subject matter contained in the deliverables, the Contractor agrees to disclose such patentable subject matter to the City. Further, if requested by the City, the Contractor agrees to assign and, if necessary, cause each of its employees to assign the entire right, title, and interest to specific inventions under such patentable subject matter to the City and to execute, acknowledge, and deliver and, if necessary, cause each of its employees to execute, acknowledge, and deliver an assignment of letters patent, in a form to be reasonably approved by the City, to the City upon request by the City.

B. Copyrights. As to any deliverables containing copyrightable subject matter, the Contractor agrees that upon their creation, such deliverables shall be considered as work made-for-hire by the Contractor for the City and the City shall own all copyrights in and to such deliverables, provided however, that nothing in this Paragraph 41 shall negate the City's sole or joint ownership of any such deliverables arising by virtue of the City's sole or joint authorship of such deliverables. Should by operation of law, such deliverables not be considered works made-for-hire, the Contractor hereby assigns to the City (and agrees to cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver an assignment to the City of) all worldwide right, title, and interest in and to such deliverables. With respect to such work made-for-hire, the Contractor agrees to execute, acknowledge, and deliver and cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver a work-made-for-hire agreement, in a form to be reasonably approved by the City, to the City upon delivery of such deliverables to the City or at such other time as the City may request.

C. Additional Assignments. The Contractor further agrees to, and if applicable, cause each of its employees to, execute, acknowledge, and deliver all applications, specifications, oaths, assignments, and all other instruments which the City might reasonably deem necessary in order to apply for and obtain copyright protection, mask work registration, trademark registration and/or protection, letters patent, or any similar rights in any and all countries and in order to assign and convey to the City, its successors, assigns and nominees, the sole and exclusive right, title, and

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

interest in and to the deliverables. The Contractor's obligations to execute, acknowledge, and deliver (or cause to be executed, acknowledged, and delivered) instruments or papers such as those described in this Paragraph 41 A., B., and C. shall continue after the termination of this Contract with respect to such deliverables. In the event the City should not seek to obtain copyright protection, mask work registration or patent protection for any of the deliverables, but should desire to keep the same secret, the Contractor agrees to treat the same as Confidential Information under the terms of Paragraph 40 above.

41. **PUBLICATIONS**: All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.

42. **ADVERTISING**: The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent necessary to comply with proper requests for information from an authorized representative of the federal, State, or local government.

43. **NO CONTINGENT FEES**: The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

44. **GRATUITIES**: The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Denton with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.

45. **PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS**: The Contractor agrees to comply with the conflict of interest provisions of the City of Denton Code of Ordinances and/or State law. 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 codified at Chapter 2, Article XI and in the City Charter Section 14.04, as amended. 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 Contractor shall complete and submit the City's Conflict of Interest Questionnaire. The Contractor

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

agrees to maintain current, updated disclosure of information on file with the Procurement Department throughout the term of this Contract.

46. **NO SUBCONTRACTING BID AFTER AWARD**: Following the award of the Contract, no subcontracting except that specifically identified in the response to the Solicitation will be permitted without the express prior written consent of the City.

47. **NO GIFT OF PUBLIC PROPERTY**: The City will not agree to any terms or conditions that cause the City to lend its credit or grant public money or anything of value to the selected Contractor.

48. **INDEPENDENT CONTRACTOR**: The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City of Denton, Texas for the purposes of income tax, withholding, social security taxes, vacation or sick leave benefits, worker's compensation, or any other City employee benefit. The City shall not have supervision and control of the Contractor or any employee of the Contractor, and it is expressly understood that Contractor shall perform the services hereunder according to the attached specifications at the general direction of the City Manager of the City of Denton, Texas, or their designee under this Contract. The Contractor is expressly free to advertise and perform services for other parties while performing services for the City.

49. **ASSIGNMENT-DELEGATION**: The Contract shall be binding upon and enure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this Paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there are no third party beneficiaries to the Contract.
The Vendor shall notify the City's Purchasing Manager, in writing, of a company name, ownership, or address change for the purpose of maintaining updated City records. The president of the company or authorized official must sign the letter. A letter indicating changes in a company name or ownership must be accompanied with supporting legal documentation such as an updated W-9, documents filed with the state indicating such change, copy of the board of director's resolution approving the action, or an executed merger or acquisition agreement. Failure to do so may adversely impact future invoice payments.

50. **WAIVER**: No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character. No delay, failure, or waiver of either party's exercise or partial exercise of any right or remedy under the Contract shall operate to limit, impair, preclude, cancel, waive or otherwise affect such right or remedy.

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

51. **MODIFICATIONS**: The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document submitted to the City by Contractor shall have any force or effect to change the terms, covenants, and conditions of the Contract.

52. **INTERPRETATION**: The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this agreement even though the accepting or acquiescing party has knowledge of the performance and opportunity for objection. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

53. **DISPUTE RESOLUTION**:

A. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute, however any decision requiring approval of the City Council of the City will be required to be submitted to the City Council and the senior level person shall have authority to recommend approval of any resolution. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.

B. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option; the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Denton County Alternative Dispute Resolution Program (DCAP). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.

C. The parties shall not be required to submit to binding arbitration.

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

54. **JURISDICTION AND VENUE**: The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Denton County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.

55. **INVALIDITY**: The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

56. **HOLIDAYS:** The following holidays are observed by the City:

New Year's Day (observed)
Martin Luther King, Jr. Day
Memorial Day
Juneteenth
Independence Day
Labor Day
Veteran's Day
Thanksgiving Day
Friday After Thanksgiving
Christmas Eve (observed)
Christmas Day (observed)

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday. Normal hours of operation shall be between 8:00 am and 4:00 pm, Monday through Friday, excluding City of Denton Holidays. Any scheduled deliveries or work performance not within the normal hours of operation **must be approved** by the City Manager of Denton, Texas or their authorized designee.

57. **SURVIVABILITY OF OBLIGATIONS:** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract for fifteen (15) years.

58. **NON-SUSPENSION OR DEBARMENT CERTIFICATION:**
The City of Denton is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Denton Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Denton.

59. **EQUAL OPPORTUNITY** Contractor agrees that during the performance of its contract it will:

A. Treat all applicants and employees without discrimination as to race, color, religion, sex, national origin, marital status, age, or handicap.

B. Identify itself as an "Equal Opportunity Employer" in all help wanted advertising or request. The Contractor shall be advised of any complaints filed with the City alleging that Contractor is not an Equal Opportunity Employer. The City reserves the right to consider its reports from its human relations administrator in response to such complaints in determining whether or not to terminate any portion of this contract for which purchase orders or authorities to deliver have not been included, however, the Contractor is specifically advised that no Equal Opportunity Employment complaint will be the basis for cancellation of this contract for which a purchase order has been issued or authority to deliver granted.

C. **Americans with Disabilities Act (ADA) Compliance:** No Contractor, or Contractor's agent, shall engage in any discriminatory employment practice against individuals with disabilities as defined
in the ADA.

60. **BUY AMERICAN ACT-SUPPLIES (Applicable to certain federally funded requirements)**

The following federally funded requirements are applicable. A. Definitions. As used in this paragraph –

i. "Component" means an article, material, or supply incorporated directly into an end product.

ii. "Cost of components" means -

(1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or

(2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the end product.

iii. "Domestic end product" means-

(1) An unmanufactured end product mined or produced in the United States; or

(2) An end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as those that the agency determines are not mined, produced, or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality are treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic.

iv. "End product" means those articles, materials, and supplies to be acquired under the contract for public use.

v. "Foreign end product" means an end product other than a domestic end product.

vi. "United States" means the 50 States, the District of Columbia, and outlying areas.

B. The Buy American Act (41 U.S.C. 10a - 10d) provides a preference for domestic end products for supplies acquired for use in the United States.

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

C. The City does not maintain a list of foreign articles that will be treated as domestic for this Contract; but will consider for approval foreign articles as domestic for this product if the articles are on a list approved by another Governmental Agency. The Contractor shall submit documentation with their offer demonstrating that the article is on an approved Governmental list.
D. The Contractor shall deliver only domestic end products except to the extent that it specified delivery of foreign end products in the provision of the Solicitation entitled "Buy American Act Certificate".

61. **RIGHT TO INFORMATION:** The City of Denton reserves the right to use any and all information presented in any response to this Contract, whether amended or not, except as prohibited by law. Selection of rejection of the submittal does not affect this right.

62. **LICENSE FEES OR TAXES:** Provided the solicitation requires an awarded contractor or supplier to be licensed by the State of Texas, any and all fees and taxes are the responsibility of the respondent.

63. **PREVAILING WAGE RATES:** The 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).

64. **COMPLIANCE WITH ALL STATE, FEDERAL, AND LOCAL LAWS:** The Contractor or supplier shall comply with all State, federal, and local laws and requirements. The Contractor must comply with all applicable laws at all times, including, without limitation, the following: (i) §36.02 of the Texas Penal Code, which prohibits bribery; (ii) §36.09 of the Texas Penal Code, which prohibits the offering or conferring of benefits to public servants; and (iii) Chapter 552 of the Texas Government Code, which outlines policy for public information. The Contractor shall give all notices and comply with all laws and regulations applicable to furnishing and performance of the Contract.

65. **FEDERAL, STATE, AND LOCAL REQUIREMENTS:** Contractor shall demonstrate on-site compliance with the provisions of federal law dealing with issuance of Form W-2's to common law employees. Contractor is responsible for both federal and State unemployment insurance coverage and standard Workers' Compensation insurance coverage. Contractor shall ensure compliance with all federal and State tax laws and withholding requirements. The City of Denton shall not be liable to Contractor or its employees for any Unemployment or Workers' Compensation coverage, or federal or State withholding requirements. Contractor shall indemnify the City of Denton and shall pay all costs, penalties, or losses resulting from Contractor's omission or breach of this Section.

66. **ATTORNEY'S FEES; LEGAL COSTS:** Contractor and City agree that the City will not be required to pay Contractor's attorney's fees or legal costs under any circumstances, unless expressly required by law.

67. **DRUG FREE WORKPLACE:** The Contractor shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (Public Law 100-690, Title V, Subtitle D; 41 U.S.C. 701 ET SEQ.) and maintain a drug-free work environment; and the final rule, government-wide requirements for drug-free work place (grants), issued by the Office of Management and Budget

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

and the Department of Defense (32 CFR Part 280, Subpart F) to implement the provisions of the Drug-Free Work Place Act of 1988 is incorporated by reference and the Contractor shall comply with the relevant provisions thereof, including any amendments to the final rule that may hereafter be issued.

68. **CONTRACTOR LIABILITY FOR DAMAGE TO GOVERNMENT PROPERTY:** The Contractor shall be liable for all damages to government-owned, leased, or occupied property and equipment caused by the Contractor and its employees, agents, subcontractors, and suppliers, including any delivery or cartage company, in connection with any performance pursuant to the Contract. The Contractor shall notify the City of Denton Procurement Manager in writing of any such damage within one (1) calendar day.

69. **FORCE MAJEURE:** The City of Denton, any Customer, and the Contractor shall not be responsible for performance under the Contract should it be prevented from performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributable to the fault or negligence of the City of Denton. In the event of an occurrence under this Section, the Contractor will be excused from any further performance or observance of the requirements so affected for as long as such circumstances prevail and the Contractor continues to use commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay. The Contractor shall immediately notify the City of Denton Procurement Manager by telephone (to be confirmed in writing within five (5) calendar days of the inception of such occurrence) and describe at a reasonable level of detail the circumstances causing the non-performance or delay in performance.

70. **NON-WAIVER OF RIGHTS:** Failure of a Party to require performance by another Party under the Contract will not affect the right of such Party to require performance in the future. No delay, failure, or waiver of either Party's exercise or partial exercise of any right or remedy under the Contract shall operate to limit, impair, preclude, cancel, waive or otherwise affect such right or remedy. A waiver by a Party of any breach of any term of the Contract will not be construed as a waiver of any continuing or succeeding breach.

71. **NO WAIVER OF SOVEREIGN IMMUNITY:** The Parties expressly agree that no provision of the Contract is in any way intended to constitute a waiver by the City of Denton of any immunities from suit or from liability that the City of Denton may have by operation of law.

72. **RECORDS RETENTION:** The Contractor shall retain all financial records, supporting documents, statistical records, and any other records or books relating to the performances called for in the Contract. The Contractor shall retain all such records for a period of four (4) years after the expiration of the Contract, or until the CPA or State Auditor's Office is satisfied that all audit and litigation matters are resolved, whichever period is longer. The Contractor shall grant access to all books, records and documents pertinent to the Contract to the CPA, the State Auditor of Texas, and any federal governmental entity that has authority to review records due to federal funds being spent under the Contract. In the event the value of this Contract is One Million ($1,000,000) Dollars or greater: (i) all contracting information related to this contract will be preserved for the duration of the Contact; (ii) the Contractor shall provide any contracting information in its possession promptly upon request by the City; and (iii) at the expiration of this Contract, the Contractor will either provide all contracting information in its possession to the City or preserve same as required by the record retention requirements of the State of Texas.

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

73. **PROCUREMENT LAWS**: The City will not agree to any terms or conditions that cause the City to violate any federal, State, or local procurement laws, including its own Charter or Procurement Policy and any such laws included in boilerplate terms, online terms or other terms provided by the Contractor are considered null and void.

74. **AUTHORITY**: Contractor represents and warrants to the other that (a) it has company authority to execute and perform this Contract; (b) executing this Contract does not constitute a material conflict with, breach, or default under any applicable law, its respective organizational documents, or any documents, agreements, contracts or instruments which are binding upon it; and (c) this Contract creates valid, legal, and binding obligation enforceable against it, subject to applicable insolvency and bankruptcy laws. Contractor recognizes and agrees that a violation of this provision constitutes a material breach under this Contract.

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

Exhibit C
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.

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

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 a 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:

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

- 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>PROFESSIONAL LIABILITY INSURANCE</u>

If CONTRACTOR is a licensed or certified person who renders professional services, then **Professional Liability Insurance** to provide coverage against any claim which the

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

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.

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

Exhibit E

Envision
PHYSICIAN SERVICES

Response to Request for Qualifications

File #8799

EMS Medical Control Services
City of Denton, Texas

City of DENTON



Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

Table of Contents

Executive Overview **3**

Qualifications and Experience **5**

Company Overview 5

Regional Market Presence—Dallas Fort Worth **5**

Regional Experience – City of Denton **5**

Company Experience – EMS Medical Direction Texas **6**

Ability to Meet Scope of Work Requirements **7**

On-Line Medical Direction 7

Adherence to Texas State Board EMS Requirements **7**

On-Line Medical Control Capabilities **7**

On-Line Medical Control Location **7**

On-Line Medical Control for Disasters and MCIs **8**

Audio Recordings **8**

24/7/365 Coverage **8**

Off-Line Medical Direction 8

Adherence to Texas State Board EMS Requirements **8**

Board Certification **9**

Protocol Implementation **9**

Continuous Protocol Development and Review **9**

Quality Assurance/Quality Improvement **10**

Skills Review and Protocol Test **10**

Written Remediation Plan **11**

EMS Continuing Education **11**

Specialty Courses **12**

Collaboration with Local Medical Community **12**

Procurement of Equipment, Medications, Etc **12**

Attachment 1: Conflict of Interest Questionnaire **13**

Attachment 2: Pricing Sheet **14**

Attachment 2: Curriculum Vitae **15**

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

Executive Overview

March 27, 2025

Questcare, a Dallas-based operating unit of Envision Physician Services, is pleased to have this opportunity to present our response to the City of Denton's Request for Proposal for Medical Control Services (RFP 7183). Our company acknowledges and confirms our ability to provide all services requested. The Questcare group is uniquely qualified to provide the services required by the City of Denton. We are excited about the opportunity to partner with the City to build a joint premier health team to deliver the best healthcare services possible to the citizens of our community.

Questcare, with a 24-year history of EMS medical direction services, provides those services for over 40 governmental and ambulance agencies throughout Texas, including the cities of Denton, Arlington, Plano, Frisco, Lewisville, Grand Prairie, McKinney, Coppell, Richardson, Garland, Prosper, Celina, Lake Cities, Highland Village, Murphy, Rowlett, Wylie, Sanger, Krum, Justin, and Ponder. Questcare coordinates an ***EMS Council*** that includes the medical directors of these departments and representatives of these departments' EMS leadership. Maintaining the contract with Questcare will allow the city of Denton to benefit from expansive EMS resources and experience, including qualified medical director back-up, cost efficiencies, insurance coverage, and a proven track record of success within EMS.

Dr. Zack Baselle has been serving as the EMS Medical Director for the City of Denton Fire Department for the last 5 years. He also helps coordinate regional EMS care in the Denton area by serving as the EMS MD for Lake Cities, Ponder, Justin, Sanger, Krum, The Colony and Little Elm fire departments. He is a Board-Certified emergency physician working locally at Medical City Denton.

Our ***experienced leadership team*** is committed to helping the City of Denton raise the bar in EMS services. We are driven by a culture of clinical excellence, accountability, and collaboration. We know that prehospital emergency care is a vital part of a fully integrated healthcare system.

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

Questcare is committed to assist the Denton Fire Department in the following areas to ensure measurable and sustained performance excellence:

- ***Implementation and maintenance of quality databases***
- ***Data-informed process improvement initiatives***
- ***Routine collaborative performance review with EMS and group leadership***
- ***Implementation and maintenance of ECMT credentialing process***
- ***Evidence-based lectures and skill labs***
- ***Unique educational opportunities***

We look forward to the opportunity to discuss our partnership in greater detail with you.

Sincerely,

Matthew D. Bush, MD, FACEP
President, Integrated Markets and Questcare
Chief Clinical Officer, Emergency Medicine/Hospital Medicine, Central Group, Envision
Matthew.Bush@envisionhealth.com
214.217.1913

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

Qualifications and Experience

Company Overview

Envision Healthcare is a leading national medical group, and our combined service divisions have provided ***hospital-based practice management services since 1953.***

Envision Physician Services branch is the only provider that offers multiple hospital-based services with one point of contact for ***emergency medicine, hospital medicine, women's and children's services, acute care surgery, anesthesiology, and radiology services***. Envision Physician Services serves over 900 practices throughout the country.

Regional Market Presence—Dallas Fort Worth

The breadth and scope of our national resource network is backed by a regionally-dedicated support structure. ***Envision's physician-led Questcare operating unit is headquartered in Dallas.*** Our regionally-based, physician-led operations teams work diligently to align our goals with those of our client programs to obtain desirable and sustainable organizational quality and growth.

Envision Physician Services supports:

- *240+ practices across the state of Texas, including a robust presence in the Dallas Fort Worth metropolitan area*
- *EMS medical direction for over 40 governmental and ambulance agencies throughout Texas, including the cities of Denton, Arlington, Plano, Frisco, Lewisville, Grand Prairie, McKinney, Coppell, Richardson, Garland, Prosper, Celina, Lake Cities, Highland Village, Murphy, Rowlett, Wylie, Sanger, Krum, Justin, and Ponder.*

Regional Experience – City of Denton

Questcare has been the exclusive provider of emergency physician services for ***Medical City Denton*** for ***24 years***, and additionally provides Medical City Denton with hospitalist physician services. The hospital in turn has a long history with Denton Fire Department in providing support for emergency medical services. Administration at Medical City Denton has expressed strong support for Questcare's continued medical control responsibility for the City of Denton. Please see attached ***letter of recommendation from Steven Edgar, CEO Medical City Denton*** (Attachment 3).

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

Company Experience – EMS Medical Direction Texas

Questcare has a 24-year history of performing EMS medical direction services in the region. Questcare provides or previously provided EMS medical director services for the following municipalities in Texas:

- *Garland*
- *Richardson*
- *Decatur*
- *Ovilla*
- *Crowley*
- *Pantego*
- *Little Elm*
- *Rockwall*
- *Prosper*
- *Arlington EMS – Arlington, TX*
- *Corinth EMS – Corinth, TX*
- *Denton EMS – Denton, TX*
- *City of Justin – Justin, TX*
- *Krum EMS – Krum, TX*
- *Sanger EMS – Sanger, TX*
- *Ponder FD – Ponder, TX*
- *Oak Point FD – Oak Point, TX*
- *City of Highland Village – Highland Village, TX*
- *Preston FD – Preston, TX*
- *Van Alstyne EMS – Van Alstyne, TX*
- *Princeton FD – Princeton, TX*
- *City of Frisco EMS – Frisco, TX*
- *Medical City Plano EMS – Plano, TX*
- *Murphy EMS – Murphy, TX*
- *City of Plano EMS – Plano, TX*
- *Lucas EMS – Lucas, TX*
- *PHI Air Medical – Texas*
- *Texas EMS – Granbury, TX*
- *Coppell EMS – Coppell, TX*
- *Airbus – American Eurocopter – Texas*
- *Grand Prairie EMS – Gran Prairie, TX*
- *Fairview FD – Fairview, TX*
- *Bedford EMS – Bedford, TX*
- *Lewisville EMS – Lewisville EMS*
- *Rhome Fire Rescue – Rhome, TX*
- *Rowlett EMS – Rowlett, TX*
- *City of Celina – Celina, TX*
- *The Colony FD – Colony, TX*

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

Ability to Meet Scope of Work Requirements

The Questcare leadership group has carefully reviewed the required scope of work and is prepared to comply with all requirements as listed below.

On-Line Medical Direction

a) On-line services shall be provided as required by the Texas State Board of Medical Examiners' Emergency Medical Services (EMS) regulations for Medical Directors.

Adherence to Texas State Board EMS Requirements

The on-line direction will continue to meet all the criteria outlined in Texas State Medical Board's regulations for EMS Medical Directors, Title 22, Texas Administrative Code §197. The EMS medical director shall assign the prehospital provider under his or her direction to a specific on-line communication resource by a predetermined policy. Specific local protocols shall define the circumstances under which on-line direction is required. The on-line physician shall be appropriately trained in the use of prehospital protocols. The physician providing on-line direction shall have personal expertise in the emergency care of ill and injured patients. The physician providing on-line medical direction for a particular patient assumes the responsibility for the appropriateness of prehospital care provided under his or her direction by EMS personnel.

b) On-line service capable of receiving 12-lead electrocardiogram (EKGs) data from the City of Denton Fire Department (DFD) shall be provided 24 hours a day, 7 days per week (currently DFD transmits data via Physio Control from Lifefpak 15s).

On-Line Medical Control Capabilities

The Medical City Denton (the base station) has the capability to receive 12 lead EKG's and the on-line physician shall be available to interpret the 12 lead EKG 24 hours a day, 7 days a week.

c) On-line medical control shall be demonstrated with a hospital located within the city limits of Denton.

On-Line Medical Control Location

Questcare will continue to provide on-line Medical Direction through a base station located at Medical City Denton Emergency Department.

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

d) Additional on-line services shall be provided during disasters and Mass Casualty Incidents (MCIs).

On-Line Medical Control for Disasters and MCIs

In the event of a disaster or mass casualty incident, Questcare will provide assistance with destination control and bed availability in conjunction with the Incident Commander, hospital administration, and ED personnel. Dr. Baselle will review the hospital and Fire Departments disaster plans on a routine basis and provide suggestions to integrate the two seamlessly. Additionally, Dr. Baselle will participate in the execution of disaster drills as performed by the Fire Department and the hospital.

e) Audio recordings shall be maintained of all on-line medical direction and copies will be provided to the designated DFD personnel upon request.

Audio Recordings

Audio recordings of on-line medical direction are recorded at Medical City Denton and are available to all DFD personnel upon request.

f) The Medical Director or a similarly-qualified designee shall be available 24 hours per day, 7 days per week, and 365 days per year.

24/7/365 Coverage

Denton Regional Emergency Department is staffed 24 hours a day, 7 days a week, 365 days a year, and will continue to provide on-line medical direction. Every physician on duty at Denton Regional is board certified in Emergency Medicine.

Off-Line Medical Direction

a) Off-line services shall be provided as required by the Texas State Board of Medical Examiners' EMS regulations for Medical Directors.

Adherence to Texas State Board EMS Requirements

Dr. Baselle will provide off-line medical direction that will meet all the criteria outlined in the Texas State Medical Board's regulations for EMS medical Directors, Title 22, Texas Administrative Code 197.

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

b) The Medical Director shall be a board certified Emergency Medicine Physician.

Board Certification

Dr. Baselle is board certified by the American Osteopathic Board of Emergency Medicine.

c) The Medical Director shall provide protocols that will address basic and advanced life support procedures. Two (2) copies, one (1) written and one (1) electronic, of the protocols shall be provided to the DFD EMS Program Manager no later than 30 days from the start of the contract.

Protocol Implementation

Dr. Baselle will provide a comprehensive set of pre-hospital protocols that will address both basic and advanced life support procedures. Dr. Baselle will include both written and electronic copies of the protocols to the DFD EMS Program Manager with in 30 days of the start of the contract. These protocols have been utilized by DFD EMS for the last eight years and have been continuously reviewed and updated with input from the Fire Department's EMS Program Manager, Field Training Officers, and Front-Line Medics. The skills and procedures detailed in these protocols have successfully withstood the rigors of EMS fieldwork in both urban and rural settings.

d) Continuous protocol development and review will be provided with input from the DFD EMS Program Manager and DFD Field Training Officers (FTO). At a minimum, all protocols will be reviewed and/or updated annually.

Continuous Protocol Development and Review

Dr. Baselle will provide a continuous protocol development and review process consisting of quarterly meetings with the EMS Program Manager and Field Training Officers as well as a comprehensive annual protocol review with all appropriate updates. We will update the protocols regularly to reflect the latest in pre-hospital medical care standards, changes in ACLS, PALS, and ATLS recommendations, and the specific needs of the Fire Department's pre-hospital personnel.

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

e) A Quality Assurance/Quality Improvement Program shall provide a systematic plan and shall include a system that uses audits to drive training needs, protocol development, quality assurance, and quality improvement.

Quality Assurance/Quality Improvement

Questcare will provide to the Denton Fire Department the same successful quality assurance program that is already in place within Denton Fire Department, as well as, other local EMS programs under the Questcare protocols. This program has been proven to be invaluable in the developing the skills and competence of the pre-hospital personnel and identifying the necessary protocol changes. Ideally, the Denton Fire Department will be involved in community wide QA program.

The Denton Fire Department EMS Program Manager and Dr. Baselle will perform audits on a quarterly basis on topic determined on the basis of the EMS system's current needs. Initial audits will reflect common and high-risk categories such as cardiac, respiratory, pediatrics, and trauma. We will collect data over a three-month period, subject it to a systematic review, and then present our finding to the Medics on each shift in a grand rounds forum following the review. During this presentation, Dr. Baselle will provide the statics gathered, review the documentation, and present specific cases to illustrate valuable teaching points. These sessions will be recorded for subsequent review and teaching which will complement the Denton Fire Department's plan to teleconference to the substations.

Dr. Baselle will conduct on-scene Quality Assurance activities, monitor EMS traffic closely, respond to calls on an intermittent basis, and conduct occasional ride-outs with pre-hospital personnel.

Dr. Baselle, Medical City Denton, the Denton Fire Department EMS Program Manager, and Field Training Officers will collaborate on a thorough and comprehensive QI process for Denton Fire Department. We will provide priority run reviews by EMS personnel, advanced airway cases, cardiopulmonary arrests, dead on scene, STEMI cases, stroke cases, and sepsis cases. We will focus on reducing medical errors and needless morbidity and mortality.

f) A skills review and protocol test shall be formulated by the Medical Director.

Skills Review and Protocol Test

Dr. Baselle will work with the Denton Fire Department EMS Program Manager, Field Training Officers to develop a comprehensive skills review and protocol test. He will help supplement the successful process already in place to ensure that paramedic personnel are meeting the minimum skill sets in order to promote skill proficiency while striving for mastery of those skills. We will also continue to challenge EMS personnel utilizing scenario based CE and testing methodologies. We will incorporate protocol test questions into each CE offering to allow us to transition to a more challenging quiz during CE and yearly protocol testing.

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

g) A written remediation plan shall define procedures for DFD employees who fail to meet minimum requirements of the evaluation tools used by the Provider and Texas Department of State Health Services (DSHS).

Written Remediation Plan

Periodically, a paramedic's clinical competency may come into question. This issue may arise from run reviews performed by the EMS program manager, or by the Medical Director, or by the Field Training Officer. Together with the DFD EMS Program director, Field Training Officers, and Medical Director will place the paramedic under a review process. This process may require the paramedic to obtain additional continuing education and/or perform monitored ride-outs with Field Training Officers or other appropriate personnel. This process will take place for a specified period of time lasting at least two weeks. While the paramedic is under review, the EMS Program Manager and Medical Director will review all of his/her run documents carefully for accuracy and appropriateness. We will use additional input from the Field Training Officers and direct interactions between the EMS Program Manager and the Medical Director to determine the paramedic's qualification to return to independent duty.

h) The Medical Director shall provide EMS Continuing Education (CE) once a quarter (4 times a year). Each CE shall be offered twice to each of the three (3) shifts for a total of six (6) classes per quarter. The current format is EMS CE being offered for three (3) consecutive days with one (1) morning and one (1) afternoon session each day. Each class session shall be approximately three (3) hours in length.

EMS Continuing Education

Questcare and Dr. Baselle plan to continue to use the program of providing continuing education to the Denton Fire Department's EMS personnel. Dr. Baselle plans to continue to give CME lectures which will reference current protocols and possible updates to protocols within his lecture. We will also use the continuing educational services of Mr. Paul Newby and his company, Lead II Excellence, to supplement Questcare's program. We will be providing four in-person CE sessions each year.

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

i) Medical Director shall support DFD efforts to develop specialty courses such as ACLS, BTLS, ITLS, PEPP/PALS and others.

Specialty Courses

The Medical Director will support the Denton Fire Department's efforts to develop specialty courses such as ACLS, BTLS, PEPP, PALS and others. Medical City Denton has a well-established education department and has committed to assist the Fire Department in establishing an ACLS program and in training ACLS instructors from within the Department. Dr. Baselle will act as a liaison between the Fire Department and the hospital in designing and implementing these programs. Additionally, Dr. Baselle will assist the Fire Department in investigating opportunities for further training for its pre-hospital personnel through UT Southwestern Medical Center.

j) Medical Director shall provide a mechanism that encourages the local medical community to collaborate on issues of concern on a continuous basis.

Collaboration with Local Medical Community

Dr. Baselle will help maintain an open dialogue with the local medical community through participation in meeting of the Denton County Medical Society and Medical City Denton medical staff and through other hospital and emergency medicine community relationships. He will participate in discussions related to EMS and will be a staunch advocate of the Denton Fire Department EMS program. He will take direct responsibility, in conjunction with the Denton Fire Department EMS Program Manager, for addressing any conflicts or disagreements between the Denton Fire Department personnel and members of the medical community.

k) Medical Director shall enable DFD to use the Medical Director certification(s), DEA #, etc. that is necessary to procure equipment, medications, controlled substances, etc. deemed necessary as outlined in the EMS Protocols.

Procurement of Equipment, Medications, Etc.

Dr. Baselle will continue to enable Denton Fire Department to use his State of Texas Medical License number, DEA number, and any other numbers/certifications which are necessary to procure equipment, medications, controlled substances, or other items deemed necessary as outlined in the EMS Protocols.

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

Attachment 1: Conflict of Interest Questionnaire

CONFLICT OF INTERNEST 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.**

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.**

_____

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

January 30, 2020

Date

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

Attachment 2: Pricing Sheet

ITEM	UOM	Type of Service	Cost of Service FY 2025-26	Cost of Service FY 2026-27	Cost of Service FY 2027-28	Cost of Service FY 2028-29	Cost of Service FY 2029-30
1	Annual	Online medical direction- Bi annual payments.	$60,000.00	$70,000.00	$70,000.00	$70,000.00	$70,000.00
2	Annual	Medical malpractice insurance	$500.00	$500.00	$500.00	$500.00	$500.00
3	EA	EMS protocols, updated annually, one hard copy and one digital copy supplied prior to invoicing	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00
4	EA	QA/QI program, t be completed mid-year annually prior to invoicing. Medical Director and EMS Program Manager shall jointly determine annual goals	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00
Total Annual Cost			$63,500.00	$73,500.00	$73,500.00	$73,500.00	$73,500.00

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

Attachment 2: Curriculum Vitae

Zachary John Baselle D.O.
812 Pyrenees Dr
Southlake, Tx
zbaselle@gmail.com
810-599-5772

Education:
Botsford Hospital Emergency Medicine Residency
July 2013
Doctor of Osteopathy, ATSU-KCOM, Kirksville, MO
May 2009
Bachelor of Arts in Biological Sciences Albion College, Albion MI
May 2005
Associate Clinical Faculty Michigan State Univ. MSUCOM
2010- Present

Employment:
Botsford Hospital, Emergency Medicine Resident, Farmington Hills, Michigan
July 2009 – July 2013
Midwest Urgent Care, Urgent Care Clinician, Redford, Michigan
September 2011 – August 2014
Botsford Hospital Emergency Medicine Physician
August 2013 – August 2014
Farmington Emergency Medicine Assoc Member
August 2013 – August 2014
EnVision Physician Employee, Medical City of Plano
August 2014- Present
AT&T Stadium AMP Physician for the Dallas Cowboys
June 2017-Present

Leadership and Service:

MEDICAL CENTER OF PLANO; Plano, TX
Stroke Committee 2015-2017
Liaison between Emergency Physicians, Neurology, and Neuro-Interventionalist
Review Cases and Provide Feedback for Stroke Fallouts
Vice Chief Emergency Medicine 2015-2017
Serve as the contact point between EM department and other hospital staff

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

Serve on the physician practices committee

Assistant Medical Director 2015-current

Serve as the second point of contact for emergency departments for all: Medical City Frisco, Medical Center Plano, and Plano 24/7 Freestanding ED

Scheduler for all 3 facilities

Chief of Emergency Medicine 2017-2021

Function as the liaison between all ED and Staff and the Hospital.
Sit on MEC committee
Credential all providers

Medical Director Medical City Plano PBED 2019-close

Liaison between hospital staff and ED staff.
Manage day to day operations and staffing for this emergency department
Handle complaints related to the facility

Level 1 Trauma Center Committee ED Representative 2018-current

Liaison between ED and Trauma service
Evaluation of any M+M cases from an ED perspective

Sepsis ED Champion 2020-current

Liason between ED and hospital sepsis coordinator and staff
Review all sepsis fallouts real time with feedback to MDs
Process modification to improve sepsis bundle compliance and metrics

FRISCO FIRE DEPARTMENT; Frisco, TX

Assistant EMS Medical Director 2016-2018

Over 300 hour direct clinical teaching in the Emergency Department at Medical Center of Plano for both Frisco and Plano fire departments

Over 60 hours educations and community events with several major fire services in the northern metroplex.

Work closely with mentoring from Dr Gamber (EMS medical director of the year 2015 state of Texas)

THE COLONY FIRE DEPARTMENT; The Colony, TX

EMS Medical Director 2017-current

Medical oversight for the city of The Colony, Tx.
Writing EMS protocols
Paramedic education and protocol training. 32 hours quarterly in-person CE teaching
Monthly meetings with all parties vested in EMS leadership
Sitting on interview and selection panel for new hires
Rideouts for each new paramedic for clearance to practice.

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

Direct chart review and real time feedback for paramedics regarding patient care and charting.
QI/ peer review leadership for care issues
Assist with public health authority type issues

LITTLE ELM FIRE DEPARTMENT; Little Elm, TX
EMS Medical Director 2019-current

Medical oversight for the city of Little Elm, Tx.
Writing EMS protocols
At request of the department, complete overhaul of the FTO/preceptorship program with interviews of potential FTO candidates, grading and evaluation of FTO lectures to their peer and development of an FTO manual to assist in the training of new fire fighters
Paramedic education and protocol training. 32 hours quarterly in-person CE teaching
Monthly meetings with all parties vested in EMS leadership
Sitting on interview and selection panel for new hires
Rideouts for each new paramedic for clearance to practice.
Direct chart review and real time feedback for paramedics regarding patient care and charting.
QI/ peer review leadership for care issues
Assist with public health authority type issues

DENTON, LAKE CITIES, OAK POINT, SANGER, PONDER, KRUM, JUSTIN FIRE DEPARTMENTS
EMS Medical Director 2020-current

All duties the same as above listed departments

Teacher of Cadaver Lab for EMS and midlevel providers, UT Southwestern Medical School *2016-2019*

Provide monthly direct hands-on cadaver teaching for firefighters and midlevel providers
Teach emergency medical procedures such as cricothyroidotomies, IO placement, tourniquet placement, needle thoracostomies, and Orotracheal intubations.
Assist the providers as they practice the above-mentioned proceedures.

On-field Airway Management Physician for Dallas Cowboys
2017-current

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

Provide on-field emergency airway services and cardiac arrest management for home games for the Dallas Cowboys
Receive sports medicine education and training for seriously injured professional football players

On-course Player Physician for the LPGA When in Dallas
2018-current

Provide primary care type services for LPGA golfers
Medical directorship for EMS transport for ill or injured golfers

BOTSFORD HOSPITAL; Farmington Hill, MI
Chief Resident Emergency Medicine
- Liaison between faculty, staff, and resident
- Monthly resident scheduling
- Residency candidate selection board

EMS Lecturer
- Provided lectures for paramedics, local fire departments, and paramedic students

Residency Lecturer
- Over 20 lectures provided for staff physicians and residents with established personal lecture bank

Service Trips/MedicalMmissions
- Participant and lead resident for DOCARE medical mission to Antigua Guatemala, 2011
- Participant for DOCARE medical mission to Antigua Guatemala, 2013

Other Education/Certifications
- Regional Wilderness Medicine Grand Rounds, University of Michigan, 2013
- Planned Attendee Spring ACOEP National Conference, Ft. Lauderdale, 2013
- EMSONO online ultrasound training modules (25 hour ultrasound course), 2012
- Difficult airway management course, MSU Statewide Campus system, 2012
- Attendee Wildness Medicine Symposium, Lake Tahoe, 2011
- Basic ultrasound and advanced ultrasound, MSU Statewide Campus system, 2011
- Advanced cardiac life support- current 2013
- Basic life support- current 2013
- Attendee Essentials of Emergency Medicine conference, San Francisco, 2010
- Advanced trauma life support-current 2010
- SIMS lab patient management program, MSU and Schoolcraft College, 2010-2012

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

Professional Societies
- Member, American Osteopathic Association
- Member, Michigan Osteopathic Association
- Member, Texas Osteopathic Association
- Member, American College of Osteopathic Emergency Physicians

ATSU-KCOM; Kirksville, MO
- *Orientation Leader for Incoming First Year students*
- *Acting Fellow of OMM for ATSU-SOMA, Mesa, AZ*

Student Member of:

AMSA (American Medical Student Association-MD/DO)
ACOFP (Association of College of Osteopathic Family Practice)
Theta Psi (Service and Social Society)
SOSA (Society of Osteopathic Surgeons Association)
Sports Medicine Club
ER Club

Albion College; Albion, MI
- *Class President for the class of 2005*
- *Class Council Association President*
- *Student Affairs Chair of Albion College Student Senate*
- *President of Delta Sigma Phi Fraternity*
- *House Manager and Recruitment Chair of Delta Sigma Phi Fraternity*
- *Participant in the Albion College Honors Program*
- *Coordinator for two Habitat for Humanity homes*
- *Member of the Albion College Lacrosse Team*
- *Yearly Assistant Coordinator of the Albion Community Special Olympics*

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

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) and by City of Denton Ethics Code, Ordinance 18-757.
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.**

Questcare Medical Services, PLLC

2 [X] **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.**

_____
Name of Officer

Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relations hip with the local government 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 [X] 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 [X] 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 [X] No

D. Describe each employment or business and family relationship with the local government officer named in this section.

4 [X] **I have no Conflict of Interest to disclose.**

5 Signed by: Matt Bush C127G55B4EA44GA...

Signature of vendor doing business with the governmental entity

6/20/2025
Date

Docusign Envelope ID: B2D94751-BBA9-46E8-AA72-FD58C91775BA

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/ Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(A) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

City of Denton Ethics Code Ordinance Number 18-757

Definitions:

Relative: a family member related to a City Official within the third 3rd degree of affinity (marriage) or consanguinity (blood or adoption)

City Official: for purpose of this article, the term consists of the Council Members, Department Heads, or member of the Board of Ethics, Planning and zoning Commission Members, Board of Adjustment, Historic Landmark Commission, or Public Utilities Board

Vendor: a person who provides or seeks to provide goods, services, and/or real property to the City in exchange for compensation. This definition does not include those property owners from whom the City acquires public right-of-way or other real property interests for public use.

Per the City of Denton Ethics Code, Section 2-273. – Prohibitions

(3) It shall be a violation of this Article for a Vendor to offer or give a Gift to City Official exceeding fifty dollars ($50.00) per gift, or multiple gifts cumulatively valued at more than two hundred dollars ($200.00) per a single fiscal year.

Per the City of Denton Ethics Code, Section 2-282. – Disposition (b), (5) Ineligibility

If the Board of Ethics finds that a Vendor has violated this Article, the Board may recommend to the City Manager that the Vendor be deemed ineligible to enter into a City contract or other arrangement for goods, services, or real property, for a period of one (1) year.

Certificate Of Completion

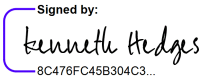
Envelope Id: B2D94751-BBA9-46E8-AA72-FD58C91775BA
Status: Sent
Subject: Please DocuSign: City Council Contract 8799 -Medical Director Services
Source Envelope:
Document Pages: 52
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Envelope Originator:
Kayla Clark
901B Texas Street
Denton, TX 76209
kayla.clark@cityofdenton.com
IP Address: 198.49.140.104

Record Tracking

Status: Original
6/17/2025 12:54:18 PM
Holder: Kayla Clark
kayla.clark@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Kayla Clark kayla.clark@cityofdenton.com Buyer City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	**Completed** Using IP Address: 198.49.140.104	Sent: 6/17/2025 12:56:55 PM Viewed: 6/17/2025 12:57:11 PM Signed: 6/17/2025 12:57:33 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	DS LH Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 6/17/2025 12:57:38 PM Viewed: 6/17/2025 12:58:25 PM Signed: 6/17/2025 12:58:38 PM
Marcella Lunn marcella.lunn@cityofdenton.com Senior Deputy City Attorney City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	DocuSigned by: Marcella Lunn 4B070831B4AA438... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.104	Sent: 6/17/2025 12:58:41 PM Viewed: 6/19/2025 9:13:19 PM Signed: 6/19/2025 9:18:43 PM
Matt Bush Matt.Bush@envisionhealth.com EVP Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 6/20/2025 5:32:49 AM ID: e2b92fe1-97b3-4992-be9c-60a975b0436e	Signed by: Matt Bush C127C55B4EA44CA... Signature Adoption: Pre-selected Style Using IP Address: 170.85.99.112	Sent: 6/19/2025 9:18:47 PM Viewed: 6/20/2025 5:32:49 AM Signed: 6/20/2025 5:34:20 AM

Signer Events	Signature	Timestamp
Kenneth Hedges Kenneth.Hedges@cityofdenton.com Fire Chief Security Level: Email, Account Authentication (None)	Signed by:  8C476FC45B304C3... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 6/20/2025 5:34:24 AM Viewed: 6/23/2025 4:44:57 AM Signed: 6/23/2025 4:45:19 AM
Electronic Record and Signature Disclosure: Accepted: 6/23/2025 4:44:57 AM ID: d59b896f-c0f3-458e-b3a0-2d5121d3e88d		
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: 6/23/2025 4:45:25 AM
Sara Hensley sara.hensley@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Lauren Thoden lauren.thoden@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: 6/17/2025 12:57:37 PM
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None)	COPIED	Sent: 6/23/2025 4:45:25 AM Viewed: 6/23/2025 7:17:58 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		
Lindsey Garrison Lindsey.Garrison@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 5/19/2025 11:57:02 AM ID: ab5c216a-056f-4a4f-af02-c1c69516d22e		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	6/17/2025 12:56:55 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.

File #: ID 25-1198, **Version:** 1

AGENDA CAPTION

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 Johnston Technical Services, Inc., through the Department of Information Resources (DIR) Cooperative Purchasing Network Contract Nos. DIR-CPO-4792 and DIR-CPO-5385, for the purchase of Microwave Radio Network Equipment, Accessories, and Services for the Technology Services Department; providing for the expenditure of funds therefor; and providing an effective date (File 8849 - awarded to Johnston Technical Services, Inc., in the five (5) year not-to-exceed amount of $1,625,000.00).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: July 15, 2025

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 Johnston Technical Services, Inc., through the Department of Information Resources (DIR) Cooperative Purchasing Network Contract Nos. DIR-CPO-4792 and DIR-CPO-5385, for the purchase of Microwave Radio Network Equipment, Accessories, and Services for the Technology Services Department; providing for the expenditure of funds therefor; and providing an effective date (File 8849 – awarded to Johnston Technical Services, Inc., in the five (5) year not-to-exceed amount of $1,625,000.00).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Pursue Organizational Excellence and Collaborative and Respectful Leadership.

INFORMATION/BACKGROUND

Johnston Technical Services, Inc. (JTS) is a long-standing partner with the City of Denton. They provide communication tower services to include microwave equipment and other radio antennas. JTS also offers tower maintenance and responds when bad weather impacts our communication equipment. JTS has also been integral in designing and improving our microwave network used by the Water Utilities Department.

Below are the estimated expenditures.

Project Description	Estimated 5-Year Expenditure
Premiere Support Year 1	$250,000.00
Premiere Support Year 2	250,000.00
Premiere Support Year 3	250,000.00
Premiere Support Year 4	250,000.00
Premiere Support Year 5	250,000.00
Contingency for additional support hours	375,000.00
Total	**$1,625,000.00**

Pricing obtained through the Texas Department of Information Resources (DIR) Cooperative Purchasing Network has been competitively bid and meets the statutory requirements of Texas Local Government Code 271.102.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On January 28, 2020, City Council approved the interlocal agreement with the Texas Department of Information Resources Purchasing Network (Ordinance 20-196).

RECOMMENDATION

Award a contract with Johnston Technical Services, Inc., for the purchase of Microwave Radio Network Equipment, Accessories, and Services for the Technology Services Department, in a five (5) year not-to-exceed amount of $1,625,000.

PRINCIPAL PLACE OF BUSINESS

Johnston Technical Services, Inc.
Dallas, TX

ESTIMATED SCHEDULE OF PROJECT

This is a five (5) year contract. The DIR-CPO-4792 contract expires on May 28, 2026, and the DIR-CPO-5385 contract expires on December 10, 2029.

FISCAL INFORMATION

These products and services will be funded through the using department's budget on an as-needed basis. The budgeted amount for this item is $1,625,000. The City will only pay for services rendered and is not obligated to pay the full contract amount unless needed.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance and Contract

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Leisha Meine, 940-349-7823.

Legal point of contact: Marcella Lunn at 940-349-8333.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH JOHNSTON TECHNICAL SERVICES, INC., THROUGH THE DEPARTMENT OF INFORMATION RESOURCES (DIR) COOPERATIVE PURCHASING NETWORK CONTRACT NOS. DIR-CPO-4792 AND DIR-CPO-5385, FOR THE PURCHASE OF MICROWAVE RADIO NETWORK EQUIPMENT, ACCESSORIES, AND SERVICES FOR THE TECHNOLOGY SERVICES DEPARTMENT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (FILE 8849 – AWARDED TO JOHNSTON TECHNICAL SERVICES, INC., IN THE FIVE (5) YEAR NOT-TO-EXCEED AMOUNT OF $1,625,000.00).

WHEREAS, pursuant to Ordinance 20-196, the Texas Department of Information Resources Cooperative Contracts Program has solicited, received, and tabulated competitive bids for the purchase of necessary materials, equipment, supplies, or services in accordance with the procedures of state law and city ordinances; and

WHEREAS, the City Manager, or a designated employee, has reviewed and recommended that the herein described materials, equipment, supplies or services can be purchased by the City through the Texas Department of Information Resources Cooperative Contracts Program at less cost than the City would expend if bidding these items individually; 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 numbered items in the following numbered purchase order for materials, equipment, supplies, or services, shown in the "File Number" listed hereon, and on file in the office of the Purchasing Agent, are hereby approved:

FILE NUMBER	VENDOR	AMOUNT
8849	Johnston Technical Services, Inc.	$1,625,000.00

SECTION 2. By the acceptance and approval of the above numbered items set forth in the referenced file number, the City accepts the offer of the persons submitting the bids to the Texas Department of Information Resources Cooperative Contracts Program for such items and agrees to purchase the materials, equipment, supplies, or services in accordance with the terms, conditions, specifications, standards, quantities, and for the specified sums contained in the bid documents, and

related documents filed with the Texas Department of Information Resources Cooperative Contracts Program, and the purchase orders issued by the City.

SECTION 3. Should the City and persons submitting approved and accepted items set forth in the referenced file number wish to enter into a formal written agreement as a result of the City's ratification of bids awarded by Texas Department of Information Resources Cooperative Contracts Program, 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, and standards contained in the Proposal submitted to the Texas Department of Information Resources Cooperative Contracts Program and related documents herein approved and accepted.

SECTION 4. 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 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:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____



Scott Bray
Deputy City Attorney

Docusign Envelope ID: DFF274E7-7EC8-4B9C-B3ED-0CDB0B3887B8

Docusign City Council Transmittal Coversheet

FILE	8849
File Name	Microwave Radios, Network and Accessories
Purchasing Contact	Gabby Leeper
City Council Target Date	
Piggy Back Option	Not Applicable
Contract Expiration	
Ordinance	

Docusign Envelope ID: DFF274E7-7EC8-4B9C-B3ED-0CDB0B3887B8

CONTRACT BY AND BETWEEN
CITY OF DENTON, TEXAS AND JOHNSTON TECHNICAL SERVICES, INC.
(File # 8849)

THIS CONTRACT is made and entered into this date _____, by and between Johnston Technical Services, Inc., a Texas Corporation, whose address is 5310 S Cockrell Hill Rd Dallas, TX 75236, hereinafter referred to as "Supplier," and the **CITY OF DENTON, TEXAS**, a home rule municipal corporation, hereinafter referred to as "City," to be effective upon approval of the Denton City Council and subsequent execution of this Contract by the Denton City Manager or their 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

Supplier shall provide products in accordance with the Texas Department of Information Resources (DIR) Cooperative Purchasing Contracts #DIR-CPO-4792, and DIR-CPO-5385, incorporated herein for all purposes as **Exhibit "B"**. The Contract consists of this written agreement and the following items which are attached hereto, or on file, and incorporated herein by reference:

(a) Special Terms and Conditions **(Exhibit "A");**
(b) Texas Department of Information Resources (DIR) Cooperative Purchasing Contract #DIR-CPO-4792 and DIR-CPO-5385 with Johnston Technical Services, Inc., **(Exhibit "B" on file at the office of the Purchasing Agent**);
(c) Certificate of Interested Parties Electronic Filing **(Exhibit "C");**
(d) Insurance Requirements **(Exhibit "D");**
(e) Form CIQ – Conflict of Interest Questionnaire **(Exhibit "E")**

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 the written agreement then to the contract documents in the 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 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.

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***

Docusign Envelope ID: DFF274E7-7EC8-4B9C-B3ED-0CDB0B3887B8

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.

Prohibition on Contracts with Companies Boycotting Certain Firearm Entities and Firearm Trade Associations

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.

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.

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.

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 WHEREOF, the parties of these presents have executed this agreement in the year and day first above written.

Docusign Envelope ID: DFF274E7-7EC8-4B9C-B3ED-0CDB0B3887B8

SUPPLIER

BY: DocuSigned by: John Thompson
63724C5AA4F264...
AUTHORIZED SIGNATURE

Printed Name: John Thompson

Title: General Manager

972-620-1435
PHONE NUMBER

john.thompson@jts.net
EMAIL ADDRESS

2025-1319051
TEXAS ETHICS COMMISSION
1295 CERTIFICATE NUMBER

CITY OF DENTON, TEXAS

BY: _____
SARA HENSLEY, CITY MANAGER

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: DocuSigned by: Marcella Lunn
4B070831B4AA438...

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational obligations
and business terms.

DocuSigned by: Leisha Meine
C3D1A7DAEB4E5...
SIGNATORE

Leisha Meine
PRINTED NAME

Chief Technology Officer
TITLE

Technology Services
DEPARTMENT

File 8849

Docusign Envelope ID: DFF274E7-7EC8-4B9C-B3ED-0CDB0B3887B8

Exhibit A
Special Terms and Conditions

1. Contract Term

The contract term will be five (5) years, effective from date of award.

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. 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.

2. Total Contract Amount

The contract total shall not exceed $1,625,000.00. Pricing shall be per DIR Cooperative.

Docusign Envelope ID: DFF274E7-7EC8-4B9C-B3ED-0CDB0B3887B8

Exhibit C
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/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.
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.

Docusign Envelope ID: DFF274E7-7EC8-4B9C-B3ED-0CDB0B3887B8

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:

    - Name as Additional Insured the City of Denton, its Officials, Agents,

Docusign Envelope ID: DFF274E7-7EC8-4B9C-B3ED-0CDB0B3887B8

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. Commercial General Liability Insurance including, but not limited to, Premises/Operations, Personal & Advertising Injury, Products/Completed 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.

Docusign Envelope ID: DFF274E7-7EC8-4B9C-B3ED-0CDB0B3887B8

B. Workers' Compensation within the regulations of the Texas Workers' Compensation Act. The minimum policy limits for **Employers Liability** are:

Bodily Injury by Accident: $100,000.00 Each Accident
Bodily Injury by Disease: $100,000.00 Each Employee
Bodily Injury by Disease: $500,000,000.00 Policy Limit

NOTES:

a. If CONTRACTOR will not be providing services under the contract at a City facility, has no employees and/or is operating as a sole owner and single operator, CONTRACTOR shall provide a signed letter, with the current date, on official letterhead stating such to meet the requirement.

b. If CONTRACTOR is a non-subscriber or is self-insured CONTRACTOR shall provide a copy of its Certificate of Authority to Self-Insure from the Texas Department of Insurance, Division of Workers' Compensation Self Insurance Regulation Program, evidence of alternative coverage and internal safety and injury coverage policies and procedures.

C. Business Automobile Liability Insurance covering owned, hired, and non-owned vehicles, with a minimum combined single limit for bodily injury (including death) and property damage limit of $500,000.00 per occurrence.

NOTE:

a. If CONTRACTOR does not have owned, hired and non-owned autos or vehicles and/or no autos or vehicles will not be used in the performance of services under the contract, CONTRACTOR shall provide a signed letter, with the current date, on official letterhead stating such to meet the requirement for owned autos.

D. 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.

Docusign Envelope ID: DFF274E7-7EC8-4B9C-B3ED-0CDB0B3887B8

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.

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) and by City of Denton Ethics Code, Ordinance 18-757.
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.**

Johnston Technical Services, Inc.

2

[X] **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.**

_____
Name of Officer

Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relations hip with the local government 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 [X] 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 [X] 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 [X] No

D. Describe each employment or business and family relationship with the local government officer named in this section.

4 [X] **I have no Conflict of Interest to disclose.**

5

DocuSigned by:
John Thompson
83772A75A7AE469...
Signature of vendor doing business with the governmental entity

6/5/2025
Date

Docusign Envelope ID: DFF274E7-7EC8-4B9C-B3ED-0CDB0B3887B8

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/ Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(A) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

City of Denton Ethics Code Ordinance Number 18-757

Definitions:

Relative: a family member related to a City Official within the third 3rd degree of affinity (marriage) or consanguinity (blood or adoption)

City Official: for purpose of this article, the term consists of the Council Members, Department Heads, or member of the Board of Ethics, Planning and zoning Commission Members, Board of Adjustment, Historic Landmark Commission, or Public Utilities Board

Vendor: a person who provides or seeks to provide goods, services, and/or real property to the City in exchange for compensation. This definition does not include those property owners from whom the City acquires public right-of-way or other real property interests for public use.

Per the City of Denton Ethics Code, Section 2-273. – Prohibitions

(3) It shall be a violation of this Article for a Vendor to offer or give a Gift to City Official exceeding fifty dollars ($50.00) per gift, or multiple gifts cumulatively valued at more than two hundred dollars ($200.00) per a single fiscal year.

Per the City of Denton Ethics Code, Section 2-282. – Disposition (b), (5) Ineligibility

If the Board of Ethics finds that a Vendor has violated this Article, the Board may recommend to the City Manager that the Vendor be deemed ineligible to enter into a City contract or other arrangement for goods, services, or real property, for a period of one (1) year.

Certificate Of Completion

Envelope Id: DFF274E7-7EC8-4B9C-B3ED-0CDB0B3887B8
Status: Sent
Subject: Please DocuSign: City Council Contract 8849 Microwave Radios, Network & Accessories
Source Envelope:
Document Pages: 12
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Gabby Leeper
901B Texas Street
Denton, TX 76209
Gabby.Leeper@cityofdenton.com
IP Address: 198.49.140.104

Record Tracking

Status: Original
6/3/2025 2:12:44 PM
Holder: Gabby Leeper
Gabby.Leeper@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Gabby Leeper gabby.leeper@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: 198.49.140.104	Sent: 6/3/2025 2:17:59 PM Viewed: 6/3/2025 2:32:55 PM Signed: 6/3/2025 2:33:32 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	DS LH Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 6/3/2025 2:33:34 PM Viewed: 6/3/2025 6:45:13 PM Signed: 6/3/2025 6:45:52 PM
Marcella Lunn marcella.lunn@cityofdenton.com Senior Deputy City Attorney City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	DocuSigned by: Marcella Lunn 4B070831B4AA438... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 6/3/2025 6:45:54 PM Viewed: 6/5/2025 8:36:14 AM Signed: 6/5/2025 8:38:07 AM
John Thompson john.thompson@jts.net General Manager JTS Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 12/7/2017 3:12:22 PM ID: 1694e3f0-63dd-4681-abaa-c703dbe2116a	DocuSigned by: John Thompson 83772A75A7AF469... Signature Adoption: Pre-selected Style Using IP Address: 98.6.225.38	Sent: 6/5/2025 8:38:10 AM Viewed: 6/5/2025 8:42:26 AM Signed: 6/5/2025 9:02:05 AM

Signer Events	Signature	Timestamp
Leisha Meine leisha.meine@cityofdenton.com Chief Technology Officer City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	DocuSigned by: Leisha Meine D60D157ADABC4D5... Signature Adoption: Pre-selected Style Using IP Address: 174.244.52.74 Signed using mobile	Sent: 6/5/2025 9:02:09 AM Viewed: 6/5/2025 9:13:49 AM Signed: 6/5/2025 9:14:26 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: 6/5/2025 9:14:30 AM
Sara Hensley sara.hensley@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Lauren Thoden lauren.thoden@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: 6/3/2025 2:33:33 PM
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:**	COPIED	Sent: 6/5/2025 9:14:30 AM Viewed: 6/6/2025 12:04:30 PM

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

Stephanie Padgett

Stephanie.Padgett@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	6/3/2025 2:17:59 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.

File #: ID 25-1199, **Version:** 1

AGENDA CAPTION

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 Carahsoft Technology Corporation, through the Department of Information Resources (DIR) Cooperative Contract Nos. DIR-CPO-5687 and DIR-CPO-5683, and through The Interlocal Purchasing System (TIPS) Cooperative Program Contract No. 220105, for the purchase of various application licenses, software subscriptions, and Software as a Service for the Technology Services Department; providing for the expenditure of funds therefor; and providing an effective date (File 8854 - awarded to Carahsoft Technology Corporation, in the five (5) year not-to-exceed amount of $3,266,000.00).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: July 15, 2025

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 Carahsoft Technology Corporation, through the Department of Information Resources (DIR) Cooperative Contract Nos. DIR-CPO-5687 and DIR-CPO-5683, and through The Interlocal Purchasing System (TIPS) Cooperative Program Contract No. 220105, for the purchase of various application licenses, software subscriptions, and Software as a Service for the Technology Services Department; providing for the expenditure of funds therefor; and providing an effective date (File 8854 – awarded to Carahsoft Technology Corporation, in the five (5) year not-to-exceed amount of $3,266,000.00).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Pursue Organizational Excellence and Collaborative and Respectful Leadership.

INFORMATION/BACKGROUND

Carahsoft Technology Corporation provides Software as a Service (SaaS), Information Technology (IT) Products, and Related Services. The City of Denton currently purchases subscription licenses through Carahsoft for various applications: Docusign, SmartSheet, EngagementHQ (Discuss Denton), Waste Services, Cellbrite, and Legistar. The co-ops allow the City to acquire vendor implementation services through Carahsoft that include the configuration of software, development of interfaces, professional services related to the deployment of a software solution, and end-user training.

Cooperative Contract	Example of Expenditures
DIR-CPO-5683	Oracle Fusion, HipLink
DIR-CPO-5687	Cellbrite, DocuSign, SmartSheet
TIPS 220105	OpenGov, Granicus (Legistar, EHQ, Waste Services)

This is an enterprise contract that is used by multiple departments. Below are the estimated expenditures along with a 30% contingency that will provide additional spending authority for increasing annual subscription license costs and growth for new licenses and applications that can be purchased through the cooperative contracts.

Project Description	Estimated 5-Year Expenditure
Year 1	$447,413.35
Year 2	478,732.28
Year 3	494,959.63
Year 4	527,856.80
Year 5	563,056.78
Contingency for additional support hours	753,981.16
Total	**$3,266,000.00**

Pricing obtained through the Texas Department of Information Resources (DIR) Cooperative Purchasing Network and The Interlocal Purchasing System has been competitively bid and meets the statutory requirements of Texas Local Government Code 271.102.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 17, 2011, City Council approved the interlocal agreement with The Interlocal Purchasing System (Ordinance 2011-082).

On January 28, 2020, City Council approved the interlocal agreement with the Department of Information Resources Purchasing Network (Ordinance 20-196).

RECOMMENDATION

Award a contract with Carahsoft Technology Corporation, for the purchase of various application licenses, software subscriptions, and Software as a Service for the Technology Services Department, in a five (5) year not-to-exceed amount of $3,266,000.

PRINCIPAL PLACE OF BUSINESS

Carahsoft Technology Corporation
Reston, VA

ESTIMATED SCHEDULE OF PROJECT

This is a five (5) year contract. DIR-CPO-5687 expires on July 29, 20209, DIR-CPO-5683 expires on January 22, 2030, and TIPS 220105 expires on May 31, 2027.

FISCAL INFORMATION

These products and services will be funded through the using department's budget on an as-needed basis. The City will only pay for services rendered and is not obligated to pay the full contract amount unless needed.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance and Contract

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Leisha Meine, 940-349-7823.

Legal point of contact: Marcella Lunn at 940-349-8333.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH CARAHSOFT TECHNOLOGY CORPORATION, THROUGH THE DEPARTMENT OF INFORMATION RESOURCES (DIR) COOPERATIVE CONTRACT NOS. DIR-CPO-5687 AND DIR-CPO-5683, AND THROUGH THE INTERLOCAL PURCHASING SYSTEM (TIPS) COOPERATIVE PROGRAM CONTRACT NO. 220105, FOR THE PURCHASE OF VARIOUS APPLICATION LICENSES, SOFTWARE SUBSCRIPTIONS, AND SOFTWARE AS A SERVICE FOR THE TECHNOLOGY SERVICES DEPARTMENT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (FILE 8854 – AWARDED TO CARAHSOFT TECHNOLOGY CORPORATION, IN THE FIVE (5) YEAR NOT-TO-EXCEED AMOUNT OF $3,266,000.00).

WHEREAS, pursuant to Ordinance 20-196, the Texas Department of Information Resources Cooperative Contracts Program has solicited, received, and tabulated competitive bids for the purchase of necessary materials, equipment, supplies, or services in accordance with the procedures of state law and city ordinances; and

WHEREAS, pursuant to Ordinance 2011-082, The Interlocal Purchasing System Program has solicited, received, and tabulated competitive bids for the purchase of necessary materials, equipment, supplies, or services in accordance with the procedures of state law and city ordinances; and

WHEREAS, the City Manager, or a designated employee, has reviewed and recommended that the herein described materials, equipment, supplies, or services can be purchased by the City through the Texas Department of Information Resources and TIPS Cooperative Contracts Program at less cost than the City would expend if bidding these items individually; 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 numbered items in the following numbered purchase order for materials, equipment, supplies, or services, shown in the "File Number" listed hereon, and on file in the office of the Purchasing Agent, are hereby approved:

FILE NUMBER	VENDOR	AMOUNT
8854	Carahsoft Technology Corporation	$3,266,000.00

SECTION 2. By the acceptance and approval of the above numbered items set forth in the referenced file number, the City accepts the offer of the persons submitting the bids to the Texas Department of Information Resources and TIPS Cooperative Contracts Program for such items and agrees to purchase the materials, equipment, supplies, or services in accordance with the terms, conditions, specifications, standards, quantities, and for the specified sums contained in the bid documents, and related documents filed with the Texas Department of Information Resources and TIPS Cooperative Contracts Program, and the purchase orders issued by the City.

SECTION 3. Should the City and persons submitting approved and accepted items set forth in the referenced file number wish to enter into a formal written agreement as a result of the City's ratification of bids awarded by Texas Department of Information Resources and TIPS Cooperative Contracts Program, the City Manager, or their designated representative, is hereby authorized to execute the written contract which shall be referenced herein; provided that the written contract is in accordance with the terms, conditions, specifications, and standards contained in the Proposal submitted to the Texas Department of Information Resources and TIPS Cooperative Contracts Program and related documents herein approved and accepted.

SECTION 4. By the acceptance and approval of the above enumerated bids, the City Council hereby authorizes the expenditure of funds therefore in the amount and in accordance with the approved bids.

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:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

Scott Bray
Deputy City Attorney

File #: ID 25-1200, **Version:** 1

AGENDA CAPTION

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 The Pioneer Manufacturing Company dba Pioneer Athletics, through the Buy Board Cooperative Purchasing Network Contract No. 766-25, for the procurement of athletic field marking paint for the Warehouse; providing for the expenditure of funds therefor; and providing an effective date (File 8874 - awarded to The Pioneer Manufacturing Company dba Pioneer Athletics, in the five (5) year not-to-exceed amount of $300,000.00).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: July 15, 2025

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 The Pioneer Manufacturing Company dba Pioneer Athletics, through the Buy Board Cooperative Purchasing Network Contract No. 766-25, for the procurement of athletic field marking paint for the Warehouse; providing for the expenditure of funds therefor; and providing an effective date (File 8874 – awarded to The Pioneer Manufacturing Company dba Pioneer Athletics, in the five (5) year not-to-exceed amount of $300,000.00).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Strengthen Community and Quality of Life.

INFORMATION/BACKGROUND

The Parks Department purchases specialty athletic field marking paint to maintain 46 athletic fields around the city throughout the year. In prior years, the Warehouse has procured these materials through the Informal Quote <$50k Contract process. Materials are ordered as needed to maintain appropriate stocking levels in the Warehouse. These commodities are deemed common stock items and will be funded out of the Warehouse Working Capital account, stocked in the Warehouse, and charged back to the using department as needed.

To streamline procurement processes and maintain high standards, the Warehouse is requesting to utilize the Buy Board Cooperative Purchasing Agreement. There is also a contingency built into the spend of this contract in the event of price increases.

Project Description	Estimated 5-Year Expenditure
Year 1	$50,000
Year 2	50,000
Year 3	50,000
Year 4	50,000
Year 5	50,000
Contingency	50,000
Total	**$300,000**

Pricing obtained through the Buy Board Cooperative Purchasing Network has been competitively bid and meets the statutory requirements of Texas Local Government Code 271.102.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On February 1, 2005, City Council approved the interlocal agreement with the Buy Board Cooperative Purchasing Network (Ordinance 2005-034).

RECOMMENDATION

Award a contract with The Pioneer Manufacturing Company dba Pioneer Athletics, for the procurement of athletic field marking paint for the Warehouse, in a five (5) year not-to-exceed $300,000.

PRINCIPAL PLACE OF BUSINESS

The Pioneer Manufacturing Company dba Pioneer Athletics
Cleveland, OH

ESTIMATED SCHEDULE OF PROJECT

This is a five (5) year contract. This Buy Board contract expires on March 31, 2028.

FISCAL INFORMATION

These items will be funded from the Warehouse Working Capital account, stocked in the Warehouse, and charged back to the using department as needed. The budgeted amount for this item is $300,000.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Keith Kading, 940-349-7178.

Legal point of contact: Marcella Lunn at 940-349-8333.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH THE PIONEER MANUFACTURING COMPANY DBA PIONEER ATHLETICS, THROUGH THE BUY BOARD COOPERATIVE PURCHASING NETWORK CONTRACT NO. 766-25, FOR THE PROCUREMENT OF ATHLETIC FIELD MARKING PAINT FOR THE WAREHOUSE; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (FILE 8874 – AWARDED TO THE PIONEER MANUFACTURING COMPANY DBA PIONEER ATHLETICS, IN THE FIVE (5) YEAR NOT-TO-EXCEED AMOUNT OF $300,000.00).

WHEREAS, pursuant to Ordinance 2005-034, the Buy Board Cooperative Purchasing Network has solicited, received, and tabulated competitive bids for the purchase of necessary materials, equipment, supplies, or services in accordance with the procedures of state law and city ordinances; and

WHEREAS, the City Manager, or a designated employee, has reviewed and recommended that the herein described materials, equipment, supplies, or services can be purchased by the City through the Buy Board Cooperative Purchasing Network programs at less cost than the City would expend if bidding these items individually; 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 shown in the "File Number" referenced herein and on file in the office of the Purchasing Agent, are hereby accepted and approved as being the lowest responsible bids for such items:

FILE NUMBER	VENDOR	AMOUNT
8874	The Pioneer Manufacturing Company dba Pioneer Athletics	$300,000.00

SECTION 2. By the acceptance and approval of the items set forth in the referenced file number, the City accepts the offer of the persons submitting the bids to the Buy Board Cooperative Purchasing Network for such items and agrees to purchase the materials, equipment, supplies, or services in accordance with the terms, conditions, specifications, standards,

quantities, and for the specified sums contained in the bid documents and related documents filed with the Buy Board Cooperative Purchasing Network and the purchase orders issued by the City.

SECTION 3. Should the City and persons submitting approved and accepted items set forth in the referenced file number wish to enter into a formal written agreement as a result of the City's ratification of bids awarded by the Buy Board Cooperative Purchasing Network, the City Manager, or their designated representative, is hereby authorized to execute the written contract which shall be referenced herein; provided that the written contract is in accordance with the terms, conditions, specifications, and standards contained in the Proposal submitted to the Buy Board Cooperative Purchasing Network, and the quantities and specified sums contained in the City's purchase orders and related documents referenced herein are 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 items set forth in the referenced file number, the City Council hereby authorizes the expenditure of funds therefor in the amount and in accordance with the approval of purchase orders or pursuant to a written contract made pursuant thereto as authorized herein.

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 _____. This ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

Scott Bray
Deputy City Attorney

File #: ID 25-1205, **Version:** 1

AGENDA CAPTION

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive proposals under RFP 8367 for Enterprise Asset Management (EAM) Solution for the Technology Services Department; and providing an effective date (RFP 8367).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: July 15, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive proposals under RFP 8367 for Enterprise Asset Management (EAM) Solution for the Technology Services Department; and providing an effective date (RFP 8367).

INFORMATION/BACKGROUND

The City of Denton conducted an RFP to request proposals from multiple vendors to replace the City's Enterprise Asset Management (EAM) software. As outlined in the June 17, 2025 budget work session, the City of Denton is projecting a General Fund budget deficit in the current and upcoming fiscal year. Due to this projection, a change in organizational priorities and a reduction in discretionary spending are necessary. This project is being paused temporarily and will be re-evaluated at a later date. The current systems are stable for the next few years and will be re-evaluated as part of the budget process moving forward.

In accordance with the Local Government Code 252.043, the City Council may reject any and all proposals.

RECOMMENDATION

Staff recommends the rejection of all proposals for the EAM replacement (RFP 8367).

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Leisha Meine, 940-349-7823.

Legal point of contact: Marcella Lunn at 940-349-8333.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, REJECTING ANY AND ALL COMPETITIVE PROPOSALS UNDER RFP 8367 FOR ENTERPRISE ASSET MANAGEMENT (EAM) SOLUTION FOR THE TECHNOLOGY SERVICES DEPARTMENT; AND PROVIDING AN EFFECTIVE DATE (RFP 8367).

WHEREAS, the City has solicited, received, and tabulated competitive proposals to evaluate Enterprise Asset Management (EAM) Solution (RFP 8367) in accordance with the procedures of state laws and the City's ordinances; and

WHEREAS, the City staff recommends, and the City Council has determined, that it is in the best interest of the City that the herein described proposals should be rejected; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. All competitive proposals, as described in the "Request for Proposal", "Bid Proposals", or plans and specifications on file in the Office of the City's Purchasing Agent filed according to the bid number assigned herein (RFP 8367 – Enterprise Asset Management (EAM) Solution) are hereby rejected.

SECTION 2. The City Manager, or their designee, is hereby authorized to execute all necessary documents for the rejection of said proposals. The City Manager, or their designee, is hereby authorized, in their discretion, to re-advertise to receive competitive bids, or proceed otherwise, to procure goods and services described in RFP 8367.

SECTION 3. 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 the RFP 8367 to reject said proposals to the City Manager, or their designee.

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 _____. This ordinance was passed and approved by the following vote [___ - ___]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

Scott Bray
Deputy City Attorney

File #: ID 25-1206, **Version:** 1

AGENDA CAPTION

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive proposals under RFP 8504 for Enterprise Land Management software for the Technology Services Department; and providing an effective date (RFP 8504).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: July 15, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive proposals under RFP 8504 for Enterprise Land Management software for the Technology Services Department; and providing an effective date (RFP 8504).

INFORMATION/BACKGROUND

The City of Denton conducted an RFP to request proposals from multiple vendors to replace the City's Enterprise Land Management (ELM) software. As outlined in the June 17, 2025 budget work session, the City of Denton is projecting a General Fund budget deficit in the current and upcoming fiscal year. Due to this projection, a change in organizational priorities and a reduction in discretionary spending are necessary. This project is being paused temporarily and will be re-evaluated at a later date. The current system is stable for the next few years and will be re-evaluated as part of the budget process moving forward

In accordance with the Local Government Code 252.043, the City Council may reject any and all proposals.

RECOMMENDATION

Staff recommends the rejection of all proposals for the ELM replacement (RFP 8504).

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Leisha Meine, 940-349-7823.

Legal point of contact: Marcella Lunn at 940-349-8333.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, REJECTING ANY AND ALL COMPETITIVE PROPOSALS UNDER RFP 8504 FOR ENTERPRISE LAND MANAGEMENT SOFTWARE FOR THE TECHNOLOGY SERVICES DEPARTMENT; AND PROVIDING AN EFFECTIVE DATE (RFP 8504).

WHEREAS, the City has solicited, received, and tabulated competitive proposals to evaluate Enterprise Land Management Software (RFP 8504) in accordance with the procedures of state laws and the City's ordinances; and

WHEREAS, the City staff recommends, and the City Council has determined, that it is in the best interest of the City that the herein described proposals should be rejected; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. All competitive proposals, as described in the "Request for Proposal", "Bid Proposals", or plans and specifications on file in the Office of the City's Purchasing Agent filed according to the bid number assigned herein (RFP 8504 – Enterprise Land Management Software) are hereby rejected.

SECTION 2. The City Manager, or their designee, is hereby authorized to execute all necessary documents for the rejection of said proposals. The City Manager, or their designee, is hereby authorized, in their discretion, to re-advertise to receive competitive bids, or proceed otherwise, to procure goods and services described in RFP 8504.

SECTION 3. 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 the RFP 8504 to reject said proposals to the City Manager, or their designee.

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 _____. This ordinance was passed and approved by the following vote [___ - ___]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

Scott Bray
Deputy City Attorney

File #: ID 25-1207, **Version:** 1

AGENDA CAPTION

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive proposals under RFP 8538 for CAD RMS Replacement for the Technology Services Department; and providing an effective date (RFP 8538).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: July 15, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive proposals under RFP 8538 for CAD RMS Replacement for the Technology Services Department; and providing an effective date (RFP 8538).

INFORMATION/BACKGROUND

The City of Denton conducted an RFP to request proposals from multiple vendors to replace the City's Computer Aided Dispatch (CAD) System and Records Management System (RMS). As outlined in the June 17, 2025 budget work session, the City of Denton is projecting a General Fund budget deficit in the current and upcoming fiscal year. Due to this projection, a change in organizational priorities and a reduction in discretionary spending are necessary. This project is being paused temporarily and will be re-evaluated at a later date. The current system is stable for the next few years and will be re-evaluated as part of the budget process moving forward

In accordance with the Local Government Code 252.043, the City Council may reject any and all proposals.

RECOMMENDATION

Staff recommends the rejection of all proposals for the CAD/RMS replacement (RFP 8538).

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Leisha Meine, 940-349-7823.

Legal point of contact: Marcella Lunn at 940-349-8333.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, REJECTING ANY AND ALL COMPETITIVE PROPOSALS UNDER RFP 8538 FOR CAD RMS REPLACEMENT FOR THE TECHNOLOGY SERVICES DEPARTMENT; AND PROVIDING AN EFFECTIVE DATE (RFP 8538).

WHEREAS, the City has solicited, received, and tabulated competitive proposals to evaluate CAD RMS Replacement (RFP 8538) in accordance with the procedures of state laws and the City's ordinances; and

WHEREAS, the City staff recommends, and the City Council has determined, that it is in the best interest of the City that the herein described proposals should be rejected; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. All competitive proposals, as described in the "Request for Proposal", "Bid Proposals", or plans and specifications on file in the Office of the City's Purchasing Agent filed according to the bid number assigned herein (RFP 8538 – CAD RMS Replacement) are hereby rejected.

SECTION 2. The City Manager, or their designee, is hereby authorized to execute all necessary documents for the rejection of said proposals. The City Manager, or their designee, is hereby authorized, in their discretion, to re-advertise to receive competitive bids, or proceed otherwise, to procure goods and services described in RFP 8538.

SECTION 3. 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 the RFP 8538 to reject said proposals to the City Manager, or their designee.

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 _____. This ordinance was passed and approved by the following vote [___ - ___]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

Scott Bray
Deputy City Attorney

File #: ID 25-1209, **Version:** 1

AGENDA CAPTION

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 Robertson's Outdoor Cleaning Solutions, LLC dba Power Wash Plus, for private property graffiti abatement services for the Community Improvement Department; providing for the expenditure of funds therefor; and providing an effective date (IFB 8844 - awarded to Robertson's Outdoor Cleaning Solutions, LLC dba Power Wash Plus, for four (4) years, with the option for one (1) additional one (1) year extension, in the total five (5) year not-to-exceed amount of $165,000.00).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: July 15, 2025

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 Robertson's Outdoor Cleaning Solutions, LLC dba Power Wash Plus, for private property graffiti abatement services for the Community Improvement Department; providing for the expenditure of funds therefor; and providing an effective date (IFB 8844 – awarded to Robertson's Outdoor Cleaning Solutions, LLC dba Power Wash Plus, for four (4) years, with the option for one (1) additional one (1) year extension, in the total five (5) year not-to-exceed amount of $165,000.00).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Support Healthy and Safe Communities.

INFORMATION/BACKGROUND

Graffiti is declared to be a public nuisance in the Denton Property Maintenance Code of Ordinances Chapter 17. Because graffiti can have a serious negative impact on the community, all graffiti, regardless of its location, must be removed or painted over as part of the Graffiti Abatement Program.

According to the ordinance, "the city shall have all remedies available at law and equity to abate such nuisance."

Graffiti abatement on private property is typically performed by a service provider contracted with the City under the following conditions.

- Per State and City law, the City must offer to abate graffiti found on private property at no charge to the property owner, or
- If the owner of the property has refused the offer of the city to remove the graffiti free of charge and also fails to remove the graffiti within 15 days, requiring the code enforcement officer to issue a written notice for enforcement action and direct its removal.

Graffiti found on public property is addressed by Community Improvement Services (CIS). CIS manages graffiti removal on City property, including drainage channels, sidewalks, streets, light poles, DME power poles/boxes, traffic signal poles/boxes, and traffic signs. If CIS is unable to abate the graffiti, a service provider is used to abate the graffiti on public property.

Estimated Contract Expenses

Category	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
Graffiti Abatement Services	$30,000	$30,000	$30,000	$30,000	$30,000
Contingency	3,000	3,000	3,000	3,000	3,000
Total:	**$33,000**	**$33,000**	**$33,000**	**$33,000**	**$33,000**

Below is the information Robertson's Outdoor Cleaning Solutions, LLC dba Power Wash Plus provided regarding the wages they pay their employees who will be assigned to the City's contract.

Position Description	Number of Assigned Employees	Hourly Rate of Assigned Employees
Tech	1	*$22.50/hr*

Invitation for Bids was sent to 1,146 prospective suppliers of this item, including 71 Denton firms. In addition, specifications were placed on the Procurement website for prospective suppliers to download and advertised in the local newspaper. Four (4) bids meeting specifications were received. The lowest bid was received by Robertson's Outdoor Cleaning Solutions, LLC dba Power Wash Plus.

NIGP Code Used for Solicitation:	910, 962, and 968
Notifications sent for Solicitation sent in IonWave:	1,146
Number of Suppliers that viewed Solicitation in IonWave:	34
HUB-Historically Underutilized Business Invitations sent out:	150
SBE-Small Business Enterprise Invitations sent out:	420
Responses from Solicitation:	4

RECOMMENDATION

Award a contract with Robertson's Outdoor Cleaning Solutions, LLC dba Power Wash Plus, for private property graffiti abatement services for the Community Improvement Department, in a four (4) year, with the option for one (1) year extension, in the total five (5) year not-to-exceed amount of $165,000.

PRINCIPAL PLACE OF BUSINESS

Robertson's Outdoor Cleaning Solutions, LLC dba Power Wash Plus
Rhome, TX

ESTIMATED SCHEDULE OF PROJECT

This is an initial four (4) year contract with options to extend for one (1) additional one (1) year period, with all terms and conditions remaining the same.

FISCAL INFORMATION

These services will be funded through the Community Improvement Services department's account 330001.7879. Requisitions will be entered on an as-needed basis. The budgeted amount for this item is $165,000. The City will only pay for services rendered and is not obligated to pay the full contract amount unless needed.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Bid Tabulation
Exhibit 3: Ordinance and Contract

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Joshua Ellison, 940-349-7433.

Legal point of contact: Marcella Lunn at 940-349-8333.

Exhibit 2
IFB 8844 - Bid Tabulation for Graffiti Abatement

				Respondent's Business Name:	**Robertson's Outdoor Cleaning Solutions LLC**		Tigerhawk LLC		Ferrer and Sons LLC		TJ's Professional Painting and Construction, LLC	
				Principal Place of Business (City and State):	**Rhome, TX**		Dallas, TX		Plano, TX		Red Oak, TX	
Line #	**Description**	**QTY**	**UOM**		**Unit**	**Extended**	**Unit**	**Extended**	**Unit**	**Extended**	**Unit**	**Extended**
1	Graffiti Removal by Paint out	6,000	SQ FT		**$0.99**	**$5,940.00**	$2.50	$15,000.00	$6.75	$40,500.00	$2.50	$15,000.00
2	Graffiti Removal by Chemical Removal	1,000	SQ FT		**$0.99**	**$990.00**	$2.50	$2,500.00	$8.50	$8,500.00	$4.50	$4,500.00
3	Graffiti Removal by Power Washing	2,000	SQ FT		**$1.99**	**$3,980.00**	$1.00	$2,000.00	$7.25	$14,500.00	$1.00	$2,000.00
4	Graffiti Removal-Minimum Charge (Includes trip charge & removal of graffiti under 5 SF)	125	Per trip/work order		**$75.00**	**$9,375.00**	$100.00	$12,500.00	$95.00	$11,875.00	$500.00	$62,500.00
			Total:		**$20,285.00**		$32,000.00		$75,375.00		$84,000.00	

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH ROBERTSON'S OUTDOOR CLEANING SOLUTIONS, LLC DBA POWER WASH PLUS, FOR PRIVATE PROPERTY GRAFFITI ABATEMENT SERVICES FOR THE COMMUNITY IMPROVEMENT DEPARTMENT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (IFB 8844 – AWARDED TO ROBERTSON'S OUTDOOR CLEANING SOLUTIONS, LLC DBA POWER WASH PLUS, FOR FOUR (4) YEARS, WITH THE OPTION FOR ONE (1) ADDITIONAL ONE (1) YEAR EXTENSION, IN THE TOTAL FIVE (5) YEAR NOT-TO-EXCEED AMOUNT OF $165,000.00).

WHEREAS, the City has solicited, received, and tabulated competitive bids for the purchase of necessary materials, equipment, supplies, or services in accordance with the procedures of state law and city ordinances; and

WHEREAS, the City Manager, or a designated employee, has reviewed and recommended that the herein described bids are the lowest responsible bids for the materials, equipment, supplies, or services as shown in the "Bid Proposals" submitted therefore; 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 following competitive bids for the materials, equipment, supplies, or services as described in the "Bid Invitations", "Bid Proposals", or plans and specifications on file in the Office of the City's Purchasing Agent filed according to the bid number assigned hereto, are hereby accepted and approved as being the lowest responsible bids:

BID NUMBER	VENDOR	AMOUNT
8844	Robertson's Outdoor Cleaning Solutions, LLC dba Power Wash Plus	$165,000.00

SECTION 2. That by the acceptance and approval of the above competitive bids the City accepts the offer of the persons submitting the bids 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 Bid Invitations, Bid Proposals, and related documents.

SECTION 3. Should the City and the winning bidder(s) wish to enter into a formal written agreement as a result of the acceptance, approval, and awarding of the bids, the City Manager, or their designated representative, is hereby authorized to execute a 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 Bid Proposal and related documents, and to extend that contract as determined to be advantageous to the City of Denton.

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:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

Scott Bray
Deputy City Attorney

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

Docusign City Council Transmittal Coversheet

IFB	8844
File Name	Graffiti Abatement
Purchasing Contact	Kayla Clark
City Council Target Date	
Piggy Back Option	Yes
Contract Expiration	
Ordinance	

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

CONTRACT BY AND BETWEEN
CITY OF DENTON, TEXAS AND ROBERTSON'S OUTDOOR CLEANING SOLUTIONS, LLC DBA POWER WASH PLUS
(Contract #8844)

THIS CONTRACT is made and entered into this date _____, by and between with Robertson's Outdoor Cleaning Solutions, LLC dba Power Wash Plus a Texas Limited Liability company, whose address 12013 ARBOR LAKE RD RHOME, TX 76078, hereinafter referred to as "Contractor," and the **CITY OF DENTON, TEXAS**, a home rule municipal corporation, hereinafter referred to as "City," to be effective upon approval of the Denton City Council and subsequent execution of this Contract by the Denton City Manager or their 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 services in accordance with the City's IFB#8844- Graffiti Abatement, a copy of which is on file at the office of Purchasing Agent and incorporated herein for all purposes. The Contract consists of this written agreement and the following items which are attached hereto, or on file, and incorporated herein by reference:

(a) Special Terms and Conditions **(Exhibit "A");**
(b) City of Denton's IFB #8844 (the "Solicitation") **(Exhibit "B" on file at the office of the Purchasing Agent**);
(c) City of Denton Standard Terms and Conditions **(Exhibit "C");**
(d) Certificate of Interested Parties Electronic Filing **(Exhibit "D");**
(e) Insurance Requirements **(Exhibit "E");**
(f) Contractor's Proposal ("Contractor's Offer") **(Exhibit "F")**;
(g) Form CIQ – Conflict of Interest Questionnaire **(Exhibit "G")**

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 the written agreement then to the contract documents in the 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 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 Contract, 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 Contract.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition on Contracts with Companies Boycotting Certain Energy Companies

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

Contractor acknowledges that in accordance with Chapter 2276 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 Contract.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition on Contracts with Companies Boycotting Certain Firearm Entities and Firearm Trade Associations

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 Contract, 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 this 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.

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 Contract, 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 Contract and will not become ineligible to receive payments under this Contract 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.

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 2275, 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.

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 WHEREOF, the parties of these presents have executed this Contract in the year and day first above written.

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

CONTRACTOR

Signed by:
BY: _____
0AE525B53026493...
AUTHORIZED SIGNATURE

Printed Name: Lee Robertson

Title: Owner

6825976724
PHONE NUMBER

lee@powerwashplustx.com
EMAIL ADDRESS

Lee@powerwashplustx.com
TEXAS ETHICS COMMISSION
CERTIFICATE NUMBER

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

Signed by:
Jesse Kent
F418EB1B782348F...
SIGNATURE

Jesse Kent
PRINTED NAME

Director
TITLE

Community Services
DEPARTMENT

CITY OF DENTON, TEXAS

BY: _____
SARA HENSLEY
CITY MANAGER

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

DocuSigned by:
BY: Marcella Lunn
4B070831B4AA438...

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

Exhibit A
Special Terms and Conditions

1. Total Contract Amount

The contract total for services shall not exceed $165,000. Pricing shall be per Exhibit F attached.

2. The Quantities

The quantities indicated on Exhibit F are estimates based upon the best available information. The City reserves the right to increase or decrease the quantities to meet its actual needs without any adjustments in the bid price. Individual purchase orders will be issued on an as needed basis.

3. Contract Terms

The contract term will be four (4) years, effective from date of award. The City and the Supplier shall have the option to renew this contract for an additional one (1) one-year period.

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.

4. 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.

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

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 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.

5. Performance Liquidated Damages

The Contractor shall incur contractual payment losses, as initiated by the City for performance that falls short of specified performance standards as outlined below:

- Delivery beyond contracted lead times
- Performance below contracted levels (services only)

The Contractor shall be assessed a one (1%) percent fee each month when any one of the performance standards outlined above are not met in full. The Contractor shall be assessed a two (2%) percent profit fee each month when any two (2) or more performance standards outlined above are not met in full. At the end of each month, the City will review the monthly reports and determine the percentage of penalty to be assessed to the Contractor's monthly profit margin.

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

Exhibit C
City of Denton
Standard Purchase Terms and Conditions

These standard Terms and Conditions and the Terms and Conditions, Specifications, Drawings and other requirements included in the City of Denton's contract are applicable to contracts/purchase orders issued by the City of Denton hereinafter referred to as the City or Buyer and the Seller or respondent herein after referred to as Contractor. Any deviations must be in writing and signed by a representative of the City's Procurement Department and the Contractor . No Terms and Conditions contained in the seller's proposal response, invoice, or statement shall serve to modify the terms set forth herein. If there is a conflict between the provisions on the face of the contract/purchase order these written provisions will take precedence.

The Contractor agrees that the Contract shall be governed by the following terms and conditions, unless exceptions are duly noted and fully negotiated. Unless otherwise specified in the Contract, Sections 3, 4, 5, 6, 7, 8, 20, and 21 shall apply only to a solicitation to purchase goods, and sections 9, 10, 11, and 22 shall apply only to a solicitation to purchase services to be performed principally at the City's premises or on public rights-of-way.

1. **CONTRACTOR'S OBLIGATIONS**. The Contractor shall fully and timely provide all deliverables described in the Solicitation and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable federal, State, and local laws, rules, and regulations.

2. **EFFECTIVE DATE/TERM**. Unless otherwise specified in the Solicitation or Exhibit A, this Contract shall be effective as of the date this Contract is signed by the City and shall continue in effect until all obligations are performed in accordance with the Contract.

3. **CONTRACTOR TO PACKAGE DELIVERABLES**: The Contractor will package deliverables in accordance with good commercial practice and shall include a packing list showing the description of each item, the quantity and unit price unless otherwise provided in the Solicitation or Contractor's Offer, each shipping container shall be clearly and permanently marked as follows: (a) The Contractor's name and address, (b) the City's name, address, purchase order or purchase release number, and the price agreement number, if applicable, (c) container number and total number of containers, e.g. box 1 of 4 boxes, and (d) the number of the container bearing the packing list. The Contractor shall bear cost of packaging. Deliverables shall be suitably packed to secure lowest transportation costs and to conform to all the requirements of common carriers and any applicable specification. The City's count or weight shall be final and conclusive on shipments not accompanied by packing lists.

4. **SHIPMENT UNDER RESERVATION PROHIBITED**: The Contractor is not authorized to ship the deliverables under reservation and no tender of a bill of lading will operate as a tender of deliverables.

5. **TITLE & RISK OF LOSS**: Title to and risk of loss of the deliverables shall pass to the City only when the City actually receives and accepts the deliverables.

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

6. **DELIVERY TERMS AND TRANSPORTATION CHARGES**: Deliverables shall be shipped F.O.B. point of delivery unless otherwise specified in the Solicitation or Contractor's Offer. Unless otherwise stated in the Contractor's Offer, the Contractor's price shall be deemed to include all delivery and transportation charges. The City shall have the right to designate what method of transportation shall be used to ship the deliverables. The place of delivery shall be that set forth in the purchase order.

7. **RIGHT OF INSPECTION AND REJECTION**: The City expressly reserves all rights under law, including, but not limited to the Uniform Commercial Code, to inspect the deliverables at delivery before accepting them, and to reject defective or non-conforming deliverables. If the City has the right to inspect the Contractor's, or the Contractor's Subcontractor's, facilities, or the deliverables at the Contractor's, or the Contractor's Subcontractor's, premises, the Contractor shall furnish, or cause to be furnished, without additional charge, all reasonable facilities and assistance to the City to facilitate such inspection.

8. **NO REPLACEMENT OF DEFECTIVE TENDER**: Every tender or delivery of deliverables must fully comply with all provisions of the Contract as to time of delivery, quality, and quantity. Any non-complying tender shall constitute a breach and the Contractor shall not have the right to substitute a conforming tender; provided, where the time for performance has not yet expired, the Contractor may notify the City of the intention to cure and may then make a conforming tender within the time allotted in the contract to perform but not afterward. If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

9. **PLACE AND CONDITION OF WORK**: This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way. The City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner, in accordance with and subject to the applicable security laws, rules, and regulations. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the Contract. The Contractor hereby releases and holds the City harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.

The Contractor shall, at all times, exercise reasonable precautions for the safety of their employees, City Staff, participants and others on or near the City's facilities.

10. **WORKFORCE** This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way.

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

A. The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.
B. The Contractor, its employees, Subcontractors, and Subcontractor's employees may not (1) while engaged in, participating, or responding to a solicitation; or (2) while in the course and scope of delivering goods or services under a City of Denton contract; or (3) on the City's property.

i. use or possess a firearm, including a concealed handgun that is licensed under State law, except as required by the terms of the contract; or

ii. use or possess alcoholic or other intoxicating beverages, illegal drugs, or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs.

C. If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

IMMIGRATION: THE CONTRACTOR REPRESENTS AND WARRANTS THAT IT SHALL COMPLY WITH THE REQUIREMENTS OF THE IMMIGRATION REFORM AND CONTROL ACT OF 1986 AND 1990 REGARDING EMPLOYMENT VERIFICATION AND RETENTION OF VERIFICATION FORMS FOR ANY INDIVIDUALS HIRED ON OR AFTER NOVEMBER 6, 1986, WHO WILL PERFORM ANY LABOR OR SERVICES UNDER THE CONTRACT AND THE ILLEGAL IMMIGRATION REFORM AND IMMIGRANT RESPONSIBILITY ACT OF 1996 ("IIRIRA) ENACTED ON SEPTEMBER 30, 1996, AND SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM ANY ACTION ARISING RELATED THERETO.

11. **COMPLIANCE WITH HEALTH, SAFETY, AND ENVIRONMENTAL REGULATIONS**: This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way. The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules, and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. **THE CONTRACTOR SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM AND AGAINST ALL CLAIMS, DEMANDS, SUITS, ACTIONS, JUDGMENTS, FINES, PENALTIES AND LIABILITY OF EVERY KIND ARISING FROM THE BREACH OF THE CONTRACTOR'S OBLIGATIONS UNDER THIS PARAGRAPH.**

Environmental Protection: The Contractor shall be in compliance with all applicable standards, orders, or regulations issued pursuant to the mandates of the Clean Air Act (42 U.S.C. §7401 *et seq*.) and the Federal Water Pollution Control Act, as amended, (33 U.S.C. §1251 *et seq*.).

12. **INVOICES**:
A. The Contractor shall submit separate invoices on each purchase order or purchase release after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.
B. **Proper Invoices must include a unique invoice number, invoice date, the purchase order number, and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department**. Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. The Contractor's name, remittance address and, if

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

applicable, the tax identification number on the invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice.

C. Invoices for labor shall include a copy of all time-sheets with trade labor rate and deliverables order number clearly identified. Invoices shall also include a tabulation of work-hours at the appropriate rates and grouped by work order number. Time billed for labor shall be limited to hours actually worked at the work site.

D. Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.

E. Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

13. **PAYMENT**:

A. All proper invoices need to be sent to Accounts Payable – accountspayable@cityofdenton.com. Approved invoices will be paid within thirty (30) calendar days of the invoice being received in Accounts Payable.

B. **If payment is not timely made, (per paragraph A); interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, including, but not limited to, those in Paragraph D , below, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.**

C. If partial shipments or deliveries are authorized by the City, the Contractor will be paid for the partial shipment or delivery, as stated above, provided that the invoice matches such shipment or delivery.

D. The City may withhold or set off the entire payment or part of any payment otherwise due to the Contractor to such extent as may be necessary on account of:

i. delivery of defective or non-conforming deliverables by the Contractor;

ii. third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;

iii. failure of the Contractor to pay Subcontractors, or for labor, materials, or equipment;

iv. damage to the property of the City or the City's agents, employees, or contractors, which is not covered by insurance required to be provided by the Contractor;

v. reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;

vi. failure of the Contractor to submit proper invoices with purchase order number, all required attachments, and supporting documentation; or

vii. failure of the Contractor to comply with any material provision of the Contract Documents.

E. Notice is hereby given to any awarded firm who is in arrears to the City for delinquent taxes of any kind or otherwise indebted to the City that the City shall be entitled to counterclaim and/or offset against any such debt, claim, demand, or account owed to the City through payment withholding until the debt is paid in full, and no assignment of such debt, claim, demand, or account after the said taxes or debt are due shall affect the right of the City to offset the said taxes or debt against same.

F. Payment will be made by check unless the parties mutually agree to payment by credit card or

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic funds transfer.
G. The Contractor acknowledges and agrees that the awarding or continuation of this Contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds appropriated and available for this Contract. The absence of appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not appropriated or available and any deliverables delivered but unpaid shall be returned to the Contractor. The City will not incur a debt or obligation to pay Contractor any amounts the City does not have the current funds available to pay. The City shall provide the Contractor written notice of the failure of the City to make an adequate appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of none or inadequate appropriation of funds, there will be no penalty or liability to the City, nor removal fees, cancellation fees, or the like charged to the City.

14. **TRAVEL EXPENSES**: All travel, lodging, and per diem expenses in connection with the Contract shall be paid by the Contractor, unless otherwise stated in the Contract Documents. During the term of this Contract, the Contractor shall bill and the City shall reimburse Contractor for all reasonable and approved out of pocket expenses which are incurred in the connection with the performance of duties hereunder. Notwithstanding the foregoing, expenses for the time spent by the Contractor in traveling to and from City facilities shall not be reimbursed, unless otherwise negotiated.

15. **FINAL PAYMENT AND CLOSE-OUT**:
A. If a DBE/MBE/WBE Program Plan is agreed to and the Contractor has identified Subcontractors, the Contractor is required to submit a Contract Close-Out MBE/WBE Compliance Report to the Purchasing Manager no later than the fifteenth (15^{th}) calendar day after completion of all work under the contract. Final payment, retainage, or both may be withheld if the Contractor is not in compliance with the requirements as accepted by the City.
B. The making and acceptance of final payment will constitute:

i. a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and

ii. a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

16. **SPECIAL TOOLS & TEST EQUIPMENT**: If the price stated on the Contractor's Offer includes the cost of any special tooling or special test equipment fabricated or required by the Contractor for the purpose of filling this order, such special tooling equipment and any process sheets related thereto shall become the property of the City and shall be identified by the Contractor as such.

17. **RIGHT TO AUDIT**:
A. The Contractor agrees that the City shall, until the expiration of five (5) years after final payment under this Contract unless required to be retained for longer under applicable law, have

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

electronic access to and the right to examine all books, records, and computations pertaining to this Contract. If necessary, the City shall have the right to audit and make copies of the books, records, and computations pertaining to the Contract. The Contractor shall retain such books, records, documents, and other evidence pertaining to the Contract period and five (5) 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 ten (10) business days of written request. All books and records will be made available within a fifty (50) mile radius of the City of Denton if the vendor is not able to provide electronic access. The cost of the audit will be borne by the City 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 (5) business days of receipt of an invoice.

B. The Contractor further agrees to include in all its subcontracts hereunder a provision to the effect that the Subcontractor, material supplier, or other payee agrees that the City shall, until the expiration of five (5) years after final payment under the subcontract unless required to be retained for longer under applicable law, have electronic access to and the right to examine all books, records, documents, and other evidence of the Subcontractor, material supplier, or other payee involving transactions relating to the subcontract. If necessary, the City maintains the right to photocopy any physical books, documents, papers, and records of the subconsultant involving transactions relating to the subcontract. All books and records will be made available within a fifty (50) mile radius of the City of Denton. The cost of the audit will be borne by the City 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 (5) business days of receipt of an invoice.

C. Failure to comply with the provisions of this section shall be a material breach of the Contract and shall constitute, in the City'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.

18. **SUBCONTRACTORS**:

A. If the Contractor-identified subcontractors ("Subcontractor") in a DBE/MBE/WBE agreed-to plan (the "Plan"), the Contractor shall comply with all requirements approved by the City. The Contractor shall not initially employ any subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing. No acceptance by the City of any subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract Awards and Expenditures Report to the Procurement Manager, no later than the tenth calendar day of each month.

B. Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the Contract Documents, and shall contain provisions that:

i. require that all deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract;

ii. prohibit the Subcontractor from further subcontracting any portion of the Contract

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;

iii. require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;

iv. require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and

v. require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.

C. The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.

D. The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten (10) calendar days after receipt of payment from the City.

19. **WARRANTY-PRICE**:

A. The Contractor warrants the prices quoted in the Contractor's Offer are no higher than the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.

B. The Contractor certifies that the prices in the Contractor's Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.

C. In the event Contractor breaches this warranty, in addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like deliverables under similar terms of purchase, or in the alternative, the City may cancel this Contract without liability to Contractor for breach.

20. **WARRANTY – TITLE**: **The Contractor warrants that it has good and indefeasible title to all deliverables furnished under the Contract, and that the deliverables are free and clear of all liens, claims, security interests, and encumbrances. The Contractor shall indemnify and hold the City harmless from and against all adverse title claims to the deliverables.**

21. **WARRANTY – DELIVERABLES**: The Contractor warrants and represents that all deliverables sold the City under the Contract shall be free from defects in design, workmanship, or manufacture, and conform in all material respects to the specifications, drawings, and descriptions in the Contract Documents, to any samples furnished by the Contractor, to the terms, covenants, and conditions of the Contract, and to all applicable State, federal, or local laws, rules, and regulations, and industry codes and standards. Unless otherwise stated in the Solicitation, the deliverables shall be new or recycled merchandise, and not used or reconditioned. In addition, Contractor warrants that the goods sold to City shall conform to the standards promulgated by the

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

U.S. Department of Labor under the Occupational Safety and Health Act (OSHA). In the event the product does not conform to OSHA standards, City may return the product for correction or replacement at the Contractor's expense. In the event Contractor fails to make the appropriate correction within a reasonable time, correction made by City will be at Contractor's expense.
A. Recycled deliverables shall be clearly identified as such.
B. The Contractor may not limit, exclude, or disclaim the foregoing warranty or any warranty implied by law; and any attempt to do so shall be without force or effect.
C. Unless otherwise specified in the Contract or required by the Solicitation, the warranty period shall be at least one (1) year from the date of acceptance of the deliverables or from the date of acceptance of any replacement deliverables. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand either repair the non-conforming deliverables, or replace the non-conforming deliverables with fully conforming deliverables, at the City's option and at no additional cost to the City. All costs incidental to such repair or replacement, including but not limited to, any packaging and shipping costs shall be borne exclusively by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach of warranty, but failure to give timely notice shall not impair the City's rights under this section.
D. If the Contractor is unable or unwilling to repair or replace defective or non-conforming deliverables as required by the City, then in addition to any other available remedy, the City may reduce the quantity of deliverables it may be required to purchase under the Contract from the Contractor, and purchase conforming deliverables from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such deliverables from another source.
E. If the Contractor is not the manufacturer, and the deliverables are covered by a separate manufacturer's warranty, the Contractor shall transfer and assign such manufacturer's warranty to the City. If for any reason the manufacturer's warranty cannot be fully transferred to the City, the Contractor shall assist and cooperate with the City to the fullest extent to enforce such manufacturer's warranty for the benefit of the City.
F. Contractor shall not limit, exclude, or disclaim any implied warranties, and any attempt to do so shall be without force or effect, or alternatively, at the City's option, render this Contract voidable.

22. **WARRANTY – SERVICES**: The Contractor warrants and represents that all services to be provided to the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable federal, State, and local laws, rules or regulations.
A. The Contractor may not limit, exclude, or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect, or alternatively, at the City's option, render this Contract voidable.
B. Unless otherwise specified in the Contract, the warranty period shall be at least one (1) year from the date of acceptance of the work. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the City's rights under this section.

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

C. If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.

23. **ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES**: If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses, and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

24. **RIGHT TO ASSURANCE**: Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified (being a minimum of 5 days) after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

25. **STOP WORK NOTICE**: The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.

26. **DEFAULT**:
A. The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely, and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under Paragraph 25, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by the Contractor to the City.
B. In the event the City terminates the awarded contract for default or any other reason, the Contractor shall not be relieved of liability to the City for damages sustained by the City by reason of any default of the contract by the Contractor or otherwise, and the City may withhold any payments to the Contractor for the purpose of an offset until such time as the amount of damages due the City from the Contractor can be determined.

27. **TERMINATION FOR CAUSE:** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs,

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. Additionally, in the event of a default by the Contractor, the City may remove the Contractor from the City's vendor list for three (3) years and/or any offer submitted by the Contractor may be disqualified for up to three (3) years. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law. The requirements of Subchapter J, Chapter 552 of the Texas Government Code, may apply to this Contract and the Contractor agrees that the Contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

28. **TERMINATION WITHOUT CAUSE**: The City shall have the right to terminate the Contract, in whole or in part, without cause and/or for convenience any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof, provided such payment amount is not disputed by City. The City reserves all rights, causes of action, and remedies available under law or in equity with respect to any dispute under this Contract and a termination under this provision does not waive such rights, causes of action, and remedies.

29. **FRAUD**: Fraudulent statements by the Contractor in any offer, Contract Document, or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.

30. **DELAYS**:

A. The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified in Paragraph 53. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.

B. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such party. In the event of default or delay in Contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

31. **TIME OF COMPLETION AND LIQUIDATED DAMAGES**: Contractor agrees and acknowledges that completing the services and/or delivering the goods described in this Contract in a timely manner is very important to the City. Contractor agrees to perform all obligations within the timeframes required. As it is impracticable and extremely difficult to fix the actual damages, if any, that may proximately result from a failure by Contractor to provide the goods or

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

perform the service, should Contractor fail to timely perform its obligations, Contractor agrees to pay to City, or have withheld and offset from monies due it, the amount stated in the Contract Documents as liquidated damages for each calendar day of delay or nonperformance. Any sums due and payable hereunder by the Contractor shall be payable, not as a penalty, but as liquidated damages representing an estimate of delay damages likely to be sustained by the City, estimated at the time of executing this Contract. Execution of the Contract shall constitute agreement by the City and Contractor that said amount is the minimum value of the costs and actual damage caused by the Contractor's failure to timely perform. Adjustments to the contract times can only be made as provided in the Contract Documents and any conditions or specifications referenced therein.

32. **INDEMNITY**:

A. Definitions:

i. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments, and liability of every character, type, or description, including all reasonable costs and expenses of litigation, mediation, or other alternate dispute resolution mechanism, including attorney and other professional fees for: (1) damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and Subcontractors; the officers, agents, and employees of such Subcontractors; and third parties); and/or (2) death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's Subcontractors, and third parties), ii. "Fault" shall include the sale of defective or non-conforming deliverables, negligence, willful misconduct or a breach of any legally imposed strict liability standard.

B. **THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.**

33. **LIMITATION OF LIABILITY**: This Contract does not, and shall not be interpreted to, contain an artificial limitation of liability (e.g. liability limited to contract price or liability capped at an amount actually paid in previous 3 months, etc.) or an artificial statute of limitations (e.g. any lawsuit must be commenced within one year of the event).

34. **INSURANCE**: The Contractor shall procure and maintain insurance of the types and in the minimum amounts acceptable to the City of Denton outlined in the Insurance Exhibit attached hereto, if applicable. The insurance shall be written by a company licensed to do business in the State of Texas and satisfactory to the City of Denton. The City of Denton reserves the right to add insurance during the contract term.

B. Specific Coverage Requirements: Specific insurance requirements are contained in the

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

Solicitation and the Insurance Exhibit.

35. **CLAIMS**: If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse effect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Denton City Attorney. Personal delivery to the City Attorney shall be to City Hall, 215 East McKinney Street, Denton, Texas 76201.

36. **NOTICES**: Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the Contractor shall be sent to the address specified in the Contractor's Offer, or at such other address as a party may notify the other in writing. Notices to the City shall be addressed to the City at 901B Texas Street, Denton, Texas 76209 and marked to the attention of the Purchasing Manager.

37. **RIGHTS TO BID, PROPOSAL AND CONTRACTUAL MATERIAL**: All material submitted by the Contractor to the City shall become property of the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, and Texas Government Code. The requirements of Subchapter J, Chapter 552 of the Texas Government Code, may apply to this Contract and the Contractor agrees that the Contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

38. **INDEMNIFICATION AGAINST INFRINGEMENTS**: The Contractor represents and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the deliverables and (ii) the deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the deliverables and the Contractor does not know of any valid basis for any such claims. Moreover, Contractor does not know of any valid basis for any such claims. **THE CONTRACTOR SHALL, AT ITS SOLE EXPENSE, DEFEND, INDEMNIFY, AND HOLD THE CITY HARMLESS FROM AND AGAINST ALL LIABILITY, DAMAGES, AND COSTS (INCLUDING COURT COSTS AND REASONABLE FEES OF ATTORNEYS AND OTHER PROFESSIONALS) ARISING OUT OF OR RESULTING FROM: (I) ANY CLAIM THAT THE CITY'S EXERCISE ANYWHERE IN THE WORLD OF THE RIGHTS ASSOCIATED WITH THE CITY'S' OWNERSHIP, AND IF APPLICABLE, LICENSE RIGHTS, AND ITS USE OF THE DELIVERABLES INFRINGES THE INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY; OR (II) THE CONTRACTOR'S BREACH OF ANY OF CONTRACTOR'S REPRESENTATIONS OR WARRANTIES STATED IN THIS CONTRACT. IN THE EVENT OF ANY SUCH CLAIM, THE CITY SHALL HAVE THE**

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

RIGHT TO MONITOR SUCH CLAIM OR AT ITS OPTION ENGAGE ITS OWN SEPARATE COUNSEL TO ACT AS CO-COUNSEL ON THE CITY'S BEHALF. FURTHER, CONTRACTOR AGREES THAT THE CITY'S SPECIFICATIONS REGARDING THE DELIVERABLES SHALL IN NO WAY DIMINISH CONTRACTOR'S WARRANTIES OR OBLIGATIONS UNDER THIS PARAGRAPH AND THE CITY MAKES NO WARRANTY THAT THE PRODUCTION, DEVELOPMENT, OR DELIVERY OF SUCH DELIVERABLES WILL NOT IMPACT SUCH WARRANTIES OF CONTRACTOR. THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

39. **CONFIDENTIALITY**: In order to provide the deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Contract, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.

40. **OWNERSHIP AND USE OF DELIVERABLES**: The City shall own all rights, titles, and interests throughout the world in and to the deliverables.

A. Patents. As to any patentable subject matter contained in the deliverables, the Contractor agrees to disclose such patentable subject matter to the City. Further, if requested by the City, the Contractor agrees to assign and, if necessary, cause each of its employees to assign the entire right, title, and interest to specific inventions under such patentable subject matter to the City and to execute, acknowledge, and deliver and, if necessary, cause each of its employees to execute, acknowledge, and deliver an assignment of letters patent, in a form to be reasonably approved by the City, to the City upon request by the City.

B. Copyrights. As to any deliverables containing copyrightable subject matter, the Contractor agrees that upon their creation, such deliverables shall be considered as work made-for-hire by the Contractor for the City and the City shall own all copyrights in and to such deliverables, provided however, that nothing in this Paragraph 41 shall negate the City's sole or joint ownership of any such deliverables arising by virtue of the City's sole or joint authorship of such deliverables. Should by operation of law, such deliverables not be considered works made-for-hire, the Contractor hereby assigns to the City (and agrees to cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver an assignment to the City of) all worldwide right, title, and interest in and to such deliverables. With respect to such work made-for-hire, the Contractor agrees to execute, acknowledge, and deliver and cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver a work-made-for-hire agreement, in a form to be reasonably approved by the City, to the City upon

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

delivery of such deliverables to the City or at such other time as the City may request.
C. Additional Assignments. The Contractor further agrees to, and if applicable, cause each of its employees to, execute, acknowledge, and deliver all applications, specifications, oaths, assignments, and all other instruments which the City might reasonably deem necessary in order to apply for and obtain copyright protection, mask work registration, trademark registration and/or protection, letters patent, or any similar rights in any and all countries and in order to assign and convey to the City, its successors, assigns and nominees, the sole and exclusive right, title, and interest in and to the deliverables. The Contractor's obligations to execute, acknowledge, and deliver (or cause to be executed, acknowledged, and delivered) instruments or papers such as those described in this Paragraph 41 A., B., and C. shall continue after the termination of this Contract with respect to such deliverables. In the event the City should not seek to obtain copyright protection, mask work registration or patent protection for any of the deliverables, but should desire to keep the same secret, the Contractor agrees to treat the same as Confidential Information under the terms of Paragraph 40 above.

41. **PUBLICATIONS**: All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.

42. **ADVERTISING**: The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent necessary to comply with proper requests for information from an authorized representative of the federal, State, or local government.

43. **NO CONTINGENT FEES**: The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

44. **GRATUITIES**: The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Denton with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.

45. **PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS**: The Contractor agrees to comply with the conflict of interest provisions of the City of Denton Code of Ordinances and/or State law. 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

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

solicitation as defined in the City's Ethic Ordinance codified at Chapter 2, Article XI and in the City Charter Section 14.04, as amended. 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 Contractor shall complete and submit the City's Conflict of Interest Questionnaire. The Contractor agrees to maintain current, updated disclosure of information on file with the Procurement Department throughout the term of this Contract.

46. **NO SUBCONTRACTING BID AFTER AWARD**: Following the award of the Contract, no subcontracting except that specifically identified in the response to the Solicitation will be permitted without the express prior written consent of the City.

47. **NO GIFT OF PUBLIC PROPERTY**: The City will not agree to any terms or conditions that cause the City to lend its credit or grant public money or anything of value to the selected Contractor.

48. **INDEPENDENT CONTRACTOR**: The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City of Denton, Texas for the purposes of income tax, withholding, social security taxes, vacation or sick leave benefits, worker's compensation, or any other City employee benefit. The City shall not have supervision and control of the Contractor or any employee of the Contractor, and it is expressly understood that Contractor shall perform the services hereunder according to the attached specifications at the general direction of the City Manager of the City of Denton, Texas, or their designee under this Contract. The Contractor is expressly free to advertise and perform services for other parties while performing services for the City.

49. **ASSIGNMENT-DELEGATION**: The Contract shall be binding upon and enure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this Paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there are no third party beneficiaries to the Contract.
The Vendor shall notify the City's Purchasing Manager, in writing, of a company name, ownership, or address change for the purpose of maintaining updated City records. The president of the company or authorized official must sign the letter. A letter indicating changes in a company name or ownership must be accompanied with supporting legal documentation such as an updated W-9, documents filed with the state indicating such change, copy of the board of director's resolution approving the action, or an executed merger or acquisition agreement. Failure to do so may adversely impact future invoice payments.

50. **WAIVER**: No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character. No delay, failure, or waiver of either party's exercise or partial exercise of any right or remedy under the Contract shall operate to limit, impair, preclude, cancel, waive or otherwise affect such right or remedy.

51. **MODIFICATIONS**: The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document submitted to the City by Contractor shall have any force or effect to change the terms, covenants, and conditions of the Contract.

52. **INTERPRETATION**: The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this agreement even though the accepting or acquiescing party has knowledge of the performance and opportunity for objection. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

53. **DISPUTE RESOLUTION**:

A. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute, however any decision requiring approval of the City Council of the City will be required to be submitted to the City Council and the senior level person shall have authority to recommend approval of any resolution. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.

B. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option; the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Denton County Alternative Dispute Resolution Program (DCAP). The parties agree to participate in mediation in good faith

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.
C. The parties shall not be required to submit to binding arbitration.

54. **JURISDICTION AND VENUE**: The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Denton County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.

55. **INVALIDITY**: The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

56. **HOLIDAYS:** The following holidays are observed by the City:

New Year's Day (observed)
Martin Luther King, Jr. Day
Memorial Day
Juneteenth
Independence Day
Labor Day
Veteran's Day
Thanksgiving Day
Friday After Thanksgiving
Christmas Eve (observed)
Christmas Day (observed)

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday. Normal hours of operation shall be between 8:00 am and 4:00 pm, Monday through Friday, excluding City of Denton Holidays. Any scheduled deliveries or work performance not within the normal hours of operation **must be approved** by the City Manager of Denton, Texas or their authorized designee.

57. **SURVIVABILITY OF OBLIGATIONS:** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract for fifteen (15) years.

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

58. **NON-SUSPENSION OR DEBARMENT CERTIFICATION:**
The City of Denton is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Denton Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Denton.

59. **EQUAL OPPORTUNITY** Contractor agrees that during the performance of its contract it will:
A. Treat all applicants and employees without discrimination as to race, color, religion, sex, national origin, marital status, age, or handicap.
B. Identify itself as an "Equal Opportunity Employer" in all help wanted advertising or request. The Contractor shall be advised of any complaints filed with the City alleging that Contractor is not an Equal Opportunity Employer. The City reserves the right to consider its reports from its human relations administrator in response to such complaints in determining whether or not to terminate any portion of this contract for which purchase orders or authorities to deliver have not been included, however, the Contractor is specifically advised that no Equal Opportunity Employment complaint will be the basis for cancellation of this contract for which a purchase order has been issued or authority to deliver granted.
C. **Americans with Disabilities Act (ADA) Compliance:** No Contractor, or Contractor's agent, shall engage in any discriminatory employment practice against individuals with disabilities as defined
in the ADA.

60. **BUY AMERICAN ACT-SUPPLIES (Applicable to certain federally funded requirements)**
The following federally funded requirements are applicable. A. Definitions. As used in this paragraph –
i. "Component" means an article, material, or supply incorporated directly into an end product.
ii. "Cost of components" means -
(1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or
(2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the end product.
iii. "Domestic end product" means-
(1) An unmanufactured end product mined or produced in the United States; or
(2) An end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as those that the agency determines are not mined, produced, or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality are treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic.

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

iv. “End product” means those articles, materials, and supplies to be acquired under the contract for public use.
v. “Foreign end product” means an end product other than a domestic end product.
vi. “United States” means the 50 States, the District of Columbia, and outlying areas.
B. The Buy American Act (41 U.S.C. 10a - 10d) provides a preference for domestic end products for supplies acquired for use in the United States.
C. The City does not maintain a list of foreign articles that will be treated as domestic for this Contract; but will consider for approval foreign articles as domestic for this product if the articles are on a list approved by another Governmental Agency. The Contractor shall submit documentation with their offer demonstrating that the article is on an approved Governmental list.
D. The Contractor shall deliver only domestic end products except to the extent that it specified delivery of foreign end products in the provision of the Solicitation entitled “Buy American Act Certificate”.

61. **RIGHT TO INFORMATION:** The City of Denton reserves the right to use any and all information presented in any response to this Contract, whether amended or not, except as prohibited by law. Selection of rejection of the submittal does not affect this right.

62. **LICENSE FEES OR TAXES:** Provided the solicitation requires an awarded contractor or supplier to be licensed by the State of Texas, any and all fees and taxes are the responsibility of the respondent.

63. **PREVAILING WAGE RATES:** The 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).

64. **COMPLIANCE WITH ALL STATE, FEDERAL, AND LOCAL LAWS:** The Contractor or supplier shall comply with all State, federal, and local laws and requirements. The Contractor must comply with all applicable laws at all times, including, without limitation, the following: (i) §36.02 of the Texas Penal Code, which prohibits bribery; (ii) §36.09 of the Texas Penal Code, which prohibits the offering or conferring of benefits to public servants; and (iii) Chapter 552 of the Texas Government Code, which outlines policy for public information. The Contractor shall give all notices and comply with all laws and regulations applicable to furnishing and performance of the Contract.

65. **FEDERAL, STATE, AND LOCAL REQUIREMENTS:** Contractor shall demonstrate on-site compliance with the provisions of federal law dealing with issuance of Form W-2’s to common law employees. Contractor is responsible for both federal and State unemployment insurance coverage and standard Workers’ Compensation insurance coverage. Contractor shall ensure compliance with all federal and State tax laws and withholding requirements. The City of Denton shall not be liable to Contractor or its employees for any Unemployment or Workers’ Compensation coverage, or federal or State withholding requirements. Contractor shall indemnify the City of Denton and shall pay all costs, penalties, or losses resulting from Contractor’s omission or breach of this Section.

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

66. **ATTORNEY'S FEES; LEGAL COSTS:** Contractor and City agree that the City will not be required to pay Contractor's attorney's fees or legal costs under any circumstances, unless expressly required by law.

67. **DRUG FREE WORKPLACE:** The Contractor shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (Public Law 100-690, Title V, Subtitle D; 41 U.S.C. 701 ET SEQ.) and maintain a drug-free work environment; and the final rule, government-wide requirements for drug-free work place (grants), issued by the Office of Management and Budget and the Department of Defense (32 CFR Part 280, Subpart F) to implement the provisions of the Drug-Free Work Place Act of 1988 is incorporated by reference and the Contractor shall comply with the relevant provisions thereof, including any amendments to the final rule that may hereafter be issued.

68. **CONTRACTOR LIABILITY FOR DAMAGE TO GOVERNMENT PROPERTY:** The Contractor shall be liable for all damages to government-owned, leased, or occupied property and equipment caused by the Contractor and its employees, agents, subcontractors, and suppliers, including any delivery or cartage company, in connection with any performance pursuant to the Contract. The Contractor shall notify the City of Denton Procurement Manager in writing of any such damage within one (1) calendar day.

69. **FORCE MAJEURE:** The City of Denton, any Customer, and the Contractor shall not be responsible for performance under the Contract should it be prevented from performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributable to the fault or negligence of the City of Denton. In the event of an occurrence under this Section, the Contractor will be excused from any further performance or observance of the requirements so affected for as long as such circumstances prevail and the Contractor continues to use commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay. The Contractor shall immediately notify the City of Denton Procurement Manager by telephone (to be confirmed in writing within five (5) calendar days of the inception of such occurrence) and describe at a reasonable level of detail the circumstances causing the non-performance or delay in performance.

70. **NON-WAIVER OF RIGHTS:** Failure of a Party to require performance by another Party under the Contract will not affect the right of such Party to require performance in the future. No delay, failure, or waiver of either Party's exercise or partial exercise of any right or remedy under the Contract shall operate to limit, impair, preclude, cancel, waive or otherwise affect such right or remedy. A waiver by a Party of any breach of any term of the Contract will not be construed as a waiver of any continuing or succeeding breach.

71. **NO WAIVER OF SOVEREIGN IMMUNITY:** The Parties expressly agree that no provision of the Contract is in any way intended to constitute a waiver by the City of Denton of any immunities from suit or from liability that the City of Denton may have by operation of law.

72. **RECORDS RETENTION:** The Contractor shall retain all financial records, supporting documents, statistical records, and any other records or books relating to the performances called for in the Contract. The Contractor shall retain all such records for a period of four (4) years after the expiration of the Contract, or until the CPA or State Auditor's Office is satisfied that all audit and litigation matters are resolved, whichever period is longer. The Contractor shall grant access

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

to all books, records and documents pertinent to the Contract to the CPA, the State Auditor of Texas, and any federal governmental entity that has authority to review records due to federal funds being spent under the Contract. In the event the value of this Contract is One Million ($1,000,000) Dollars or greater: (i) all contracting information related to this contract will be preserved for the duration of the Contact; (ii) the Contractor shall provide any contracting information in its possession promptly upon request by the City; and (iii) at the expiration of this Contract, the Contractor will either provide all contracting information in its possession to the City or preserve same as required by the record retention requirements of the State of Texas.

73. **PROCUREMENT LAWS**: The City will not agree to any terms or conditions that cause the City to violate any federal, State, or local procurement laws, including its own Charter or Procurement Policy and any such laws included in boilerplate terms, online terms or other terms provided by the Contractor are considered null and void.

74. **AUTHORITY**: Contractor represents and warrants to the other that (a) it has company authority to execute and perform this Contract; (b) executing this Contract does not constitute a material conflict with, breach, or default under any applicable law, its respective organizational documents, or any documents, agreements, contracts or instruments which are binding upon it; and (c) this Contract creates valid, legal, and binding obligation enforceable against it, subject to applicable insolvency and bankruptcy laws. Contractor recognizes and agrees that a violation of this provision constitutes a material breach under this Contract.

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

Exhibit D
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.

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

Exhibit E

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:

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

- 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 Operations, Independent Contractors, and Contractual Liability with minimum

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

combined bodily injury (including death) and property damage limits of $1,000,000.00 per occurrence and $2,000,000.00 general aggregate.

B. <u>WORKERS' COMPENSATION and EMPLOYERS LIABILITY INSURANCE</u>

Workers' Compensation within the regulations of the Texas Workers' Compensation Act. The minimum policy limits for **Employers Liability** are:

Bodily Injury by Accident: $100,000.00 Each Accident
Bodily Injury by Disease: $100,000.00 Each Employee
Bodily Injury by Disease: $500,000.00 Policy Limit

NOTES:

a. If CONTRACTOR will not be providing services under the contract at a City facility, has no employees and/or is operating as a sole owner and single operator, CONTRACTOR shall provide a signed letter, with the current date, on official letterhead stating such to meet the requirement.

b. If CONTRACTOR is a non-subscriber or is self-insured CONTRACTOR shall provide a copy of its Certificate of Authority to Self-Insure from the Texas Department of Insurance, Division of Workers' Compensation Self Insurance Regulation Program, evidence of alternative coverage and internal safety and injury coverage policies and procedures.

C. <u>BUSINESS AUTOMOBILE LIABILITY INSURANCE</u>

Business Automobile Liability Insurance covering owned, hired, and non-owned vehicles, with a minimum combined single limit for bodily injury (including death) and property damage limit of $500,000.00 per occurrence.

NOTE:

a. If CONTRACTOR does not have owned, hired and non-owned autos or vehicles and/or no autos or vehicles will not be used in the performance of services under the contract, CONTRACTOR shall provide a signed letter, with the current date, on official letterhead stating such to meet the requirement for owned autos.

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

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

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.

1	Graffiti Removal by Paint out					
	Quantity: 6000	UOM: SQ FT	Price:	$0.99	Total:	$5,940.00
	Item Notes: Quantities are estimated and subject to change.					
2	Graffiti Removal by Chemical Removal					
	Quantity: 1000	UOM: SQ FT	Price:	$0.99	Total:	$990.00
	Item Notes: Quantities are estimated and subject to change.					
3	Graffiti Removal by Power Washing					
	Quantity: 2000	UOM: SQ FT	Price:	$1.99	Total:	$3,980.00
	Item Notes: Quantities are estimated and subject to change.					
4	Graffiti Removal-Minimum Charge (Includes trip charge and removal of graffiti under 5 SF)					
	Quantity: 125	UOM: Per trip/work order	Price:	$75.00	Total:	$9,375.00
	Item Notes: Quantities are estimated and subject to change.					

Response Total: $20,285.00

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

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) and by City of Denton Ethics Code, Ordinance 18-757.
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.**

Robertson's Outdoor Cleaning Solutions, LLC dba Power Wash Plus

2

[X] **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.**

_____
Name of Officer

Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relations hip with the local government 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 [X] **I have no Conflict of Interest to disclose.**

5 Signed by: 0AE525B53026493

Signature of vendor doing business with the governmental entity

6/20/2025
Date

Docusign Envelope ID: 37184C0A-25BE-473E-A512-74ADBF3D8383

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/ Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(A) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

City of Denton Ethics Code Ordinance Number 18-757

Definitions:

Relative: a family member related to a City Official within the third 3rd degree of affinity (marriage) or consanguinity (blood or adoption)

City Official: for purpose of this article, the term consists of the Council Members, Department Heads, or member of the Board of Ethics, Planning and zoning Commission Members, Board of Adjustment, Historic Landmark Commission, or Public Utilities Board

Vendor: a person who provides or seeks to provide goods, services, and/or real property to the City in exchange for compensation. This definition does not include those property owners from whom the City acquires public right-of-way or other real property interests for public use.

Per the City of Denton Ethics Code, Section 2-273. – Prohibitions

(3) It shall be a violation of this Article for a Vendor to offer or give a Gift to City Official exceeding fifty dollars ($50.00) per gift, or multiple gifts cumulatively valued at more than two hundred dollars ($200.00) per a single fiscal year.

Per the City of Denton Ethics Code, Section 2-282. – Disposition (b), (5) Ineligibility

If the Board of Ethics finds that a Vendor has violated this Article, the Board may recommend to the City Manager that the Vendor be deemed ineligible to enter into a City contract or other arrangement for goods, services, or real property, for a period of one (1) year.

Certificate Of Completion

Envelope Id: 37184C0A-25BE-473E-A512-74ADBF3D8383
Status: Sent
Subject: Please DocuSign: City Council Contract 8844- Graffiti Abatement
Source Envelope:
Document Pages: 35
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Envelope Originator:
Kayla Clark
901B Texas Street
Denton, TX 76209
kayla.clark@cityofdenton.com
IP Address: 198.49.140.10

Record Tracking

Status: Original
6/18/2025 8:46:09 AM
Holder: Kayla Clark
kayla.clark@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Kayla Clark kayla.clark@cityofdenton.com 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: 6/18/2025 8:46:54 AM Viewed: 6/18/2025 8:47:16 AM Signed: 6/18/2025 8:49:00 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	DS  Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 6/18/2025 8:49:04 AM Viewed: 6/18/2025 9:02:15 AM Signed: 6/18/2025 9:02:32 AM
Marcella Lunn marcella.lunn@cityofdenton.com Senior Deputy City Attorney City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	DocuSigned by:  4B070831B4AA438... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.104	Sent: 6/18/2025 9:02:35 AM Viewed: 6/19/2025 9:01:06 PM Signed: 6/19/2025 9:04:25 PM
Lee Robertson lee@powerwashplustx.com Owner Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 6/20/2025 5:33:55 AM ID: a12cb47c-aaf8-4014-8bda-02c49a3391e4	Signed by:  0AE525B53026493... Signature Adoption: Drawn on Device Using IP Address: 66.182.228.95 Signed using mobile	Sent: 6/19/2025 9:04:29 PM Viewed: 6/20/2025 5:33:55 AM Signed: 6/20/2025 5:37:55 AM

Signer Events	Signature	Timestamp
Jesse Kent Jesse.kent@cityofdenton.com Director Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 6/25/2025 10:20:15 AM ID: 47bf71f7-1b67-4069-9fde-06c818cf51fb	Signed by: Jesse Kent F418EB1B782348F... Signature Adoption: Pre-selected Style Using IP Address: 2a04:4e41:39e4:94a9::cbe4:94a9 Signed using mobile	Sent: 6/20/2025 5:37:59 AM Resent: 6/25/2025 7:55:42 AM Viewed: 6/25/2025 10:20:15 AM Signed: 6/25/2025 10:23:40 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: 6/25/2025 10:23:44 AM
Cheyenne Defee cheyenne.defee@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Sara Hensley sara.hensley@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Lauren Thoden lauren.thoden@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: 6/18/2025 8:49:03 AM

Carbon Copy Events	Status	Timestamp
Gretna Jones gretna.jones@cityofdenton.com Security Level: Email, Account Authentication (None) **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		
Joshua Ellison Joshua.ellison@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	6/18/2025 8:46:54 AM
Envelope Updated	Security Checked	6/20/2025 7:24:44 AM
Envelope Updated	Security Checked	6/20/2025 7:24:45 AM
Envelope Updated	Security Checked	6/20/2025 7:24:45 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.

File #: ID 25-1216, **Version:** 1

AGENDA CAPTION

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 Pepper Psychological Services, PLLC, for psychological testing services for the Police and Fire Departments; providing for the expenditure of funds therefor; and providing an effective date (File 8871 - awarded to Pepper Psychological Services, PLLC, 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 $70,000.00).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: July 15, 2025

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 Pepper Psychological Services, PLLC, for psychological testing services for the Police and Fire Departments; providing for the expenditure of funds therefor; and providing an effective date (File 8871 – awarded to Pepper Psychological Services, PLLC, 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 $70,000.00).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Support Healthy and Safe Communities.

INFORMATION/BACKGROUND

The Texas Commission on Law Enforcement requires psychological evaluations for all peace officer applicants before licensing. Per Texas Administrative Code Title 37, Part 7, Chapter 217, Rule 217.1, a psychological examination must be performed prior to commissioning. Pepper Psychological Services has conducted these services as needed for several years for both the Police and Fire Departments. Since medical services are procurement-exempt, we are requesting a professional services agreement.

Police officers, fire investigators, and peace officers are required to undergo psychological testing. In addition, psychological services are sometimes provided for Critical Incident Debriefings and Psychological Fitness for Duty Evaluations for Police, Fire, and Dispatch employees.

Police and Fire personnel will utilize this contract for approximately 50 annual pre-employment evaluations. Additional services will include Critical Incident Debriefings and Psychological Fitness for Duty Evaluations.

The scope of services includes provisions for up to 50 Entrance evaluations annually, one (1) Critical Incident Debriefing annually, and one (1) Psychological Fitness for Duty evaluation annually. These entrance evaluations will be used for Police and Fire employees only. Critical Incident Debriefings and Fitness for Duty evaluations would primarily be utilized for emergency services personnel, but could be used by any City department if needed. Based on historical spending and future projections, the recommended amount not to exceed (NTE) for this contract is $70,000 for a total potential five (5) year contract.

Psychological Services	Estimated 5-Year Expenditure
Year 1	$12,500
Year 2	13,250
Year 3	14,000
Year 4	14,750
Year 5	15,500
Total	**$70,000**

RECOMMENDATION

Award a contract with Pepper Psychological Services, PLLC, for psychological testing services for the Police and Fire Departments, in a three (3) year, with the option for two (2) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of $70,000.

PRINCIPAL PLACE OF BUSINESS

Pepper Psychological Services, PLLC
Arlington, TX

ESTIMATED SCHEDULE OF PROJECT

This is an initial three (3) 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

The services will be funded from the Police and Fire Department General Operating Funds. Requisitions will be entered on an as-needed basis. The budgeted amount for this item is $70,000. The City will only pay for services rendered and is not obligated to pay the full contract amount unless needed.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance and Contract

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Preston Pohler, 940-349-7956.

Legal point of contact: Marcella Lunn at 940-349-8333.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH PEPPER PSYCHOLOGICAL SERVICES, PLLC, FOR PSYCHOLOGICAL TESTING SERVICES FOR THE POLICE AND FIRE DEPARTMENTS; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (FILE 8871 – AWARDED TO PEPPER PSYCHOLOGICAL SERVICES, PLLC, 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 $70,000.00).

WHEREAS, Pepper Psychological Services, PLLC, the professional services provider (the "Provider") set forth in this ordinance, is 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 contract 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 contract attached hereto with Pepper Psychological Services, PLLC, for psychological testing services for the Police and Fire Departments.

SECTION 2. The City Manager, or their designee, is authorized to expend funds as required by the attached contract.

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:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____ Scott Bray
Deputy City Attorney

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

Docusign City Council Transmittal Coversheet

PSA	8871
File Name	Psychological Examinations
Purchasing Contact	Ginny Brummett
City Council Target Date	
Piggy Back Option	Not Applicable
Contract Expiration	
Ordinance	

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

CONTRACT BY AND BETWEEN
CITY OF DENTON, TEXAS AND PEPPER PSYCHOLOGICAL SERVICES, PLLC
(Contract #8871)

THIS CONTRACT is made and entered into this date _____, by and between **PEPPER PSYCHOLOGICAL SERVICES, PPLC** a Texas limited liability company whose address 1112 E. Copeland Rd. Ste. 560, Arlington, Texas 76011, hereinafter referred to as "Contractor," and the **CITY OF DENTON, TEXAS**, a home rule municipal corporation, hereinafter referred to as "City," to be effective upon approval of the Denton City Council and subsequent execution of this Contract by the Denton City Manager or their 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 services in accordance with Contractor's Proposal attached as Exhibit "E". The Contract consists of this written agreement and the following items which are attached hereto, or on file, and incorporated herein by reference:

(a) Special Terms and Conditions **(Exhibit "A");**
(b) City of Denton Standard Terms and Conditions **(Exhibit "B");**
(c) Certificate of Interested Parties Electronic Filing **(Exhibit "C");**
(d) Insurance Requirements **(Exhibit "D");**
(e) Contractor's Proposal ("Contractor's Offer") **(Exhibit "E")**;
(f) Form CIQ – Conflict of Interest Questionnaire **(Exhibit "F")**

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 the written agreement then to the contract documents in the 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 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 Contract, 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 Contract.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition on Contracts with Companies Boycotting Certain Energy Companies
Contractor acknowledges that in accordance with Chapter 2276 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"

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

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 Contract.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition on Contracts with Companies Boycotting Certain Firearm Entities and Firearm Trade Associations

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 Contract, 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 this 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.

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 Contract, 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 Contract and will not become ineligible to receive payments under this Contract 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.

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 2275, 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.

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 WHEREOF, the parties of these presents have executed this Contract in the year and day first above written.

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

CONTRACTOR

Signed by: Sarah Pepper
FEF9A3B4B964429...
BY: _____
AUTHORIZED SIGNATURE

Printed Name: Sarah Pepper

Title: Psychologist

817-538-5893
PHONE NUMBER

sarah@pepperpsychservices.com
EMAIL ADDRESS

2025-1328473
TEXAS ETHICS COMMISSION
CERTIFICATE NUMBER

CITY OF DENTON, TEXAS

BY: _____
SARA HENSLEY
CITY MANAGER

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

DocuSigned by: Marcella Lunn
4B070831B4AA438...
BY: _____

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational obligations
and business terms.

Signed by: Jessica Robledo
4210CB006EFC4EC...
SIGNATURE

Jessica Robledo
PRINTED NAME

Chief
TITLE

Denton Police
DEPARTMENT

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

Exhibit A
Special Terms and Conditions

1. Total Contract Amount

The contract total for services shall not exceed $70,000. Pricing shall be per Exhibit E attached.

2. Contract Terms

The contract term will be three (3) year, effective from date of award. The City and the Supplier shall have the option to renew this contract for an additional two (2) 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 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.

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

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

The Contractor shall incur contractual payment losses, as initiated by the City for performance that falls short of specified performance standards as outlined below:

- Delivery beyond contracted lead times
- Performance below contracted levels (services only)

The Contractor shall be assessed a one (1%) percent fee each month when any one of the performance standards outlined above are not met in full. The Contractor shall be assessed a two (2%) percent profit fee each month when any two (2) or more performance standards outlined above are not met in full. At the end of each month, the City will review the monthly reports and determine the percentage of penalty to be assessed to the Contractor's monthly profit margin.

5. Standards of Medical Professional Performance

Contractor shall contract with the independent medical professionals such that the medical professionals are obligated to perform or deliver the following, where applicable:

(a) The medical professional shall determine his or her own means and methods of providing medical services in connection with this Contract.
(b) The medical professional shall comply with all applicable laws and regulations with respect to the licensing and state regulations.
(c) The medical professional shall provide the Services in a manner consistent with all applicable laws and regulations and in a professional manner consistent with medical services provided in the community.
(d) The medical professional shall maintain, during the term of this Contract, Appropriate Credentials including:

(1) A duly issued and active license to practice medicine and prescribe medication in the State of Texas;
(2) A good standing with his or her profession and state professional association;
(3) The absence of any license restriction, revocation, or suspension;
(4) The absence of any involuntary restriction placed on his or her federal DEA registration; and
(5) The absence of any conviction of a felony.
(e) In the event that any medical professional (1) has his or her license to practice medicine or prescribe medication restricted, revoked or suspended, (2) has an involuntary restriction placed on his or her federal DEA registration, (3) is convicted of a felony, or (4) is no longer in good standing with his or her professional or state licensing authority, Contractor shall promptly remove that Medical Professional and replace such medical professional with another medical professional that meets the requirements of this Contract.

6. Noncompliance by the Medical Professional

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

In the event that the City becomes aware of any failure by a medical professional to comply with the obligations of the medical professionals which are contemplated by this Contract, the City shall immediately provide written notice to Contractor of such failure, which written notice shall describe the failure in reasonable detail, and Contractor shall use reasonable business efforts to address such failure. In the alternative, Contractor may arrange for the substitution of another person as such medical professional.

7. Medical Records

Contractor and the medical professionals shall maintain medical records with respect to all of the patients, all of which medical records shall be maintained in a professional manner consistent with the accepted practice of the community in which the medical professionals provide the medical services in connection with this Contract. Contractor shall also require the Medical Professional comply with the Health Insurance Portability and Accountability Act of 1996 as may be amended from time to time (HIPAA) , the Health Information Technology for Economic and Clinical Health Act (HITECH), and all other federal, state, and local regulation governing the confidentiality of protected health information. All patient records maintained in connection with this Contract shall be the sole property of the medical professionals and Contractor. The City understands and agrees that all of the medical records and other protected health information maintained by the medical professionals will be held by the medical professionals in strictest confidence, and that the City will not be entitled to have access to the medical records maintained by the medical professionals, in the absence of an appropriate written authorization from the patient/employee or permitted disclosure authorized by applicable law. In the event of termination for any reason, Contractor agrees to electronically transfer all medical records to any successor clinic administrator selected by the City. The electronic transfer of these records will be in an industry standard format to be determined by Contractor and the City agrees to pay to Contractor an amount of $2,500 for such transfer. In the event the City requests a specific format or requests any additional preparing, packaging, testing or similar process, the electronic transfer of medical records will be dependent upon the successor clinic administrator or the City agreeing to pay the costs, up to $5,000, to Contractor to cover expenses associated with preparing, packaging, testing, transferring, and verifying the electronic transfer of medical records to the successor clinic administrator.

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

Exhibit B
City of Denton
Standard Purchase Terms and Conditions

These standard Terms and Conditions and the Terms and Conditions, Specifications, Drawings and other requirements included in the City of Denton's contract are applicable to contracts/purchase orders issued by the City of Denton hereinafter referred to as the City or Buyer and the Seller or respondent herein after referred to as Contractor. Any deviations must be in writing and signed by a representative of the City's Procurement Department and the Contractor. No Terms and Conditions contained in the seller's proposal response, invoice, or statement shall serve to modify the terms set forth herein. If there is a conflict between the provisions on the face of the contract/purchase order these written provisions will take precedence.

The Contractor agrees that the Contract shall be governed by the following terms and conditions, unless exceptions are duly noted and fully negotiated. Unless otherwise specified in the Contract, Sections 3, 4, 5, 6, 7, 8, 20, and 21 shall apply only to a solicitation to purchase goods, and sections 9, 10, 11, and 22 shall apply only to a solicitation to purchase services to be performed principally at the City's premises or on public rights-of-way.

1. **CONTRACTOR'S OBLIGATIONS**. The Contractor shall fully and timely provide all deliverables described in the Solicitation and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable federal, State, and local laws, rules, and regulations.

2. **EFFECTIVE DATE/TERM**. Unless otherwise specified in the Solicitation or Exhibit A, this Contract shall be effective as of the date this Contract is signed by the City and shall continue in effect until all obligations are performed in accordance with the Contract.

3. **CONTRACTOR TO PACKAGE DELIVERABLES**: The Contractor will package deliverables in accordance with good commercial practice and shall include a packing list showing the description of each item, the quantity and unit price unless otherwise provided in the Solicitation or Contractor's Offer, each shipping container shall be clearly and permanently marked as follows: (a) The Contractor's name and address, (b) the City's name, address, purchase order or purchase release number, and the price agreement number, if applicable, (c) container number and total number of containers, e.g. box 1 of 4 boxes, and (d) the number of the container bearing the packing list. The Contractor shall bear cost of packaging. Deliverables shall be suitably packed to secure lowest transportation costs and to conform to all the requirements of common carriers and any applicable specification. The City's count or weight shall be final and conclusive on shipments not accompanied by packing lists.

4. **SHIPMENT UNDER RESERVATION PROHIBITED**: The Contractor is not authorized to ship the deliverables under reservation and no tender of a bill of lading will operate as a tender of deliverables.

5. **TITLE & RISK OF LOSS**: Title to and risk of loss of the deliverables shall pass to the City only when the City actually receives and accepts the deliverables.

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

6. **DELIVERY TERMS AND TRANSPORTATION CHARGES**: Deliverables shall be shipped F.O.B. point of delivery unless otherwise specified in the Solicitation or Contractor's Offer. Unless otherwise stated in the Contractor's Offer, the Contractor's price shall be deemed to include all delivery and transportation charges. The City shall have the right to designate what method of transportation shall be used to ship the deliverables. The place of delivery shall be that set forth in the purchase order.

7. **RIGHT OF INSPECTION AND REJECTION**: The City expressly reserves all rights under law, including, but not limited to the Uniform Commercial Code, to inspect the deliverables at delivery before accepting them, and to reject defective or non-conforming deliverables. If the City has the right to inspect the Contractor's, or the Contractor's Subcontractor's, facilities, or the deliverables at the Contractor's, or the Contractor's Subcontractor's, premises, the Contractor shall furnish, or cause to be furnished, without additional charge, all reasonable facilities and assistance to the City to facilitate such inspection.

8. **NO REPLACEMENT OF DEFECTIVE TENDER**: Every tender or delivery of deliverables must fully comply with all provisions of the Contract as to time of delivery, quality, and quantity. Any non-complying tender shall constitute a breach and the Contractor shall not have the right to substitute a conforming tender; provided, where the time for performance has not yet expired, the Contractor may notify the City of the intention to cure and may then make a conforming tender within the time allotted in the contract to perform but not afterward. If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

9. **PLACE AND CONDITION OF WORK**: This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way. The City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner, in accordance with and subject to the applicable security laws, rules, and regulations. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the Contract. The Contractor hereby releases and holds the City harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.

The Contractor shall, at all times, exercise reasonable precautions for the safety of their employees, City Staff, participants and others on or near the City's facilities.

10. **WORKFORCE** This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way.

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

A. The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.
B. The Contractor, its employees, Subcontractors, and Subcontractor's employees may not (1) while engaged in, participating, or responding to a solicitation; or (2) while in the course and scope of delivering goods or services under a City of Denton contract; or (3) on the City's property.

i. use or possess a firearm, including a concealed handgun that is licensed under State law, except as required by the terms of the contract; or

ii. use or possess alcoholic or other intoxicating beverages, illegal drugs, or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs.

C. If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

IMMIGRATION: THE CONTRACTOR REPRESENTS AND WARRANTS THAT IT SHALL COMPLY WITH THE REQUIREMENTS OF THE IMMIGRATION REFORM AND CONTROL ACT OF 1986 AND 1990 REGARDING EMPLOYMENT VERIFICATION AND RETENTION OF VERIFICATION FORMS FOR ANY INDIVIDUALS HIRED ON OR AFTER NOVEMBER 6, 1986, WHO WILL PERFORM ANY LABOR OR SERVICES UNDER THE CONTRACT AND THE ILLEGAL IMMIGRATION REFORM AND IMMIGRANT RESPONSIBILITY ACT OF 1996 ("IIRIRA) ENACTED ON SEPTEMBER 30, 1996, AND SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM ANY ACTION ARISING RELATED THERETO.

11. **COMPLIANCE WITH HEALTH, SAFETY, AND ENVIRONMENTAL REGULATIONS**: This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way. The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules, and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. **THE CONTRACTOR SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM AND AGAINST ALL CLAIMS, DEMANDS, SUITS, ACTIONS, JUDGMENTS, FINES, PENALTIES AND LIABILITY OF EVERY KIND ARISING FROM THE BREACH OF THE CONTRACTOR'S OBLIGATIONS UNDER THIS PARAGRAPH.**

Environmental Protection: The Contractor shall be in compliance with all applicable standards, orders, or regulations issued pursuant to the mandates of the Clean Air Act (42 U.S.C. §7401 *et seq*.) and the Federal Water Pollution Control Act, as amended, (33 U.S.C. §1251 *et seq*.).

12. **INVOICES**:
A. The Contractor shall submit separate invoices on each purchase order or purchase release after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.
B. **Proper Invoices must include a unique invoice number, invoice date, the purchase order number, and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department**. Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. The Contractor's name, remittance address and, if

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

applicable, the tax identification number on the invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice.

C. Invoices for labor shall include a copy of all time-sheets with trade labor rate and deliverables order number clearly identified. Invoices shall also include a tabulation of work-hours at the appropriate rates and grouped by work order number. Time billed for labor shall be limited to hours actually worked at the work site.

D. Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.

E. Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

13. **PAYMENT**:

A. All proper invoices need to be sent to Accounts Payable – accountspayable@cityofdenton.com. Approved invoices will be paid within thirty (30) calendar days of the invoice being received in Accounts Payable.

B. **If payment is not timely made, (per paragraph A); interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, including, but not limited to, those in Paragraph D , below, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.**

C. If partial shipments or deliveries are authorized by the City, the Contractor will be paid for the partial shipment or delivery, as stated above, provided that the invoice matches such shipment or delivery.

D. The City may withhold or set off the entire payment or part of any payment otherwise due to the Contractor to such extent as may be necessary on account of:

i. delivery of defective or non-conforming deliverables by the Contractor;

ii. third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;

iii. failure of the Contractor to pay Subcontractors, or for labor, materials, or equipment;

iv. damage to the property of the City or the City's agents, employees, or contractors, which is not covered by insurance required to be provided by the Contractor;

v. reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;

vi. failure of the Contractor to submit proper invoices with purchase order number, all required attachments, and supporting documentation; or

vii. failure of the Contractor to comply with any material provision of the Contract Documents.

E. Notice is hereby given to any awarded firm who is in arrears to the City for delinquent taxes of any kind or otherwise indebted to the City that the City shall be entitled to counterclaim and/or offset against any such debt, claim, demand, or account owed to the City through payment withholding until the debt is paid in full, and no assignment of such debt, claim, demand, or account after the said taxes or debt are due shall affect the right of the City to offset the said taxes or debt against same.

F. Payment will be made by check unless the parties mutually agree to payment by credit card or

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic funds transfer.
G. The Contractor acknowledges and agrees that the awarding or continuation of this Contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds appropriated and available for this Contract. The absence of appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not appropriated or available and any deliverables delivered but unpaid shall be returned to the Contractor. The City will not incur a debt or obligation to pay Contractor any amounts the City does not have the current funds available to pay. The City shall provide the Contractor written notice of the failure of the City to make an adequate appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of none or inadequate appropriation of funds, there will be no penalty or liability to the City, nor removal fees, cancellation fees, or the like charged to the City.

14. **TRAVEL EXPENSES**: All travel, lodging, and per diem expenses in connection with the Contract shall be paid by the Contractor, unless otherwise stated in the Contract Documents. During the term of this Contract, the Contractor shall bill and the City shall reimburse Contractor for all reasonable and approved out of pocket expenses which are incurred in the connection with the performance of duties hereunder. Notwithstanding the foregoing, expenses for the time spent by the Contractor in traveling to and from City facilities shall not be reimbursed, unless otherwise negotiated.

15. **FINAL PAYMENT AND CLOSE-OUT**:
A. If a DBE/MBE/WBE Program Plan is agreed to and the Contractor has identified Subcontractors, the Contractor is required to submit a Contract Close-Out MBE/WBE Compliance Report to the Purchasing Manager no later than the fifteenth (15^{th}) calendar day after completion of all work under the contract. Final payment, retainage, or both may be withheld if the Contractor is not in compliance with the requirements as accepted by the City.
B. The making and acceptance of final payment will constitute:

i. a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and

ii. a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

16. **SPECIAL TOOLS & TEST EQUIPMENT**: If the price stated on the Contractor's Offer includes the cost of any special tooling or special test equipment fabricated or required by the Contractor for the purpose of filling this order, such special tooling equipment and any process sheets related thereto shall become the property of the City and shall be identified by the Contractor as such.

17. **RIGHT TO AUDIT**:
A. The Contractor agrees that the City shall, until the expiration of five (5) years after final payment under this Contract unless required to be retained for longer under applicable law, have

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

electronic access to and the right to examine all books, records, and computations pertaining to this Contract. If necessary, the City shall have the right to audit and make copies of the books, records, and computations pertaining to the Contract. The Contractor shall retain such books, records, documents, and other evidence pertaining to the Contract period and five (5) 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 ten (10) business days of written request. All books and records will be made available within a fifty (50) mile radius of the City of Denton if the vendor is not able to provide electronic access. The cost of the audit will be borne by the City 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 (5) business days of receipt of an invoice.

B. The Contractor further agrees to include in all its subcontracts hereunder a provision to the effect that the Subcontractor, material supplier, or other payee agrees that the City shall, until the expiration of five (5) years after final payment under the subcontract unless required to be retained for longer under applicable law, have electronic access to and the right to examine all books, records, documents, and other evidence of the Subcontractor, material supplier, or other payee involving transactions relating to the subcontract. If necessary, the City maintains the right to photocopy any physical books, documents, papers, and records of the subconsultant involving transactions relating to the subcontract. All books and records will be made available within a fifty (50) mile radius of the City of Denton. The cost of the audit will be borne by the City 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 (5) business days of receipt of an invoice.

C. Failure to comply with the provisions of this section shall be a material breach of the Contract and shall constitute, in the City'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.

18. **SUBCONTRACTORS**:

A. If the Contractor-identified subcontractors ("Subcontractor") in a DBE/MBE/WBE agreed-to plan (the "Plan"), the Contractor shall comply with all requirements approved by the City. The Contractor shall not initially employ any subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing. No acceptance by the City of any subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract Awards and Expenditures Report to the Procurement Manager, no later than the tenth calendar day of each month.

B. Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the Contract Documents, and shall contain provisions that:

i. require that all deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract;

ii. prohibit the Subcontractor from further subcontracting any portion of the Contract

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;

iii. require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;

iv. require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and

v. require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.

C. The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.

D. The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten (10) calendar days after receipt of payment from the City.

19. **WARRANTY-PRICE**:

A. The Contractor warrants the prices quoted in the Contractor's Offer are no higher than the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.

B. The Contractor certifies that the prices in the Contractor's Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.

C. In the event Contractor breaches this warranty, in addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like deliverables under similar terms of purchase, or in the alternative, the City may cancel this Contract without liability to Contractor for breach.

20. **WARRANTY – TITLE**: **The Contractor warrants that it has good and indefeasible title to all deliverables furnished under the Contract, and that the deliverables are free and clear of all liens, claims, security interests, and encumbrances. The Contractor shall indemnify and hold the City harmless from and against all adverse title claims to the deliverables.**

21. **WARRANTY – DELIVERABLES**: The Contractor warrants and represents that all deliverables sold the City under the Contract shall be free from defects in design, workmanship, or manufacture, and conform in all material respects to the specifications, drawings, and descriptions in the Contract Documents, to any samples furnished by the Contractor, to the terms, covenants, and conditions of the Contract, and to all applicable State, federal, or local laws, rules, and regulations, and industry codes and standards. Unless otherwise stated in the Solicitation, the deliverables shall be new or recycled merchandise, and not used or reconditioned. In addition, Contractor warrants that the goods sold to City shall conform to the standards promulgated by the

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

U.S. Department of Labor under the Occupational Safety and Health Act (OSHA). In the event the product does not conform to OSHA standards, City may return the product for correction or replacement at the Contractor's expense. In the event Contractor fails to make the appropriate correction within a reasonable time, correction made by City will be at Contractor's expense.

A. Recycled deliverables shall be clearly identified as such.

B. The Contractor may not limit, exclude, or disclaim the foregoing warranty or any warranty implied by law; and any attempt to do so shall be without force or effect.

C. Unless otherwise specified in the Contract or required by the Solicitation, the warranty period shall be at least one (1) year from the date of acceptance of the deliverables or from the date of acceptance of any replacement deliverables. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand either repair the non-conforming deliverables, or replace the non-conforming deliverables with fully conforming deliverables, at the City's option and at no additional cost to the City. All costs incidental to such repair or replacement, including but not limited to, any packaging and shipping costs shall be borne exclusively by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach of warranty, but failure to give timely notice shall not impair the City's rights under this section.

D. If the Contractor is unable or unwilling to repair or replace defective or non-conforming deliverables as required by the City, then in addition to any other available remedy, the City may reduce the quantity of deliverables it may be required to purchase under the Contract from the Contractor, and purchase conforming deliverables from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such deliverables from another source.

E. If the Contractor is not the manufacturer, and the deliverables are covered by a separate manufacturer's warranty, the Contractor shall transfer and assign such manufacturer's warranty to the City. If for any reason the manufacturer's warranty cannot be fully transferred to the City, the Contractor shall assist and cooperate with the City to the fullest extent to enforce such manufacturer's warranty for the benefit of the City.

F. Contractor shall not limit, exclude, or disclaim any implied warranties, and any attempt to do so shall be without force or effect, or alternatively, at the City's option, render this Contract voidable.

22. **WARRANTY – SERVICES**: The Contractor warrants and represents that all services to be provided to the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable federal, State, and local laws, rules or regulations.

A. The Contractor may not limit, exclude, or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect, or alternatively, at the City's option, render this Contract voidable.

B. Unless otherwise specified in the Contract, the warranty period shall be at least one (1) year from the date of acceptance of the work. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the City's rights under this section.

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

C. If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.

23. **ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES**: If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses, and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

24. **RIGHT TO ASSURANCE**: Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified (being a minimum of 5 days) after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

25. **STOP WORK NOTICE**: The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.

26. **DEFAULT**:
A. The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely, and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under Paragraph 25, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by the Contractor to the City.
B. In the event the City terminates the awarded contract for default or any other reason, the Contractor shall not be relieved of liability to the City for damages sustained by the City by reason of any default of the contract by the Contractor or otherwise, and the City may withhold any payments to the Contractor for the purpose of an offset until such time as the amount of damages due the City from the Contractor can be determined.

27. **TERMINATION FOR CAUSE:** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs,

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. Additionally, in the event of a default by the Contractor, the City may remove the Contractor from the City's vendor list for three (3) years and/or any offer submitted by the Contractor may be disqualified for up to three (3) years. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law. The requirements of Subchapter J, Chapter 552 of the Texas Government Code, may apply to this Contract and the Contractor agrees that the Contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

28. **TERMINATION WITHOUT CAUSE**: The City shall have the right to terminate the Contract, in whole or in part, without cause and/or for convenience any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof, provided such payment amount is not disputed by City. The City reserves all rights, causes of action, and remedies available under law or in equity with respect to any dispute under this Contract and a termination under this provision does not waive such rights, causes of action, and remedies.

29. **FRAUD**: Fraudulent statements by the Contractor in any offer, Contract Document, or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.

30. **DELAYS**:
A. The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified in Paragraph 53. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.
B. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such party. In the event of default or delay in Contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

31. **TIME OF COMPLETION AND LIQUIDATED DAMAGES**: Contractor agrees and acknowledges that completing the services and/or delivering the goods described in this Contract in a timely manner is very important to the City. Contractor agrees to perform all obligations within the timeframes required. As it is impracticable and extremely difficult to fix the actual damages, if any, that may proximately result from a failure by Contractor to provide the goods or

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

perform the service, should Contractor fail to timely perform its obligations, Contractor agrees to pay to City, or have withheld and offset from monies due it, the amount stated in the Contract Documents as liquidated damages for each calendar day of delay or nonperformance. Any sums due and payable hereunder by the Contractor shall be payable, not as a penalty, but as liquidated damages representing an estimate of delay damages likely to be sustained by the City, estimated at the time of executing this Contract. Execution of the Contract shall constitute agreement by the City and Contractor that said amount is the minimum value of the costs and actual damage caused by the Contractor's failure to timely perform. Adjustments to the contract times can only be made as provided in the Contract Documents and any conditions or specifications referenced therein.

32. **INDEMNITY**:

A. Definitions:

i. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments, and liability of every character, type, or description, including all reasonable costs and expenses of litigation, mediation, or other alternate dispute resolution mechanism, including attorney and other professional fees for: (1) damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and Subcontractors; the officers, agents, and employees of such Subcontractors; and third parties); and/or (2) death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's Subcontractors, and third parties), ii. "Fault" shall include the sale of defective or non-conforming deliverables, negligence, willful misconduct or a breach of any legally imposed strict liability standard.

B. **THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.**

33. **LIMITATION OF LIABILITY**: This Contract does not, and shall not be interpreted to, contain an artificial limitation of liability (e.g. liability limited to contract price or liability capped at an amount actually paid in previous 3 months, etc.) or an artificial statute of limitations (e.g. any lawsuit must be commenced within one year of the event).

34. **INSURANCE**: The Contractor shall procure and maintain insurance of the types and in the minimum amounts acceptable to the City of Denton outlined in the Insurance Exhibit attached hereto, if applicable. The insurance shall be written by a company licensed to do business in the State of Texas and satisfactory to the City of Denton. The City of Denton reserves the right to add insurance during the contract term.

B. Specific Coverage Requirements: Specific insurance requirements are contained in the

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

Solicitation and the Insurance Exhibit.

35. **CLAIMS**: If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse effect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Denton City Attorney. Personal delivery to the City Attorney shall be to City Hall, 215 East McKinney Street, Denton, Texas 76201.

36. **NOTICES**: Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the Contractor shall be sent to the address specified in the Contractor's Offer, or at such other address as a party may notify the other in writing. Notices to the City shall be addressed to the City at 901B Texas Street, Denton, Texas 76209 and marked to the attention of the Purchasing Manager.

37. **RIGHTS TO BID, PROPOSAL AND CONTRACTUAL MATERIAL**: All material submitted by the Contractor to the City shall become property of the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, and Texas Government Code. The requirements of Subchapter J, Chapter 552 of the Texas Government Code, may apply to this Contract and the Contractor agrees that the Contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

38. **INDEMNIFICATION AGAINST INFRINGEMENTS**: The Contractor represents and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the deliverables and (ii) the deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the deliverables and the Contractor does not know of any valid basis for any such claims. Moreover, Contractor does not know of any valid basis for any such claims. **THE CONTRACTOR SHALL, AT ITS SOLE EXPENSE, DEFEND, INDEMNIFY, AND HOLD THE CITY HARMLESS FROM AND AGAINST ALL LIABILITY, DAMAGES, AND COSTS (INCLUDING COURT COSTS AND REASONABLE FEES OF ATTORNEYS AND OTHER PROFESSIONALS) ARISING OUT OF OR RESULTING FROM: (I) ANY CLAIM THAT THE CITY'S EXERCISE ANYWHERE IN THE WORLD OF THE RIGHTS ASSOCIATED WITH THE CITY'S' OWNERSHIP, AND IF APPLICABLE, LICENSE RIGHTS, AND ITS USE OF THE DELIVERABLES INFRINGES THE INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY; OR (II) THE CONTRACTOR'S BREACH OF ANY OF CONTRACTOR'S REPRESENTATIONS OR WARRANTIES STATED IN THIS CONTRACT. IN THE EVENT OF ANY SUCH CLAIM, THE CITY SHALL HAVE THE**

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

RIGHT TO MONITOR SUCH CLAIM OR AT ITS OPTION ENGAGE ITS OWN SEPARATE COUNSEL TO ACT AS CO-COUNSEL ON THE CITY'S BEHALF. FURTHER, CONTRACTOR AGREES THAT THE CITY'S SPECIFICATIONS REGARDING THE DELIVERABLES SHALL IN NO WAY DIMINISH CONTRACTOR'S WARRANTIES OR OBLIGATIONS UNDER THIS PARAGRAPH AND THE CITY MAKES NO WARRANTY THAT THE PRODUCTION, DEVELOPMENT, OR DELIVERY OF SUCH DELIVERABLES WILL NOT IMPACT SUCH WARRANTIES OF CONTRACTOR. THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

39. **CONFIDENTIALITY**: In order to provide the deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Contract, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.

40. **OWNERSHIP AND USE OF DELIVERABLES**: The City shall own all rights, titles, and interests throughout the world in and to the deliverables.

A. Patents. As to any patentable subject matter contained in the deliverables, the Contractor agrees to disclose such patentable subject matter to the City. Further, if requested by the City, the Contractor agrees to assign and, if necessary, cause each of its employees to assign the entire right, title, and interest to specific inventions under such patentable subject matter to the City and to execute, acknowledge, and deliver and, if necessary, cause each of its employees to execute, acknowledge, and deliver an assignment of letters patent, in a form to be reasonably approved by the City, to the City upon request by the City.

B. Copyrights. As to any deliverables containing copyrightable subject matter, the Contractor agrees that upon their creation, such deliverables shall be considered as work made-for-hire by the Contractor for the City and the City shall own all copyrights in and to such deliverables, provided however, that nothing in this Paragraph 41 shall negate the City's sole or joint ownership of any such deliverables arising by virtue of the City's sole or joint authorship of such deliverables. Should by operation of law, such deliverables not be considered works made-for-hire, the Contractor hereby assigns to the City (and agrees to cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver an assignment to the City of) all worldwide right, title, and interest in and to such deliverables. With respect to such work made-for-hire, the Contractor agrees to execute, acknowledge, and deliver and cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver a work-made-for-hire agreement, in a form to be reasonably approved by the City, to the City upon

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

delivery of such deliverables to the City or at such other time as the City may request.
C. Additional Assignments. The Contractor further agrees to, and if applicable, cause each of its employees to, execute, acknowledge, and deliver all applications, specifications, oaths, assignments, and all other instruments which the City might reasonably deem necessary in order to apply for and obtain copyright protection, mask work registration, trademark registration and/or protection, letters patent, or any similar rights in any and all countries and in order to assign and convey to the City, its successors, assigns and nominees, the sole and exclusive right, title, and interest in and to the deliverables. The Contractor's obligations to execute, acknowledge, and deliver (or cause to be executed, acknowledged, and delivered) instruments or papers such as those described in this Paragraph 41 A., B., and C. shall continue after the termination of this Contract with respect to such deliverables. In the event the City should not seek to obtain copyright protection, mask work registration or patent protection for any of the deliverables, but should desire to keep the same secret, the Contractor agrees to treat the same as Confidential Information under the terms of Paragraph 40 above.

41. **PUBLICATIONS**: All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.

42. **ADVERTISING**: The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent necessary to comply with proper requests for information from an authorized representative of the federal, State, or local government.

43. **NO CONTINGENT FEES**: The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

44. **GRATUITIES**: The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Denton with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.

45. **PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS**: The Contractor agrees to comply with the conflict of interest provisions of the City of Denon Code of Ordinances and/or State law. 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

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

solicitation as defined in the City's Ethic Ordinance codified at Chapter 2, Article XI and in the City Charter Section 14.04, as amended. 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 Contractor shall complete and submit the City's Conflict of Interest Questionnaire. The Contractor agrees to maintain current, updated disclosure of information on file with the Procurement Department throughout the term of this Contract.

46. **NO SUBCONTRACTING BID AFTER AWARD**: Following the award of the Contract, no subcontracting except that specifically identified in the response to the Solicitation will be permitted without the express prior written consent of the City.

47. **NO GIFT OF PUBLIC PROPERTY**: The City will not agree to any terms or conditions that cause the City to lend its credit or grant public money or anything of value to the selected Contractor.

48. **INDEPENDENT CONTRACTOR**: The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City of Denton, Texas for the purposes of income tax, withholding, social security taxes, vacation or sick leave benefits, worker's compensation, or any other City employee benefit. The City shall not have supervision and control of the Contractor or any employee of the Contractor, and it is expressly understood that Contractor shall perform the services hereunder according to the attached specifications at the general direction of the City Manager of the City of Denton, Texas, or their designee under this Contract. The Contractor is expressly free to advertise and perform services for other parties while performing services for the City.

49. **ASSIGNMENT-DELEGATION**: The Contract shall be binding upon and enure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this Paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there are no third party beneficiaries to the Contract.
The Vendor shall notify the City's Purchasing Manager, in writing, of a company name, ownership, or address change for the purpose of maintaining updated City records. The president of the company or authorized official must sign the letter. A letter indicating changes in a company name or ownership must be accompanied with supporting legal documentation such as an updated W-9, documents filed with the state indicating such change, copy of the board of director's resolution approving the action, or an executed merger or acquisition agreement. Failure to do so may adversely impact future invoice payments.

50. **WAIVER**: No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character. No delay, failure, or waiver of either party's exercise or partial exercise of any right or remedy under the Contract shall operate to limit, impair, preclude, cancel, waive or otherwise affect such right or remedy.

51. **MODIFICATIONS**: The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document submitted to the City by Contractor shall have any force or effect to change the terms, covenants, and conditions of the Contract.

52. **INTERPRETATION**: The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this agreement even though the accepting or acquiescing party has knowledge of the performance and opportunity for objection. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

53. **DISPUTE RESOLUTION**:

A. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute, however any decision requiring approval of the City Council of the City will be required to be submitted to the City Council and the senior level person shall have authority to recommend approval of any resolution. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.

B. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option; the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Denton County Alternative Dispute Resolution Program (DCAP). The parties agree to participate in mediation in good faith

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.
C. The parties shall not be required to submit to binding arbitration.

54. **JURISDICTION AND VENUE**: The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Denton County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.

55. **INVALIDITY**: The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

56. **HOLIDAYS:** The following holidays are observed by the City:

New Year's Day (observed)
Martin Luther King, Jr. Day
Memorial Day
Juneteenth
Independence Day
Labor Day
Veteran's Day
Thanksgiving Day
Friday After Thanksgiving
Christmas Eve (observed)
Christmas Day (observed)

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday. Normal hours of operation shall be between 8:00 am and 4:00 pm, Monday through Friday, excluding City of Denton Holidays. Any scheduled deliveries or work performance not within the normal hours of operation **must be approved** by the City Manager of Denton, Texas or their authorized designee.

57. **SURVIVABILITY OF OBLIGATIONS:** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract for fifteen (15) years.

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

58. **NON-SUSPENSION OR DEBARMENT CERTIFICATION:**
The City of Denton is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Denton Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Denton.

59. **EQUAL OPPORTUNITY** Contractor agrees that during the performance of its contract it will:
A. Treat all applicants and employees without discrimination as to race, color, religion, sex, national origin, marital status, age, or handicap.
B. Identify itself as an "Equal Opportunity Employer" in all help wanted advertising or request. The Contractor shall be advised of any complaints filed with the City alleging that Contractor is not an Equal Opportunity Employer. The City reserves the right to consider its reports from its human relations administrator in response to such complaints in determining whether or not to terminate any portion of this contract for which purchase orders or authorities to deliver have not been included, however, the Contractor is specifically advised that no Equal Opportunity Employment complaint will be the basis for cancellation of this contract for which a purchase order has been issued or authority to deliver granted.
C. **Americans with Disabilities Act (ADA) Compliance:** No Contractor, or Contractor's agent, shall engage in any discriminatory employment practice against individuals with disabilities as defined
in the ADA.

60. **BUY AMERICAN ACT-SUPPLIES (Applicable to certain federally funded requirements)**
The following federally funded requirements are applicable. A. Definitions. As used in this paragraph –
i. "Component" means an article, material, or supply incorporated directly into an end product.
ii. "Cost of components" means -
(1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or
(2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the end product.
iii. "Domestic end product" means-
(1) An unmanufactured end product mined or produced in the United States; or
(2) An end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as those that the agency determines are not mined, produced, or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality are treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic.

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

iv. “End product” means those articles, materials, and supplies to be acquired under the contract for public use.
v. “Foreign end product” means an end product other than a domestic end product.
vi. “United States” means the 50 States, the District of Columbia, and outlying areas.
B. The Buy American Act (41 U.S.C. 10a - 10d) provides a preference for domestic end products for supplies acquired for use in the United States.
C. The City does not maintain a list of foreign articles that will be treated as domestic for this Contract; but will consider for approval foreign articles as domestic for this product if the articles are on a list approved by another Governmental Agency. The Contractor shall submit documentation with their offer demonstrating that the article is on an approved Governmental list.
D. The Contractor shall deliver only domestic end products except to the extent that it specified delivery of foreign end products in the provision of the Solicitation entitled “Buy American Act Certificate”.

61. **RIGHT TO INFORMATION:** The City of Denton reserves the right to use any and all information presented in any response to this Contract, whether amended or not, except as prohibited by law. Selection of rejection of the submittal does not affect this right.

62. **LICENSE FEES OR TAXES:** Provided the solicitation requires an awarded contractor or supplier to be licensed by the State of Texas, any and all fees and taxes are the responsibility of the respondent.

63. **PREVAILING WAGE RATES:** The 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).

64. **COMPLIANCE WITH ALL STATE, FEDERAL, AND LOCAL LAWS:** The Contractor or supplier shall comply with all State, federal, and local laws and requirements. The Contractor must comply with all applicable laws at all times, including, without limitation, the following: (i) §36.02 of the Texas Penal Code, which prohibits bribery; (ii) §36.09 of the Texas Penal Code, which prohibits the offering or conferring of benefits to public servants; and (iii) Chapter 552 of the Texas Government Code, which outlines policy for public information. The Contractor shall give all notices and comply with all laws and regulations applicable to furnishing and performance of the Contract.

65. **FEDERAL, STATE, AND LOCAL REQUIREMENTS:** Contractor shall demonstrate on-site compliance with the provisions of federal law dealing with issuance of Form W-2’s to common law employees. Contractor is responsible for both federal and State unemployment insurance coverage and standard Workers’ Compensation insurance coverage. Contractor shall ensure compliance with all federal and State tax laws and withholding requirements. The City of Denton shall not be liable to Contractor or its employees for any Unemployment or Workers’ Compensation coverage, or federal or State withholding requirements. Contractor shall indemnify the City of Denton and shall pay all costs, penalties, or losses resulting from Contractor’s omission or breach of this Section.

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

66. **ATTORNEY'S FEES; LEGAL COSTS:** Contractor and City agree that the City will not be required to pay Contractor's attorney's fees or legal costs under any circumstances, unless expressly required by law.

67. **DRUG FREE WORKPLACE:** The Contractor shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (Public Law 100-690, Title V, Subtitle D; 41 U.S.C. 701 ET SEQ.) and maintain a drug-free work environment; and the final rule, government-wide requirements for drug-free work place (grants), issued by the Office of Management and Budget and the Department of Defense (32 CFR Part 280, Subpart F) to implement the provisions of the Drug-Free Work Place Act of 1988 is incorporated by reference and the Contractor shall comply with the relevant provisions thereof, including any amendments to the final rule that may hereafter be issued.

68. **CONTRACTOR LIABILITY FOR DAMAGE TO GOVERNMENT PROPERTY:** The Contractor shall be liable for all damages to government-owned, leased, or occupied property and equipment caused by the Contractor and its employees, agents, subcontractors, and suppliers, including any delivery or cartage company, in connection with any performance pursuant to the Contract. The Contractor shall notify the City of Denton Procurement Manager in writing of any such damage within one (1) calendar day.

69. **FORCE MAJEURE:** The City of Denton, any Customer, and the Contractor shall not be responsible for performance under the Contract should it be prevented from performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributable to the fault or negligence of the City of Denton. In the event of an occurrence under this Section, the Contractor will be excused from any further performance or observance of the requirements so affected for as long as such circumstances prevail and the Contractor continues to use commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay. The Contractor shall immediately notify the City of Denton Procurement Manager by telephone (to be confirmed in writing within five (5) calendar days of the inception of such occurrence) and describe at a reasonable level of detail the circumstances causing the non-performance or delay in performance.

70. **NON-WAIVER OF RIGHTS:** Failure of a Party to require performance by another Party under the Contract will not affect the right of such Party to require performance in the future. No delay, failure, or waiver of either Party's exercise or partial exercise of any right or remedy under the Contract shall operate to limit, impair, preclude, cancel, waive or otherwise affect such right or remedy. A waiver by a Party of any breach of any term of the Contract will not be construed as a waiver of any continuing or succeeding breach.

71. **NO WAIVER OF SOVEREIGN IMMUNITY:** The Parties expressly agree that no provision of the Contract is in any way intended to constitute a waiver by the City of Denton of any immunities from suit or from liability that the City of Denton may have by operation of law.

72. **RECORDS RETENTION:** The Contractor shall retain all financial records, supporting documents, statistical records, and any other records or books relating to the performances called for in the Contract. The Contractor shall retain all such records for a period of four (4) years after the expiration of the Contract, or until the CPA or State Auditor's Office is satisfied that all audit and litigation matters are resolved, whichever period is longer. The Contractor shall grant access

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

to all books, records and documents pertinent to the Contract to the CPA, the State Auditor of Texas, and any federal governmental entity that has authority to review records due to federal funds being spent under the Contract. In the event the value of this Contract is One Million ($1,000,000) Dollars or greater: (i) all contracting information related to this contract will be preserved for the duration of the Contact; (ii) the Contractor shall provide any contracting information in its possession promptly upon request by the City; and (iii) at the expiration of this Contract, the Contractor will either provide all contracting information in its possession to the City or preserve same as required by the record retention requirements of the State of Texas.

73. **PROCUREMENT LAWS**: The City will not agree to any terms or conditions that cause the City to violate any federal, State, or local procurement laws, including its own Charter or Procurement Policy and any such laws included in boilerplate terms, online terms or other terms provided by the Contractor are considered null and void.

74. **AUTHORITY**: Contractor represents and warrants to the other that (a) it has company authority to execute and perform this Contract; (b) executing this Contract does not constitute a material conflict with, breach, or default under any applicable law, its respective organizational documents, or any documents, agreements, contracts or instruments which are binding upon it; and (c) this Contract creates valid, legal, and binding obligation enforceable against it, subject to applicable insolvency and bankruptcy laws. Contractor recognizes and agrees that a violation of this provision constitutes a material breach under this Contract.

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

Exhibit C
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.

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

Exhibit D
City of Denton
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.

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

- 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.

- ***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. Commercial General Liability Insurance including, but not limited to, Premises/Operations, Personal & Advertising Injury, Products/Completed Operations, Independent Contractors, and Contractual Liability with minimum

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

combined bodily injury (including death) and property damage limits of $1,000,000.00 per occurrence and $2,000,000.00 general aggregate.

B. Workers' Compensation within the regulations of the Texas Workers' Compensation Act. The minimum policy limits for **Employers Liability** are:

Bodily Injury by Accident: $100,000.00 Each Accident
Bodily Injury by Disease: $100,000.00 Each Employee
Bodily Injury by Disease: $500,000.00 Policy Limit

NOTES:

a. If CONTRACTOR will not be providing services under the contract at a City facility, has no employees and/or is operating as a sole owner and single operator, CONTRACTOR shall provide a signed letter, with the current date, on official letterhead stating such to meet the requirement.

b. If CONTRACTOR is a non-subscriber or is self-insured CONTRACTOR shall provide a copy of its Certificate of Authority to Self-Insure from the Texas Department of Insurance, Division of Workers' Compensation Self Insurance Regulation Program, evidence of alternative coverage and internal safety and injury coverage policies and procedures.

C. 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.

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

(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.

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

PEPPER PSYCHOLOGICAL SERVICES, PLLC

Public Safety Psychological Services Scope of Work

Under this scope of work, a licensed psychologist will provide the following services to City of Denton for the psychological evaluation of the sworn and non-sworn applicants and personnel, fit for duty evaluations (case by case) and critical incident stress management (CISM) debriefings.

Psychological Evaluation of Sworn and Non-Sworn Applicants

1. For all applicants, Pepper Psychological Services, PLLC will provide office space in Arlington Texas for face to face, or VIRTUAL assessments (TCOLE compliant) and coordinate the scheduling of evaluation and the administration, scoring and interpretation of all psychological tests administered.
    a. For sworn applicants only, the administration, scoring and interpretation of all psychological tests will comply with current Texas Commission on Law Enforcement regulations, to include Texas Administrative Code §217.1(a) (12) and Texas Occupations Code §1701.306.
2. For all applicants, the psychologist will review all background information, the PHS (required by TCOLE) and will interview the applicant using a clinical interview designed to determine suitability to function in the role to which they are applying.
3. For all applicants, the psychologist will use psychological tests and interview techniques that are consistent with professionally recognized standards and methods. This assessment approach will also comply with HIPPA and EEOC and ADA regulations requiring that tests measure relevant essential job functions.
4. For all applicants, the psychologist will telephone or email the designated Background Section Personnel with a summary of the psychological evaluation results within twenty-four (24) hours of conducting the psychological evaluation.
5. For all applicants, the psychologist will submit by secure email a written report of findings to the designated Background Section Personnel within 3-5 business days, in most cases, of conducting the examination clearly stating the psychologist's opinion of the applicant's psychological suitability and rating based upon our rating scale. The report shall include, but not be limited to the following:
    a. the purpose of the psychological evaluation.
    b. a statement confirming the applicant's identity.
    c. a brief description of each psychological test administered to the applicant and the interpretation of all such tests.
    d. a determination whether the applicant exhibits any obvious psychological problems, whether the applicant appears to be emotionally stable, and whether the

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

applicant exhibits the abilities to consistently handle responsibility, interact with people, and perform the essential job requirements.

i. For sworn applicants only, the psychologist will complete the Declaration of Psychological and Emotional Health (TCOLE L3 Form) and email this document to the designated Background Section Personnel within 3-5 business days, in most cases.

Critical Incident Debriefing

1. For personnel involved in critical incidents and in need of debriefing, Pepper Psychological Services, PLLC will provide office space and psychological services, tests and/or interview techniques that are consistent with professionally recognized standards and methods. Dr. Pepper is certified in Critical Incident Stress Management (CISM).
2. Upon being contacted by the department requesting an appointment for a critical incident debriefing, the psychologist will conduct the debrief within a reasonable time frame depending on availability.
3. The psychologist will submit a brief verbal and written notification to the designated department personnel within 24 hours, in most cases, of conducting the debriefing. The notification shall include, but not be limited to the following:
    a. the psychologist's opinion of the personnel's psychological suitability to perform the necessary requirements of his/her job; and
    b. a recommended plan of action for any future psychological services deemed necessary.

Fitness for Duty Evaluation upon review and consideration, done on a case-by-case basis, please email s request

1. For personnel in need of a fitness for duty evaluation, Pepper Psychological Services, PLLC will provide office space and more in-depth psychological services, tests and/or interview techniques, including any necessary follow-up services that are consistent with professionally recognized standards and methods.
2. The psychologist will submit a written report of findings to the designated department personnel within 7 business days, in most cases, of conducting the psychological evaluation. The report shall include, but not be limited to the following:
    a. the purpose of the psychological evaluation.
    b. the psychologist's opinion of the personnel's psychological suitability to perform the necessary requirements of his/her job; and
    c. a recommended plan of action for any future psychological services deemed necessary.

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

Organizational Structure:

- Psychological Evaluator(s):
    - Sarah Pepper, Ph.D., owner, licensed clinical psychologist
      Karen O'Brien, Ph.D. licensed clinical psychologist
- Office Manager and Testing Administrator:
    - Misti Cowley, B.A.

Fees:

- Pre-Employment Evaluations: $230.00 for public safety evaluations (police, fire, dispatch, school marshal)
- Appeal Board Psychological Evaluation $500.00
- PPO form and report: $230.00 and $175.00 (form only)
- Critical Incident Debriefing: $125.00 per hour

- Fitness for Duty Evaluation: case by case basis, please email a request.

- Annual Mental Health screenings for commissioned employees: $125.00

Test Protocol:

- 20–30-minute clinical interview with a State of Texas licensed psychologist face to face or TCOLE authorized Virtual (HIPPA compliant)

- Psychological Evaluation Report that includes the following psychological tests:
    - Personality Assessment Inventory (PAI) - *an objective inventory of personality which assesses psychological conditions and syndromes*
    - Sentence Completion
    - NEO PI 3 - *an objective measure used to assess both normal and pathological aspects of personality*
    - MCMI (as needed for Fit for Duty) – *an objective measure used to assess pathological aspects of personality*
    - Test of General Reasoning Ability (TOGRA) – *in person when needed*
    - Watson-Glaser Critical Thinking Appraisal – SWAT and Advancement Evaluations
    - Additional testing available on a case by case basis

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

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) and by City of Denton Ethics Code, Ordinance 18-757.
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.**

PEPPER PSYCHOLOGICAL SERVICES, PPLC

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.**

_____
Name of Officer

Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relations hip with the local government 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 Signed by: Sarah Pepper
FEF9A3B4B964429...

Signature of vendor doing business with the governmental entity

6/25/2025
Date

Docusign Envelope ID: 38545C97-A4BF-425C-A12F-948C43F1B172

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/ Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(A) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

City of Denton Ethics Code Ordinance Number 18-757

Definitions:

Relative: a family member related to a City Official within the third 3rd degree of affinity (marriage) or consanguinity (blood or adoption)

City Official: for purpose of this article, the term consists of the Council Members, Department Heads, or member of the Board of Ethics, Planning and zoning Commission Members, Board of Adjustment, Historic Landmark Commission, or Public Utilities Board

Vendor: a person who provides or seeks to provide goods, services, and/or real property to the City in exchange for compensation. This definition does not include those property owners from whom the City acquires public right-of-way or other real property interests for public use.

Per the City of Denton Ethics Code, Section 2-273. – Prohibitions

(3) It shall be a violation of this Article for a Vendor to offer or give a Gift to City Official exceeding fifty dollars ($50.00) per gift, or multiple gifts cumulatively valued at more than two hundred dollars ($200.00) per a single fiscal year.

Per the City of Denton Ethics Code, Section 2-282. – Disposition (b), (5) Ineligibility

If the Board of Ethics finds that a Vendor has violated this Article, the Board may recommend to the City Manager that the Vendor be deemed ineligible to enter into a City contract or other arrangement for goods, services, or real property, for a period of one (1) year.

Certificate Of Completion

Envelope Id: 38545C97-A4BF-425C-A12F-948C43F1B172
Status: Sent
Subject: Please DocuSign: City Council Contract 8871 Psychological Examinations
Source Envelope:
Document Pages: 38
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Ginny Brummett
901B Texas Street
Denton, TX 76209
Ginny.Brummett@cityofdenton.com
IP Address: 198.49.140.10

Record Tracking

Status: Original
6/25/2025 10:18:58 AM
Holder: Ginny Brummett
Ginny.Brummett@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Ginny Brummett ginny.brummett@cityofdenton.com 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: 6/25/2025 10:23:37 AM Viewed: 6/25/2025 10:23:47 AM Signed: 6/25/2025 10:24:08 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	DS LH Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 6/25/2025 10:24:10 AM Viewed: 6/25/2025 10:29:45 AM Signed: 6/25/2025 10:30:26 AM
Marcella Lunn marcella.lunn@cityofdenton.com Senior Deputy City Attorney City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	DocuSigned by: Marcella Lunn 4B070831B4AA438... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 6/25/2025 10:30:28 AM Viewed: 6/25/2025 10:31:52 AM Signed: 6/25/2025 10:36:18 AM
Sarah Pepper sarah@pepperpsychservices.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 6/25/2025 11:22:06 AM ID: a6acb7ec-a0a1-4413-ac57-71d70f3e149c	Signed by: Sarah Pepper FEF9A3B4B964429... Signature Adoption: Pre-selected Style Using IP Address: 2600:1700:610:7d6f:8c0f:58e4:6f67:cf11	Sent: 6/25/2025 10:36:20 AM Viewed: 6/25/2025 11:22:06 AM Signed: 6/25/2025 11:27:53 AM

Signer Events	Signature	Timestamp
Jessica Robledo jessica.robledo@cityofdenton.com Chief Security Level: Email, Account Authentication (None)	Signed by:  4210CB006EFC4EC...	Sent: 6/25/2025 11:27:55 AM Viewed: 6/25/2025 11:28:55 AM Signed: 6/25/2025 11:30:54 AM
	Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	
Electronic Record and Signature Disclosure: Accepted: 6/25/2025 11:28:55 AM ID: 88eb1a2c-d539-4d00-94fc-7a3b752e6ba6		
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: 6/25/2025 11:30:57 AM
Sara Hensley sara.hensley@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Lauren Thoden lauren.thoden@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: 6/25/2025 10:24:10 AM
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None)	COPIED	Sent: 6/25/2025 11:30:57 AM Viewed: 6/25/2025 4:44:50 PM

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

Preston Pohler

Preston.Pohler@cityofdenton.com

Security Level: Email, Account Authentication (None)

Electronic Record and Signature Disclosure:
Accepted: 3/17/2025 1:56:29 PM
ID: 38a64848-568f-4735-a976-db6e43466dc3

Misti Cowley

misti@pepperpsychservices.com

Security Level: Email, Account Authentication (None)

Electronic Record and Signature Disclosure:
Not Offered via Docusign

Lucas Bailey

lucas.bailey@cityofdenton.com

Security Level: Email, Account Authentication (None)

Electronic Record and Signature Disclosure:
Accepted: 2/17/2025 2:20:55 PM
ID: ba32bd22-010b-44a2-95a9-e3ed09e87936

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	6/25/2025 10:23:37 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.

File #: ID 25-1226, **Version:** 1

AGENDA CAPTION

Consider adoption of an ordinance of the City of Denton approving a Settlement Agreement and Release of Claims and Pole Attachment License Agreement between Frontier Southwest, Inc. and the City of Denton, and directing the City Manager and the City's attorneys to effectuate as necessary and appropriate the terms of a Settlement Agreement and Release to effectuate this approval; providing for the expenditure of funds; and declaring an effective date.

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: **July 15, 2025**

SUBJECT

Consider adoption of an ordinance of the City of Denton approving a Settlement Agreement and Release of Claims and Pole Attachment License Agreement between Frontier Southwest, Inc. and the City of Denton, and directing the City Manager and the City's attorneys to effectuate as necessary and appropriate the terms of a Settlement Agreement and Release to effectuate this approval; providing for the expenditure of funds; and declaring an effective date.

BACKGROUND

This matter involves a bankruptcy case filed by Frontier in 2020, in which the City of Denton filed two Proof of Claims. The first claim consisted of $977,445.95 (related to pole attachment fees from 2006-2016) and the second claim consisted of $472,049.57 (related to pole attachment fees from 2016-2023 and amended as the settlement negotiations continued to include all outstanding fees). The cumulative total of both claims being $1,449,495.52.

The bankruptcy court excluded a significant number of debtors, including the City of Denton, to allow them to pass through the case and negotiate with Frontier directly to settle the claims outside the bankruptcy trustee process. Through this process and with help from our outside counsel, Haynes and Boone, the parties have agreed to a settlement of all claims and debt from Verizon for $931,459.74, which equates to about 60% of the total amount of unpaid invoices from 2006-2023 and full payment of the 2024 invoice.

In addition to settling the outstanding claims, the settlement agreement included negotiation and execution of an updated Pole Attachment License Agreement. This agreement sets out the relationship between the parties going forward.

OPTIONS

Settlement of this matter within previously delegated settlement authority, and the option is to formally ratify and approve the settlement.

Approve the attached Pole Attachment License Agreement as part of the settlement agreement.

RECOMMENDATION

Proceed with formal approval of both the Settlement Agreement and Pole Attachment License Agreement.

EXHIBITS

Exhibit 1 – AIS
Exhibit 2 – Ordinance, Settlement Agreement and Release of Claims, and Pole Attachment License Agreement

Respectfully submitted:

/s/ Marcella Lunn
Senior Deputy City Attorney

Prepared by:
Amy Hoffee,
Paralegal

Legal Staff Contact:
Marcella Lunn

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON APPROVING A SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS AND POLE ATTACHMENT LICENSE AGREEMENT BETWEEN FRONTIER SOUTHWEST, INC. AND THE CITY OF DENTON, AND DIRECTING THE CITY MANAGER AND THE CITY'S ATTORNEYS TO EFFECTUATE AS NECESSARY AND APPROPRIATE THE TERMS OF A SETTLEMENT AGREEMENT AND RELEASE TO EFFECTUATE THIS APPROVAL; PROVIDING FOR THE EXPENDITURE OF FUNDS; AND DECLARING AN EFFECTIVE DATE.

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Council hereby approves the proposed settlement agreement between Frontier Southwest, Inc. and the City of Denton, under terms set forth in the attached Settlement Agreement and Release of Claims attached hereto as Exhibit A and incorporated herein.

SECTION 2. The City Manager 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. The City Manager 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 Pole Attachment License Agreement, and to take other actions necessary or permitted by the Pole Attachment License Agreement, attached hereto as Exhibit B and incorporated herein.

SECTION 4. City Council hereby authorizes the expenditure of funds therefor in the amount and in accordance with the Pole Attachment License Agreement, if any.

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:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Marcella Lunn

EXHIBIT "A"

Settlement Agreement and Release

SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

This Settlement Agreement and Release of Claims (this "Settlement Agreement"), dated as of June 27, 2025, is made and entered into by and among (i) the City of Denton, a Texas home-rule municipal corporation (the "City") and (ii) Frontier Southwest Inc. and its affiliates ("Frontier," together with the City, each a "Party" and, collectively, the "Parties").

RECITALS

WHEREAS, on July 25, 1967, the City and General Telephone Company of the Southwest ("Verizon," n/k/a Frontier Southwest Inc.) entered into that certain Joint-Use Contract (the "1967 Agreement"), which provided for the Parties' joint use of certain utility poles owned by the City (the "Poles") with respect to certain telecommunications equipment and network nodes (the "Attachments"); and

WHEREAS, in 2016, Frontier acquired Verizon (the "Verizon Transaction") and assumed Verizon's obligations to the City in connection with the Attachments and the 1967 Agreement; and

WHEREAS, from time to time, Frontier, or its predecessors installed telephone and/or telecommunication cables on the Poles, obligating Frontier, or its predecessors, to pay the City certain pole attachment fees under the terms of the 1967 Agreement (the "Pole Attachment Fees"); and

WHEREAS, the City asserts that, at the time of the Verizon Transaction, $977,446.19 of Pole Attachment Fees were unpaid, as documented by those certain invoices issued to Verizon under account number 9000901 (the "Unpaid Verizon Invoices"), and that Frontier is liable to the City for the Unpaid Verizon Invoices; and

WHEREAS, the City asserts that, following the Verizon Transaction, the City issued certain additional invoices to Frontier under account number 9100152 in the amount of $472,049.57 for Pole Attachment Fees covering the period up through December 11, 2024, which invoices remain unpaid (the "Unpaid Frontier Invoices," and together with the Unpaid Verizon Invoices, the "Unpaid Invoices")[1]; and

WHEREAS, on April 14, 2020 (the "Petition Date"), Frontier Communications Corporation and its debtor subsidiaries (collectively, the "Debtors" or the "Reorganized Debtors," as appropriate) filed petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), commencing the cases styled *In re Frontier Communications Corporation, et al.*, Case No. 20-22476 (the "Chapter 11 Cases"); and

WHEREAS, on or about June 12, 2020, the City filed proofs of claim numbered 1479 and 1500 (the "Proofs of Claim"), asserting general unsecured claims against the Debtors in the

[1] The Unpaid Invoices are summarized on Schedule I attached hereto.

amounts of $977,445.95 and $368,055.93, respectively, in connection with certain of the Unpaid Invoices; and

WHEREAS, on August 21, 2020, the Debtors filed their *Fifth Amended Plan of Reorganization of Frontier Communications Corporation and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 984] (as amended and supplemented, the "Plan"),[2] under which the City's claims asserted in the Proofs of Claim were classified as Class 11 Claims and provided that Holders of Class 11 Claims would: (i) be paid in full, in cash, if their claim is Allowed; (ii) receive reinstatement of their claim; or (iii) receive other treatment that leaves the claim unimpaired; and

WHEREAS, on August 27, 2020, the Bankruptcy Court entered its *Findings of Fact, Conclusions of Law, and Order Confirming the Fifth Amended Joint Plan of Reorganization of Frontier Communications Corporation and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 1005] (the "Confirmation Order") confirming the Plan, and the Effective Date of such Plan occurred on April 30, 2021 [Docket No. 1793]; and

WHEREAS, the Reorganized Debtors did not object to the Proofs of Claims under the terms of the Confirmation Order or the Plan; and

WHEREAS, the City asserts that, as of the date hereof, Frontier is indebted to the City in the aggregate amount of $1,449,495.76 in connection with the Unpaid Invoices (the "Unpaid Invoice Claim") and Frontier disputes the amount of the Unpaid Invoice Claim; and

WHEREAS, the City terminated the 1967 Agreement effective June 2004, but the 1967 Agreement provides at Article XIX that "notwithstanding such termination, this Agreement shall remain in full force and effect with respect to all poles jointly used by the parties at the time of such termination"; and

WHEREAS, notwithstanding the termination of the 1967 Agreement, the Parties have continued to use the Poles and Attachments in the ordinary course of business subject to the terms of those certain yearly invoices issued by the City to Frontier;

WHEREAS, as of the date hereof, the Parties maintain an ongoing business relationship in connection with the Attachments and Frontier's use of the Poles and seek to resolve the Unpaid Invoice Claim and enter into a new license agreement; and

WHEREAS, as of the date hereof, the City and Frontier have negotiated a new pole attachment license agreement, the form of which is attached hereto as **Attachment 1**, which supersedes the 1967 Agreement in its entirety (the "New License Agreement") setting forth the terms and rates to be charged to Frontier for use of the Poles; and

WHEREAS, after an exchange of information and arm's-length negotiations among the Parties, the Parties have determined that it is in their respective best interests to avoid the cost, expense, and uncertainty of protracted litigation and have determined it to be in the Parties' best

[2] Unless otherwise indicated, capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan.

interest to resolve such disputes related to the Unpaid Invoice Claim among them on the terms set forth herein.

NOW THEREFORE, the Parties, intending to be legally bound and for good and valuable consideration, the receipt of which is hereby acknowledged, agree as follows:

1. **Recitals**. The Recitals to this Settlement Agreement are incorporated into and made a substantive part hereof.

2. **Consideration**. In consideration of this Settlement Agreement and the releases set forth herein, within thirty (30) days after all Parties have executed this Settlement Agreement and the New License Agreement, Frontier shall pay to the City the amount of $931,459.74 (the "Settlement Payment") pursuant to terms of payment to be provided by the City.

3. **Effective Date**. This effective date of this Settlement Agreement shall be on the date on which (i) each of the Parties has executed the Settlement Agreement and the New License Agreement and (ii) the City has received the Settlement Payment (the "Effective Date"). The City's receipt of the Settlement Payment and the Parties' execution of the New License Agreement are conditions precedent to the effectiveness of this Settlement Agreement.

4. **Representations and Warranties**.

    a. The City represents and warrants that it has the authority and has secured the government or other organizational approvals necessary to enter into and be bound by this Settlement Agreement, and to represent that the terms of this Settlement Agreement do not conflict with any other agreements. The individuals signing on behalf of the City are each over the age of 21 and are in all respects competent to enter into and be bound by this Settlement Agreement, and to represent that the terms of this Settlement Agreement do not conflict with any other agreements.

    b. Frontier represents and warrants that it has the authority and has secured the corporate or other organizational approvals necessary to enter into and be bound by this Settlement Agreement, and to represent that the terms of this Settlement Agreement do not conflict with any other agreements. The individual signing on behalf of Frontier is over the age of 21 and is in all respects competent to enter into and be bound by this Settlement Agreement, and to represent that the terms of this Settlement Agreement do not conflict with any other agreements.

    c. Each Party represents to the other that this Settlement Agreement constitutes the legal, valid and binding obligation of each Party and is enforceable in accordance with its terms.

    d. Each Party represents to the other that, except as otherwise set forth herein, no order, consent, approval or authorization of, or registration, declaration or filing with, any government or regulatory authority or any other person or entity (other than any of the foregoing which have been obtained and, at the date in question, are then in effect) is required under existing laws or any other agreement as a condition to the execution, delivery or performance of any Party under the terms of this Settlement Agreement.

e. Each Party represents to the other that each Party is a sophisticated entity or person and has made, independently and without reliance on any other Party, its own analysis of the transactions required of it under this Settlement Agreement. In entering into and executing this Settlement Agreement, no Party is relying in any respect on any statement or representation made by any other Party, and no promise or representation of any kind has been made to such Party separate and apart from what is expressly contained in this Settlement Agreement. Each Party has received all documents and information it has deemed necessary for such purpose, and it shall continue to make its own decisions with respect to the transactions required of it under this Settlement Agreement, without reliance on any other Party.

f. Each Party represents to the other that, before entering into and executing this Settlement Agreement, each Party has been fully informed of the terms, contents, conditions and effects set forth herein, and each Party has had a full and complete opportunity to discuss this Settlement Agreement with its attorney or attorneys.

g. Each Party represents to the other that the execution, delivery, and performance of this Settlement Agreement does not violate any provision of law, rule or regulation applicable to it or any of its affiliates or its certificate of incorporation, bylaws or other organizational documents or those of any of its affiliates.

5. **Cooperation; Reasonable Efforts**. The Parties shall cooperate fully and execute all supplementary documents and take all additional actions that may be necessary or appropriate to give full force and effect to the terms and intent of this Settlement Agreement, including but not limited to the New License Agreement. The Parties shall make every reasonable effort to comply with the terms and deadlines set forth in this Settlement Agreement.

6. **Mutual Release of Claims**. Upon the Effective Date, the Parties and their affiliated companies, debtors or reorganized debtors, as applicable, and each and all of their respective past, present and future agents, heirs, executors, administrators, conservators, predecessors, successors, assigns, representatives, officers, members, shareholders, directors, professionals and affiliates (all such releasing persons and entities, collectively, the "Releasing Parties"), does or do hereby fully, unconditionally and irrevocably release, relieve, waive, relinquish, remise, acquit and forever discharge each other and each other's respective past, present and future agents, heirs, executors, administrators, conservators, predecessors, successors, assigns, representatives, officers, members, shareholders, directors, and professionals (all such released persons and entities collectively, the "Released Parties") from, against, and in respect of any and all past, present and future claims, cross-claims, counterclaims, third-party claims, demands, liabilities, obligations, debts, liens, damages, losses, costs, expenses, controversies, actions, rights, suits, assessments, penalties, charges, indemnities, guaranties, promises, commitments, or causes of action of whatsoever nature, whether based in contract, tort, statutory law, or otherwise, whether in law or equity, whether direct or indirect, known or unknown, asserted or unasserted, foreseen or unforeseen, fixed or contingent, that any Releasing Party, individually or collectively, may have or may have against any Released Party, individually or collectively, since the beginning of time through and including the Effective Date, based

on or arising out of or related to the Pole Attachment Fees, Unpaid Invoices, and the 1967 Agreement (such release, the "Mutual Release"). For the avoidance of doubt, the Mutual Release provided in this Section 6 shall extend only to the Released Parties and only with respect to the Unpaid Invoices, the Pole Attachment Fees, and the 1967 Agreement, and the Mutual Release shall not relieve any Party of its ongoing obligations, if any, under any other agreement, including without limitation, the New License Agreement. All rights are reserved with respect to persons or entities who are not Released Parties as defined herein. The Releasing Parties covenant not to sue the Released Parties for any matter released herein; *provided*, however, that nothing contained in this Release constitutes, or is deemed to constitute, a release, discharge, or impairment of the Parties' respective rights to enforce this Settlement Agreement, all of which are expressly reserved.

7. **No Indemnity**. The Parties expressly acknowledge that the City's authority to indemnify and hold harmless any third party is governed by Article XI, Section 7 of the Texas Constitution. Nothing in this Settlement Agreement requires indemnification by the City and any argument that any provision of this Settlement Agreement requires indemnification by the City is invalid *ab initio*. Nothing in this Settlement Agreement requires that the City incur debt, assess or collect funds, or create a sinking fund.

8. **New License Agreement**. Frontier and the City shall endeavor to promptly enter into the New License Agreement in connection with this Settlement Agreement; *provided* that such New License Agreement shall be based upon a per-pole rate approved by the City Council of Denton, Texas, and in compliance with Chapter 284 of the Texas Local Government Code and applicable federal regulations.

9. **Miscellaneous**.

    a. **Entire Agreement**. No promise, inducement, commitment, or other agreement not expressly set forth herein has been made with respect to this Settlement Agreement or the subject matter hereof. This Settlement Agreement contains the entire agreement by and among the Parties with respect to all matters related hereto. All prior agreements and understandings, oral agreements, and writings regarding the matters set forth herein (if any) are expressly superseded hereby and are of no further force or effect.

    b. **Amendments**. This Settlement Agreement may not be altered, amended, or modified in any respect except by a writing duly executed by all of the Parties.

    c. **Binding Effect; Third Parties**. This Settlement Agreement shall be binding on and inure to the benefit of each Party and its successors. There is no third-party beneficiary of this Settlement Agreement.

    d. **No Admission of Wrongdoing**. In entering into this Settlement Agreement, no Party is admitting any fault or liability of any kind whatsoever to each other or to any third party, all of which are expressly denied. Nothing in this Settlement Agreement is or shall be construed to be an admission of liability or wrongdoing by any Party.

e. **Defense**. Subject to the occurrence of the Effective Date pursuant to Section 3 hereof, this Settlement Agreement may be pleaded as a full and complete defense in any subsequent action or other proceeding concerning any and all of the claims, counterclaims, causes of action, assertions, issues, defenses, or other matters released and discharged by this Settlement Agreement, except for claims arising directly from this Settlement Agreement.

f. **Venue and Jurisdiction**. The Bankruptcy Court shall retain jurisdiction and venue over the subject matter of this Settlement Agreement and the Parties for the duration of the performance of the terms and provisions of this Settlement Agreement for the purpose of enabling any of the Parties to apply to the Bankruptcy Court at any time for such further order, direction, and relief as may be necessary or appropriate for the construction or interpretation of this Settlement Agreement or to effectuate or enforce compliance with its terms.

g. **Applicable Law**. This Settlement Agreement shall be governed, interpreted, construed, and enforced in accordance with the laws of the state of Texas.

h. **Assignability**. Neither Party may assign this Settlement Agreement without the prior written consent of each Party.

i. **Counterparts**. This Settlement Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Signature pages emailed in a portable document format (.PDF) shall be acceptable and deemed binding on all Parties hereto as if they were originals.

[Remainder intentionally left blank; signature pages follow.]

IN WITNESS HEREOF, the undersigned have executed, or caused their duly authorized officers to execute, as applicable, this Agreement on the day and year first above written.

AGREED TO BY:

THE CITY OF DENTON, a Texas Home-Rule Municipal Corporation

Sara Hensley, City Manager

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED AS TO ALL TERMS

Antonio Puente, General Manager
Denton Municipal Electric

Date Signed: _____

ATTEST:

Lauren Thoden, City Secretary

APPROVED AS TO LEGAL FORM:

Mack Reinwand, City Attorney

AGREED TO BY:

FRONTIER SOUTHWEST INC.,
On behalf of itself and its affiliates

By: 

Name: Kevin Saville

Title: Senior Vice President, General Counsel

Schedule I: Unpaid Invoices

Account No.	Customer Name	Invoice Date	Invoice No.	Amount	Description
9100152	Frontier	4/18/2023	92707	$513.81	2022 Pole Attachments
9100152	Frontier	4/12/2023	92647	$89,994.60	2022 Pole Attachments
9100152	Frontier	3/31/2022	88880	$86,039.82	2021 Pole Attachments
9100152	Frontier	3/30/2022	88876	$57,683.27	2020 Pole Attachments - 04/14/2020 to 12/31/2020
9100152	Frontier	3/30/2022	88875	$22,984.90	2020 Pole Attachments - Up to 04/14/2020
9100152	Frontier	12/6/2019	81613	$80,668.17	2019 Pole Attachments
9100152	Frontier	12/11/2018	78179	$81,088.56	2018 Pole Attachments
9100152	Frontier	1/18/2018	75235	$81,041.85	2017 Pole Attachments
9100152	Frontier	12/27/2016	71753	$125,257.35	2016 Pole Attachments
9000901	Verizon	12/22/2016	71755	$0.00	
9000901	Verizon	12/1/2015	67521	$115,672.95	2015 Pole Attachments
9000901	Verizon	12/12/2014	63309	$123,814.80	2014 Pole Attachments
9000901	Verizon	1/22/2014	59650	$122,421.15	2013 Pole Attachments
9000901	Verizon	12/26/2012	72342	($33,850.56)	CREDIT - PAYMENT
9000901	Verizon	12/14/2012	55146	$121,809.90	2011 Pole Attachments
9000901	Verizon	12/30/2011	51599	$120,171.75	2010 Pole Attachments
9000901	Verizon	12/28/2010	61185	($314,459.20)	CREDIT - PAYMENT
9000901	Verizon	11/9/2010	49473	$652,472.70	2009 Pole Attachments
9000901	Verizon	1/19/2005	27951	$69,392.70	2004 Pole Attachments
			Subtotal	***$1,602,718.52***	
			May 2025 Reconciliation		
9100152-02	Frontier	5/2/2025	n/a	($307,628.48)	Supersedes the invoice dated December 23, 2024 for $307,628.48
9100152-02	Frontier	5/2/2025	n/a	$154,405.72	
		Reconciled Subtotal (the Unpaid Invoice Claim)		***$1,449,495.76***	
	60% of outstanding invoices (excludes May 2025 Reconciliation)			$777,054.02	
	May 2025 Reconciled Invoice (covers invoices through 12/11/24			$154,405.72	
Total				**$ 931,459.74**	

EXHIBIT "B"

Pole Attachment License Agreement

NOTICE

This Agreement does not authorize Licensee to install or maintain wireless communications devices on City of Denton poles or other infrastructure, electric or otherwise. Should Licensee desire to install wireless communications devices on City of Denton poles or other infrastructure, electric or otherwise, Licensee must enter into a separate agreement.

POLE ATTACHMENT LICENSE AGREEMENT BETWEEN THE CITY OF DENTON AND LICENSEE

This License Agreement is between the **City of Denton** ("CITY"), a Texas home-rule municipal corporation, and **Frontier Southwest Inc.** and its affiliates under common control ("Licensee") (collectively referred to as the "Parties").

WHEREAS, CITY, operates or controls certain utility poles in the public rights of way managed and controlled by CITY throughout Denton; and

WHEREAS, Licensee desires to provide voice, video, internet, or data transmission and other lawful communications services within CITY's service area; and

WHEREAS, to provide voice, video, internet, or data transmission and other lawful communications services, Licensee seeks to place and maintain cables, equipment, facilities, within CITY's service area and desires to place such cables, equipment, and facilities on various Poles and easements owned by CITY; and

WHEREAS, CITY is willing to grant Licensee a revocable, non-exclusive license to use certain Poles on the strict terms and conditions set forth in this Agreement and subject to the CITY Code of Ordinances, Electrical Code, and Distribution Construction Standards, as they may be amended from time to time.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions herein contained, CITY and Licensee do hereby mutually covenant and agree as follows:

ARTICLE 1
DEFINITIONS AND CONSTRUCTION

1.1 Definitions: For purposes of this Agreement, capitalized terms are defined as follows:

A. **CITY Distribution Construction Standards** means those engineering and construction standards, specifications, and designs maintained and referenced internally by CITY, and complied with in all material respects by CITY, for its own Pole distribution construction and engineering efforts.

B. **Annual Usage Charge** means the recurring charge that Licensee is to pay CITY annually under this Agreement for attachment to CITY's Poles. The Annual Usage Charge is in

addition to any Costs and Filing Fees Licensee may incur during a Contract Year, and shall be determined by CITY as of December 1 of each Contract Year, other than the first Contract Year. The Annual Usage Charge for any Contract Year shall be the number of Attachments shown on CITY's records to exist as of December 1 of the preceding Contract Year multiplied by the Usage Rate for the new Contract Year for each attachment of equipment. Unless applicable state or federal law is amended to allow a charge for over-lashed Cable, the Annual Usage Charge shall not apply to over-lashed Cable over- lashed with any of Licensee's Attachments for which a Usage Rate is chargeable. Unless otherwise expressly provided in this Agreement, Annual Usage Charges are not refundable.

C. **Attachment Application** means the CITY prescribed application sheet, together with all required prints, maps, proposed routes, project descriptions, studies, and proposed schedules that Licensee must submit, in full, to CITY in order to request, have reviewed, perform required and then be granted an Attachment License for a particular Pole or group of Poles. For the avoidance of doubt, any Licensee Attachment that was affixed to any CITY Pole prior to the Effective Date will not require a new Attachment Application to remain on such Pole.

D. **Attachment** means (other than for Annual Usage Charge Purposes):

1. each Cable owned, controlled, or used by Licensee, together with its associated messenger strand, guy wires, span guys, anchors, and other appurtenant and incidental facilities, affixed to a Pole regardless of the means by which affixed (a Cable lashed to another Cable and each Cable lashed to a common messenger is a separate Attachment);

2. each amplifier, repeater, controller, box, cabinet, appliance, device, or piece of equipment owned, controlled, or used by Licensee and affixed to a Pole, regardless of the means by which it is affixed;

3. each amplifier, repeater, controller, box, cabinet, appliance, device, or piece of equipment owned, controlled, or used by Licensee that is resting on the ground but is connected to a Pole, Attachment, or CITY line by a conductor;

4. a new or existing service wire drop that is (i) located in the same one foot of space assigned to the Licensee's Cable Attachment, and (ii) is attached to the same Pole as an existing Attachment of Licensee shall NOT constitute an additional Attachment.

5. risers installed by the Licensee for the purpose of transitioning overhead Cable to underground Cable or vice versa; or risers installed by the Licensee for the purpose of extending service to a customer shall be considered an additional attachment(s) with each individual riser charged at the Riser Rate as defined in the PAF Schedule of the CITY's then current Rate Ordinance

6. Licensee installed conduits, which differ from the conduits mentioned in risers above (5) shall be considered multiple attachments with the value based on the linear footage of the Conduit along the vertical length of the Pole that the conduit is installed.

7. Any other devices installed by the Licensee that may be approved by DME for installation on the Pole will be considered a large unit attachment subject to the miscellaneous charge rate tariff in the PAF Schedule.

E. **Attachment License** means the revocable (solely pursuant to the terms and condition hereof and applicable law), non-exclusive right of Licensee to make an Attachment to a Pole under this Agreement, pursuant to CITY's approval of an Attachment Application and subject to (1) any modifications, conditions, and specifications imposed by CITY pursuant to this Agreement or applicable law when approving the Attachment Application and (2) all Design Documents issued by CITY with respect to the Attachment and Pole in question. An Attachment License authorizes Attachments solely for lawful communications purposes, as described in this Agreement. The use of any Attachment for any purpose other than providing lawful communications as described in this Agreement is prohibited and shall constitute a breach of this Agreement.

F. **Boxing** means the use of a cross arm or through bolt to facilitate a Pole attachment on the opposite side of the Pole from any existing attachment and the installation of Cable or facilities on both sides of the same Pole at approximately the same height. Licensee is prohibited from Boxing on CITY Poles.

G. **Cable** means a conductor, wire, or fiber or a bound or sheathed assembly of conductors, wires, or fibers used as a wire communications or transmission medium (a bare messenger is also a Cable).

H. **Communications Space** means the area on any given Pole, below and sufficiently remote from the Supply Space as required by Electrical Code, within which Attachments and Pole Contacts may lie. The term Communications Space has the equivalent meaning as that used in the Electrical Code. The top surface of the Communications Space must remain at least 40 inches from the lowest surface of the Supply Space and from any other electrical lines, conductors, or equipment, or below the Supply Space at a distance as defined by the National Electric Safety Code for a specified condition. The bottom surface of the Communications Space must maintain a clearance in accordance with National Electrical Safety Code standards. Any make ready that may be required to meet these standards shall be paid for by the Licensee.

I. **Conduit** means a structure owned by CITY containing one or more Ducts, usually placed in the ground, in which Cables or wires may be installed. CITY-owned electrical Conduit is expressly reserved for utility reliability and expansion purposes and is not available for use by Licensee.

J. **Conduit System** means any combination of Ducts, Conduits, Manholes, and Handholes joined to form an integrated whole. As used in this Agreement, the term refers to Conduit Systems owned or controlled by CITY. CITY-owned electrical Conduit System is expressly reserved for utility reliability and expansion purposes and is not available for use by Licensee.

K. **Contract Year** means any calendar year during which this Agreement is in effect, beginning January 1 and ending December 31, except that the first Contract Year shall run from

the Effective Date until December 31 of that year and the final Contract Year shall run from January 1 of that year until the date of termination.

L. **Contractor** includes subcontractors.

M. **Cost** means the total cost reasonably incurred by CITY for any particular task under this Agreement, and includes without limitation reasonable labor, material, equipment usage, outside Contractor and vendor charges, reasonable overhead, and reasonable general and administrative expenses. Costs may be incurred for, without limitation, engineering and engineering review, Make-Ready construction, inspections and oversight, auditing, public relations and intervention, and other services. Certain Cost rates are specified in Exhibit A to this Agreement, which CITY may change no more than once per year; provided, however, that any such change to such Cost rates shall be based on CITY's reasonable cost of labor, materials, and equipment usage. Subject to the foregoing, Costs shall be determined by CITY in its reasonable judgment and reasonable discretion, and shall be paid by Licensee in accordance with either of the following, at CITY's sole option:

1. Any advance estimate provided by CITY, in which event CITY shall have the right to refuse to incur the Costs until the estimate is paid; and/or

2. Any final invoice submitted by CITY. In the event an advance estimate was paid by Licensee for Costs, the final invoice will reflect such payment.

N. **Design Documents** means all specifications, drawings, schematics, blueprints, engineering documents, and written requirements for materials, equipment, design, construction, and workmanship with respect to Make-Ready and installation work on a particular Attachment or Pole or group of Attachments or Poles. Any and all design documents must be sealed by a licensed professional engineer.

0. **Duct** means a single enclosed tube, pipe, or channel for enclosing and carrying Cables, wires, and other facilities owned by CITY. As used in this Agreement, the term Duct includes Inner-Ducts created by subdividing a Duct into smaller channels. CITY-owned electrical and/or electric communication Duct is expressly reserved for utility reliability and expansion purposes and is not available for use by Licensee.

P. **Effective Date** means the date CITY signs this Agreement as shown on the signature page of this Agreement.

Q. **Electrical Code** means the National Electrical Safety Code (NESC), the National Electrical Code (NEC), and Chapter 752 of the Texas Health and Safety Code.

R. **Filing Fee** means the initial, non-refundable fee charged to Licensee for filing an Attachment Application for an Attachment License. Filing Fees are set by the CITY and shall not exceed the actual and reasonable Cost to CITY of reviewing and processing an Attachment Application. The Filing Fee is solely to compensate CITY for reviewing and processing an Attachment Application and does not include or offset Costs or Annual Usage Charges.

S. **Handholes** means an enclosure, usually below ground level, used for the purpose of installing, operating, and maintaining Attachments in a Conduit. A Handhole is too small to permit personnel to physically enter. CITY-owned electrical Handholes are expressly reserved for utility reliability and expansion purposes and is not available for use by Licensee.

T. **Infrastructure Usage Regulations** means the Denton City Code of Ordinances and any other CITY ordinance that may be enacted to govern electric utility infrastructure usage or rental.

U. **Inner-Duct** means a pathway created by subdividing a Duct into smaller channels. CITY-owned electrical and/or electric utility communication Inner-Duct is expressly reserved for utility reliability and expansion purposes and is not available for use by Licensee.

V. **Make-Ready** means all work required to accommodate Licensee's Attachments on a Pole with respect to CITY and Third Party User needs and in compliance with Electrical Code, CITY Distribution Construction Standards, generally accepted engineering and construction practices, and applicable laws.

W. **Manhole (also called "Pullbox" or "Vault")** an enclosure, usually below ground level and entered through a hole on the surface covered with a cast iron or concrete Manhole cover, which personnel may enter and use for the purpose of installing, operating, and maintaining Attachments in a Conduit. CITY-owned electrical Manholes are expressly reserved for utility reliability and expansion purposes and is not available for use by Licensee.

X. **Maximum Lawful Usage Rate** means the maximum amount that CITY may lawfully charge for an Attachment under applicable state and federal law, rules and regulations in effect from time to time. If, for any Contract Year, applicable state or federal law does not limit the amount CITY may charge Licensee for a particular Attachment or service under this Agreement, the Maximum Lawful Usage Rate for the Attachment or service shall be the amount that CITY determines, in its sole judgment and discretion, to constitute a reasonable and non-discriminatory annual Usage Rate.

V. **Pole** means any electric distribution pole owned by CITY that supports electric lines having a nominal voltage of not more than 35kV; provided, however, that any electric distribution pole having a nominal voltage of more than 35kV will also be a "Pole" if the pole is also used for distribution of power from a local substation to customers. Unless otherwise agreed by CITY with respect to a particular pole, the term Pole does not include (1) street lighting, traffic signal, AMI extender bridge, or dusk to dawn light poles; (2) metal or wood poles or towers supporting transmission lines carrying a nominal voltage greater than 35kV, unless such wood poles are also used to support distribution lines carrying a nominal voltage of not more than 35kV and where predesigned to accept telecommunication installations; (3) any structure or facility within a substation; (4) conduits (except as otherwise provided in Article 11); or (5) any structure not used for electric power distribution.

Z. **Pole Contact** means the point or contiguous area on a Pole at which one or more of Licensee's Attachments makes physical contact with a Pole regardless of the duration for which the Pole Contact existed.

AA. **Service Drop** means a Cable used to connect directly to a customer's location from one

Pole and attached to no more than one additional Pole where the additional Pole does not support voltage greater than six hundred volts (600V) or a Cable used to connect a customer's location through the use of multiple licensed Poles where Service Drop Make-Ready has been performed.

BB. Supply Space means the area on any given Pole, above the Communications Space, that is reserved for the placement of electric supply lines, electrical equipment, and other CITY facilities. The term Supply Space has the equivalent meaning as that used in the Electrical Code. Licensee may not place any Attachments or Pole Contacts in the Supply Space.

CC. Third Party User means any third party that has, or may be granted, an attachment license or other right to attach with respect to a Pole. Third-parties that are allowed by Licensee to overlash third-party conductors onto existing Licensee Attachment(s) shall also execute a Pole Attachment License Agreement with the CITY, regardless of the duration for which the Attachment or Pole Contact existed. At least thirty (30) days before third-party overlash operations, Licensee shall provide advanced written notice to CITY that identifies the proposed third-party overlashing entity and all proposed third-party overlash locations.

DD. Unauthorized Attachment means an Attachment or any other affixing or placing of Licensee's facilities onto CITY property for which Licensee does not have a valid Attachment License.

EE. Usage Rate means, for each given Contract Year, the amount Licensee must pay CITY for each Attachment. Usage Rates are specified in Exhibit A to this Agreement and which CITY may change no more than once per year.

1.2 **Syntax** Except as otherwise expressly provided herein, all nouns, pronouns and variations thereof shall be deemed to refer to the singular and plural.

1.3 **Amendments** Any reference to a law, code, or document shall mean such law, code, or document as it may be amended from time to time.

1.4 **Third Party User Agreements** CITY has in the past entered into other Pole usage agreements with Third Party Users. In construing this Agreement, no variations between this Agreement and other agreements with Third Party Users shall have any evidentiary value or be construed against CITY. It is the Parties intent that this provision is not meant to unlawfully discriminate against Licensee in favor of other licensees.

1.5 **No Construction against CITY** The rule of construction that ambiguities in a contract are to be construed against the drafting party shall not apply to this Agreement.

1.6 **Headings** The descriptive headings in this Agreement are only for the convenience of the parties and shall not be deemed to affect the meaning or construction of any provision.

ARTICLE 2
SCOPE AND TERM OF AGREEMENT

2.1 **General Purpose** In accordance with the provisions of this Agreement, CITY may issue

Attachment Licenses to Licensee on the terms and conditions set forth herein. Before Licensee makes any Attachment to or begins any work on a Pole, excluding Service Drops, it shall file an Attachment Application and await CITY's issuance of an Attachment License and Design Documents with respect to that particular Attachment or Pole, as set forth in Article 4. Nothing in this Agreement shall be construed to obligate CITY to grant an Attachment License with respect to any particular Pole where Licensee has failed to fulfill the requirements herein for the grant of such Attachment License.

A. The use of any Attachment for any purpose other than providing lawful communications as described in this Agreement is prohibited and shall constitute a breach of this Agreement.

B. Licensee is prohibited from Boxing on CITY Poles.

C. CITY-owned electrical Conduit is expressly reserved for utility reliability and expansion purposes and is not available for use by Licensee.

D. CITY-owned electrical Duct is expressly reserved for utility reliability and expansion purposes and is not available for use by Licensee.

E. CITY-owned electrical Handholes are expressly reserved for utility reliability and expansion purposes and are not available for use by Licensee.

F. City-owned electrical Inner-Duct is expressly reserved for utility reliability and expansion purposes and is not available for use by Licensee.

G. CITY-owned electrical Manholes are expressly reserved for utility reliability and expansion purposes and are not available for use by Licensee.

2.2 Term The initial term of this Agreement is ten (10) years, beginning on the Effective Date and renewing thereafter for two successive ten-year terms, subject to the default provisions, or unless terminated by either Party. At the end of each then-current term, Licensee shall, if it intends to terminate, give CITY written notice of its request to terminate 180 days before the end of the then-current term. If Licensee is in default during the course of the then-current term and Licensee has not cured the default, this Agreement shall not renew. If Licensee has defaulted and not cured such default, renewal will be granted in CITY's reasonable discretion. If renewal is denied, CITY will give written notice of the reasons for denial within thirty (30) days of making that determination and this Agreement will expire at the end of the then-current term.

2.3 Existing Facilities Only Except as otherwise set forth in paragraph 6.4, (i) CITY is under no obligation to add, build, keep, maintain, or replace Poles or any other facilities for the use or convenience of Licensee; and (ii) the maintenance, replacement, removal, relocation, or addition of CITY Poles and facilities shall remain within the sole province and discretion of CITY. Notwithstanding the foregoing, any actions of the CITY under this Agreement shall be taken on a nondiscriminatory basis.

2.4 Poles Only This Agreement is limited to and only addresses Attachments to CITY Poles. This Agreement does not authorize Licensee to install or maintain Attachments on other CITY property and facilities, including without limitation Conduits, buildings, and towers.

2.5 City Rights-of-Ways Except for the placement of Attachments or other facilities covered by this Agreement on CITY Poles and notwithstanding that a Pole to which Licensee may attach its facilities is in the CITY's public streets or rights-of-way, nothing in this Agreement shall be construed to grant, nor does this Agreement grant, Licensee any right or authorization to use or occupy the public streets or rights-of- way of the CITY or any other public property.

2.6 Access to Rights of Ways limited Except to access the CITY's rights of ways as an incident of attaching facilities to CITY'S Poles under this Agreement, Licensee and CITY expressly agree that the authority to attach to CITY Poles does not grant Licensee authority to use or occupy CITY's public streets or rights-of-way.

2.7 Separate Agreement and Franchise Needed for Access to Rights of Ways Licensee expressly agrees that should it intend to use the CITY'S rights of ways, Licensee shall enter into a separate franchise agreement for such privileges.

2.8 Private Easements Licensee understands that some Poles are located on dedicated easements over private property that, by their terms, restrict the use of the easement to CITY for the sole purpose of electric distribution or transmission. Nothing in this Agreement and no action by CITY shall be construed to offer, grant or approve any right or license to use such easement or to affix an Attachment to a Pole within such easement without the consent of the owner of the property to which the easement is appurtenant, unless otherwise allowed by law. CITY has no obligation to expand or obtain rights in such easement on Licensee's behalf. It is the sole obligation of Licensee to obtain the necessary consent or additional easement rights, if any, at Licensee's own expense.

2.9 Eminent Domain CITY is under no obligation to exercise any power of eminent domain on Licensee's behalf.

2.10 No Property Rights In Poles All Poles shall remain the property of CITY and no payment made by Licensee shall create or vest in Licensee any ownership right, title, or interest in any Pole, but Licensee's interest shall remain a bare license. The existence of such a license shall not in any way alter or affect CITY's right to use, change, reclaim, operate, maintain, or remove its Poles, subject to the terms and conditions hereof. Nothing in this Agreement shall prohibit Licensee from repairing, operating, or maintaining a Pole at Licensee's sole cost and expense if: (i) CITY expressly abandons the Pole or constructively abandons the Pole by electing not to repair, operate, or maintain the Pole to such an extent that a reasonable person would conclude that CITY has abandoned the Pole; and (ii) Licensee is permitted to do so under the City Code, the terms of Licensee's franchise, if applicable, and any applicable easements; provided, however, that CITY may remove an abandoned Pole if such removal manifestly serves the public interest. If CITY's use of its Poles materially and adversely affects Licensee's use and operation of an Attachment, Licensee may, by written notice to CITY, remove its Attachments from any adversely affected Pole. Such termination shall be implemented by written notice to the CITY.

2.11 License Not Exclusive Licensee acknowledges that CITY has entered into other agreements concerning the use of Poles by third parties, including Licensee's competitors and may in the future enter into similar agreements. Nothing in this Agreement shall be construed to limit or in any way affect CITY's right or ability to enter into or honor other agreements, or to grant any rights, licenses, or access concerning any Pole, irrespective of the character or degree of economic competition or loss caused to Licensee, so long as CITY's actions are not unreasonably discriminatory.

2.12 CITY Priority The primary purpose of a Pole is electric distribution and public health and safety, and CITY reserves to itself first priority in the use of a Pole. In the event of any conflict between the use of a Pole by CITY and Licensee, the use of a Pole for the distribution of electric power to CITY customers shall prevail and have priority over Licensee's use of the Pole. CITY retains and shall have exclusive use of the Supply Space. All of Licensee's Aerial Attachments shall remain within the Communications Space.

2.13 Discretion of CITY Final CITY reserves the right to deny any Attachment Application pursuant to the terms and conditions of this Agreement, reserve any Pole to its own use pursuant to a *bona fide* development plan, or modify any Pole for legal, safety, mechanical, structural, engineering, environmental, reliability, or service reasons. Determination of these issues shall at all times remain within the reasonable discretion of CITY, subject in all respects to the terms and conditions of this Agreement. Licensee will not be required to pay for any modifications to any Pole or its Attachments in order to accommodate a Third Party User.

2.14 No Cost or Expense to CITY The engineering, construction, installation, use, operation, and maintenance of Licensee's Attachments shall be at Licensee's sole expense. Unless otherwise expressly provided of this Agreement, nothing in this Agreement shall be construed to require CITY to expend any funds or to incur or bear any cost or expense.

ARTICLE 3
USAGE RATES AND CHARGES

3.1 Payment Due upon License Approval CITY's approval of an Attachment License shall be conditioned on Licensee's payment of the then current Usage Rate for each approved Attachment, prorated to reflect the number of months remaining in the Contract Year with any partial month being considered to be a full month. Licensee's payment is due within 45 days from the date of CITY'S approval of an Attachment License.

3.2 Calculation of Usage Rates For each Contract Year, the Usage Rate shall not exceed the Maximum Lawful Usage Rate. Before each new Contract Year, CITY will notify Licensee in writing of the Maximum Lawful Usage Rate for such Contract Year at least 60 days in advance of any invoice. The CITY shall provide its Maximum Lawful Usage Rate calculations and relevant support data so Licensee may verify that the such Usage Rate is calculated in accordance with applicable law. The Maximum Lawful Usage Rate may take into account changes in applicable laws that are to go into effect during the upcoming Contract Year.

3.3 Dispute of Maximum Lawful Usage Rate If Licensee disagrees in good faith with CITY's determination of the Maximum Lawful Usage Rate, Licensee may protest the CITY'S Usage Rate in writing within 30 days of receipt of the notice of the then proposed Usage Rate. The protest shall include copies of all records and other documentation that support Licensee's position. Failure to timely protest CITY's proposed Usage Rate shall constitute agreement to and acceptance of CITY's determination and a waiver of Licensee's rights to dispute CITY'S Usage Rate, unless such rate is unlawful pursuant to applicable law. If Licensee timely protests a proposed Usage Rate, the parties shall endeavor in good faith to negotiate a resolution of the dispute. If the parties are unable to resolve the dispute within 60 days from the date of Licensee's protest, then either party may seek relief from the Public Utility

Commission of Texas ("PUCT") pursuant to section 54.204 of the Texas Utilities Code, any successor regulation, or any other law that confers jurisdiction on the PUCT. The PUCT shall be the sole and exclusive forum for resolution of a dispute regarding CITY'S Usage Rate, unless the PUCT lacks jurisdiction, in which event the dispute resolution provisions set forth in paragraph 18.7 shall control. If the dispute is not resolved by the time the Annual Usage Charge invoice is issued, Licensee shall nonetheless pay the invoice based upon the disputed Usage Rate. Payment by Licensee of the invoice shall not prejudice Licensee's ability to continue to contest the Usage Rate, and CITY agrees not to interpose any claim, defense, or counterclaim that Licensee has waived its right to contest the Usage Rate by paying the disputed invoice. Failure to pay the disputed Usage Rate shall constitute a breach of this Agreement.

3.4 Subsequent Annual Usage Charges In each January of each Contract Year and continuing thereafter until the expiration or termination of this Agreement, CITY will invoice for, and Licensee shall pay, within 45 days after receipt of invoice, the Annual Usage Charge for the new Contract Year. All overdue balances shall accrue interest at the rate of 1% per month from the due date until paid, or the maximum rate allowed by law, whichever is less.

3.5 Invoice Disputes If Licensee believes in good faith that an Attachment count contained in an Annual Usage Charge invoice is incorrect, it shall nonetheless pay the invoice under protest. To protest an invoice, Licensee must give CITY written notice of the nature of its protest no later than the due date for payment of the invoice together with copies of records and other documentation supporting its position. The parties shall promptly meet to resolve the discrepancies in their records to determine the correct Attachment count. If the parties are unable to resolve a discrepancy as to the correct count, the parties may, upon mutual agreement, jointly conduct a physical inventory of geographical grids or other mutually agreeable census to determine the correct count. The Cost to conduct such inventory or census shall be equally divided between the parties.

3.6 Adjustments If upon resolution of a dispute between the parties under paragraph 3.2 or paragraph 3.4, a refund is due to Licensee, CITY shall refund the amount of the overcharge together with interest at the rate specified in paragraph 18.5 from the date of CITY's receipt of the protested Annual Usage Charge payment. If Licensee owes additional money, a corrected invoice shall be issued by CITY for the additional Annual Usage Charge due, plus accrued interest at the rate specified in paragraph 18.5 from the due date of the original invoice.

3.7 No Allowances Unless otherwise expressly stated in this Agreement, there shall be no offsets against any sums due under this Agreement, or any other allowances, for system improvement, materials or labor supplied, upgrading, life extension, or other direct or incidental benefits conferred by Licensee upon CITY or its Poles, system, or facilities. All such improvements and benefits belong solely to CITY, and the fact that such improvements or benefits may accrue shall in no way alter or affect Licensee's obligations under this Agreement.

ARTICLE 4
ATTACHMENT
LICENSES

4.1 Attachment License Required Licensee shall have an Attachment License with CITY before performing any new Attachment work on a Pole or making any Contact with, or Attachment to, a Pole or

other facility on CITY property or easement. Maintenance of existing equipment shall be allowed, including transfers for new Poles and for Make-Ready work of other licensees, if Licensee has a current Attachment License that covers the existing Attachments and equipment. Licensee must have an Attachment License for each Pole or group of Poles to which Licensee's Attachments are to be affixed, identifying each separate Attachment to the Pole(s) by type. An Attachment License is not needed to perform visual inspections necessary for preparing an Attachment Application.

4.2 Overlashing Licensee must obtain a separate and additional Attachment License for any Attachment it seeks to overlash to an existing Licensee or Third Party User Attachment or Pole Contact. Licensee may not allow another party to overlash to Licensee's facilities without such party first having an agreement with and attachment license from CITY. Poles are the sole property of CITY, and Licensee shall not charge or accept any financial consideration for allowing a third party to overlash to an Attachment or Pole Contact without CITY's written consent.

4.3 Application Process The Attachment Application must be submitted in the then approved CITY format. The Attachment Application form, and all required supporting documentation and other procedures, are within the reasonable discretion of CITY and may change from time to time upon prior written notice (provided such changes are not inconsistent with the terms and conditions of this Agreement and applied in a nondiscriminatory manner). CITY may reject entirely an incomplete Attachment Application, or it may request additional information to support the Attachment Application, in which event the requested information shall be promptly furnished. In the event that CITY denies an Attachment Application, it shall provide written notice of its reason for denial to Licensee within 30 business days of the date the Attachment Application was submitted.

4.4 Approval

A. CITY retains sole and complete discretion to deny or modify any Attachment Application in order to be able to preserve the safety, reliability, integrity, and effectiveness of the electric distribution system that constitutes the core of its business and its governmental mandate. CITY will approve, modify, or deny an Attachment Application within 15 business days of submission. Licensee may request CITY to reconsider a denial or modification of an Attachment Application. CITY may approve an Attachment Application as submitted, approve it on a modified or conditional basis, or may deny the Attachment Application in accordance with the policies adopted by CITY. An Attachment Application may be denied solely for the reason set forth. The CITY's City Manager, or designee, may deny an application if:

1. the applicant fails to submit a complete Attachment Application;

2. the applicant fails to supplement its Attachment Application with additional information or otherwise cooperate with the utility as requested in the evaluation of the Attachment Application;

3. the applicant fails to pay the applicable Filing Fee;

4. the proposed attachments are of excessive size or weight or would otherwise subject utility infrastructure to unacceptable levels of additional stress;

5. approval would jeopardize the reliability or integrity of the electric system or of individual units of utility infrastructure;

6. approval would present a safety hazard to a City employee or the public;

7. approval would impair the City's ability to operate or maintain utility infrastructure; or

8. approval would require an unacceptable change, upgrade, or addition to utility infrastructure.

B. In the event that CITY intends to deny an Attachment Application based on sub-paragraph numbers 1 - 8 set forth in Paragraph 4.5.A. above, or for any other reason for which denial is permitted by law, and the Pole may be modified or replaced to resolve that issue, CITY shall approve the Attachment Application provided that:

1. the Licensee agrees to pay CITY's Costs to so modify or replace the Pole; and

2. the Attachment Application is otherwise acceptable and grantable pursuant to the terms and conditions of this Agreement and applicable law. Provided, however, that nothing in this sentence abridges or modifies the requirements set forth in paragraph 6.4.

4.5 **Order of Approval** Attachment Applications concerning a particular Pole will be considered and acted upon by CITY in the order in which they are filed. For purposes of evaluating an Attachment Application with respect to Pole capacity and existing Third Party User Attachments, CITY will consider not only all existing attachments but also all valid Attachment Licenses and reserved CITY space.

4.6 **Engineering** Licensee shall submit documentation of its field evaluation that has been sealed by a professional engineer licensed by the State of Texas. CITY shall accept and rely on such documentation, but shall reserve the right to perform, or have a firm retained by CITY perform, its own engineering and field evaluation including pole loading analysis. All Costs for such engineering and field evaluation shall be paid by Licensee. With respect to a particular Pole, CITY's engineering shall take into account and allow space for all Attachment Licenses, which are valid for that Pole. In granting an Attachment License, CITY shall issue to Licensee the related Design Documents that were paid for by the Licensee.

4.7 **Attachment License Expiration** All Attachment Licenses and Design Documents and any rights conferred thereunder shall expire on the later of (i) 120 days after issuance (or such longer period as the parties may agree to in writing) or (ii) 60 days after completion of all Make-Ready work, unless all Make-Ready and installation work has occurred in accordance with the Design Documents before the end of such period. If an Attachment License for a Pole expires, Licensee shall re-apply, *de nova,* for an Attachment License and must receive such License from the CITY before Licensee can begin working on or making an Attachment to that Pole.

ARTICLE 5
GENERAL REQUIREMENTS

5.1 **Work Site Safety** In performing any work on or near Poles supporting energized electric lines,

Licensee, and its Contractors, agents and employees shall comply with Chapter 752 of the Texas Health and Safety Code and all federal, state and local laws, rules and regulations governing work in proximity to energized electric lines, including without limitation, those promulgated by the Occupational Safety and Health Administration. LICENSEE SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS CITY, ITS OFFICERS, EMPLOYEES, VOLUNTEERS, AGENTS, CONTRACTORS, AND SUBCONTRACTORS FROM AND AGAINST ALL CLAIMS, DEMANDS, ACTIONS, SUITS AND JUDGMENTS ARISING FROM OR CONCERNING A BREACH BY LICENSEE OF ITS OBLIGATIONS UNDER THIS PARAGRAPH.

5.2 Electrical Code Licensee, and its Contractors, agents and employees, and all work, Contacts, and Attachments on a Pole shall at all times comply with the-then current Electrical Code, as applicable.

5.3 Design Documents All installation and other work performed by Licensee on a Pole or Attachment shall at all times comply with the Design Documents and CITY Distribution Construction Standards and CITY requirements subsequent to Make-Ready inspections.

5.4 Service Interruptions Licensee shall not cause any interruption of CITY or Third Party User services without first obtaining CITY's express written consent as provided by Article 6. If it is necessary for CITY to de-energize any equipment or lines for Licensee's benefit, Licensee shall (a) reimburse CITY in full for all Costs in doing so, and (b) coordinate any customer or system outages with the CITY. In the event Licensee damages any of CITY's equipment or lines or causes any service interruption, Licensee, at its sole expense, shall immediately do all things reasonable to avoid injury and further damage, direct and incidental, resulting therefrom and shall notify CITY immediately. Licensee shall be liable for all Costs resulting from such damage and any necessary repairs.

5.5 CITY Oversight CITY shall have the right to conduct on-site field oversight and inspections of Licensee's Attachments, work, and operations on CITY'S Poles. CITY may conduct pre-construction surveys, and post-construction inspections at Licensee's expense and shall provide Licensee with the results. CITY shall at all times have unrestricted access to Poles and to all field work sites of Licensee and Licensee's Contractors. Both CITY and CITY's representative at any Pole site shall have complete and final authority to order the immediate suspension of Licensee's construction or installation activities if CITY or CITY's representative, in its sole discretion and judgment, deems such action necessary for reasons of safety, engineering, electrical service reliability, or failure to obtain proper licenses and permits. If an immediate suspension order is issued, the CITY or CITY's representative shall have the right to inspect any and all facilities installed up to that point on Licensee's Attachment submittal, at Licensee's expense. In the event of an oral suspension order, CITY shall send written notice to Licensee within three (3) days after such suspension, identifying the bases for suspension. Such suspension shall be in effect until such time as the Licensee cures, at Licensee's sole Cost, the alleged bases for suspension. In no event shall CITY be responsible for any damages, losses, or costs incurred by Licensee as a result of such work stoppage. Licensee's failure to obey a suspension order issued in accordance with this Agreement shall constitute a breach of this Agreement.

5.6 Laws To the extent that the Code of the City of Denton lawfully requires Licensee to possess a valid franchise or construction permit before engaging in a particular act, Licensee must comply with such requirement before beginning installing Attachments. Nothing in this Agreement shall be construed as waiving other CITY requirements or permitting the construction of facilities other than Attachments.

Attachments must conform to local, state, or federal law. Licensee's use of any Pole and Licensee's Attachments shall at all times conform to the requirements of the CITY's Code of Ordinances, infrastructure usage regulations, and the published policies promulgated by the CITY pursuant thereto.

5.7 Other Permits Licensee shall apply for and obtain all licenses, permits or other authorizations required to provide its service or to use, operate or maintain its Attachments. If Licensee is denied any required license, permit or authorization, Licensee may, upon written notice to CITY, terminate any Attachment License granted hereunder that was predicated upon the grant of such license, permit or authorization.

5.8 Taxes and Liens Licensee shall pay all taxes and assessments lawfully levied on Licensee's Attachments and any tax, assessments, fee, or charge levied on Poles solely because of their use by Licensee. In no event shall Licensee permit any lien to be filed or to exist upon any Poles or CITY property as a result of any claim against Licensee. Licensee shall promptly pay upon receipt of written notice from CITY all such liens together with all fees and costs necessary to discharge same, or shall bond around such liens in the manner provided by law.

5.9 Electrical Code Conflicts In the event of a difference, conflict, or discrepancy between or among the requirements or practices of any Electrical Code or safety regulations, laws, or industry standards the following rules shall apply: (A) if one specification or practice is more stringent than the other, the more stringent shall apply; (B) if one is not more stringent than the other, the NESC shall govern to the extent permitted by law; (C) if the first two rules are insufficient to resolve the conflict in a clear and unambiguous manner, CITY shall determine which standard shall apply, giving highest priority to safety considerations.

5.10 Design Document Conflicts In the event of a difference, conflict, or discrepancy between or among the requirements or practices of the Design Documents and CITY Distribution Construction Standard, the Design Documents shall govern. In the event Licensee believes a Design Document or CITY Distribution Construction Standard is inconsistent with Electrical Code or applicable law, Licensee shall refer the matter to CITY for determination.

ARTICLE 6
MAKE-READY

6.1 Performance and Cost of Make-Ready Work All Make-Ready Work shall be performed by the CITY and/or a contractor authorized by CITY to perform such work. All Make-Ready Costs shall be borne solely by Licensee, including without limitation, costs of planning, engineering, construction, and pole replacement or modifications, except as set forth in paragraphs 6.3, 6.4, and 6.5. CITY will advise Licensee of estimated Make-Ready Costs. Make-Ready Work will not commence until Licensee has paid estimated Make-Ready Costs.

6.2 Payment of Make-Ready Work Upon completion of Make-Ready Work, CITY shall invoice Licensee for CITY's actual cost of such Make-Ready Work. After completion of the Make-Ready Work the actual Make-Ready Cost will be trued up against the estimated Make-Ready Costs payment.

6.3 Third Party Facilities Make-Ready Costs that are to be paid by Licensee include all costs and expenses to relocate or alter the attachments or facilities of any pre-existing Third Party User as may be necessary to accommodate Licensee's Attachment. CITY shall provide at least 30 days' written notice to each Third Party User that needs to relocate or alter its facilities to accommodate Licensee and attempt

to make all other necessary arrangements directly with the affected Third Party Users. CITY agrees to make best efforts to cause a Third Party User to relocate such Third Party User's facilities, including declaring such Third Party User's facilities to be unauthorized, in accordance with the terms of CITY's pole attachment agreement with such Third Party User, if the Third Party User fails to relocate its facilities within the time periods specified in the pole attachment agreement between CITY and such Third Party User.

6.4 **Non-Conforming Attachments** Notwithstanding paragraphs 6.1 or 6.2, Licensee shall not be liable for any cost or expense to modify, replace, relocate, or alter any attachments of CITY or a Third Party User that do not comply with the Electrical Code or applicable law. Licensee shall notify CITY if Licensee determines that any Third Party User attachments are out of compliance with the Electrical Code or applicable law, and CITY shall use its best efforts to cause any Third Party User to bring existing attachments into compliance within 30 days of such notice. If after 30 days the owner of the out-of-compliance attachment has not completed its work and brought its attachment in to compliance with the Electrical Code and applicable law, CITY shall declare such Third Party User's facilities to be unauthorized, and CITY or Licensee may relocate or alter the Third Party User's attachment at the Third Party User's expense. CITY shall use its best efforts to cause the Third Party User to pay Licensee its costs and expenses for bringing such Third Party User's attachment in compliance with the Electrical Code and applicable law.

6.5 **Pole Replacement and Maintenance** CITY shall change, modify, or replace any Pole, at Licensee's request, unless such change, modification, or replacement will jeopardize the safety or reliability of CITY's electrical service. Except as otherwise provided in this paragraph, Pole replacement Costs shall be borne by Licensee if Pole replacement is requested by Licensee or if, because of insufficient capacity, approval of Licensee's Attachment Application first causes the need for the Pole replacement. CITY agrees that if a Pole is broken or rotten, standard Pole replacement costs shall be borne by CITY, except for additional Pole height above the height of the existing Pole; or Pole strength required to accommodate Licensee's new attachments. If the non-compliance with the Electrical Code or applicable law or the broken Pole is the result of Licensee's actions or the actions of Licensee's subcontractors, the Licensee shall be liable for the expense.

6.6 **Pole Inspections** Notwithstanding anything set forth in paragraph 6.4 and 6.5 with respect to Licensee's responsibility to pay CITY's costs of changing, modifying, or replacing any Pole, CITY shall continue its existing Pole maintenance and inspection program.

ARTICLE 7
INSTALLATION AND MAINTENANCE OF ATTACHMENTS

7.1 **Installation** Upon (A) completion of Make-Ready work, and (B) CITY's receipt of full payment of all sums owing to CITY, if any, for engineering, Make-Ready, and other Costs in connection with the applicable Pole, Licensee may affix its Attachments to the Pole as set forth in the Attachment License and Design Documents.

7.2 **Communication Space** Except as otherwise provided herein, all Attachments and Contacts on a Pole must remain in the Communications Space. Licensee operations in the Supply Space or in the space separating the Communication and Supply Spaces are prohibited. The Communications Space includes the space reserved for each attachment on a given Pole. Each attachment or space reserved in the Communications Space shall have a maximum size of twelve (12) inches. Each thru-bolt type

Attachment where the Pole is drilled and bolted to support Cable and messenger or band used to support Cable or messenger shall maintain a minimum of 12" vertical separation from adjacent bolts or bands.

7.3 Maintenance Licensee shall, at its sole expense, make and maintain its Attachments in a safe condition and in good repair including maintain tree trimming and clearances, and in such a manner as to not interfere with or interrupt CITY's lines, facilities, and services or with Third Party User attachments, facilities, and services.

7.4 No Damage Licensee shall not cause damage to CITY or Third Party User facilities or operations. If Licensee, its Contractors, agents, employees, or Attachments cause damage to CITY or Third Party User facilities or operations, Licensee assumes all responsibility for, and shall, as determined by CITY, either repair or promptly reimburse CITY or the Third Party User for all direct loss and expense caused by such damage. Licensee shall immediately inform CITY and all damaged Third Party Users of any damage to their facilities.

7.5 Sag and Mid-Span Clearances Licensee shall leave proper sag in its lines and Cables and shall observe the established sag of power line conductors and other Cables so that during the life of the Attachment minimum clearances are (A) achieved at Poles located on both sides of the span and (B) maintained throughout the span. A minimum clearance between surfaces must be maintained between Licensee's and others' Cables at mid-span and between Licensee's and others' Attachments and Pole Contacts on the Poles. Licensee will correct any clearance violations caused by its facilities or Attachments. In no event will Licensee be responsible for clearance violations caused by any other party, including CITY. Licensee will be responsible to resolve or remedy any incident where their Attachments fail to comply with Electrical Code safety clearance standards.

7.6 Climbing Space An unobstructed climbing space must be maintained at all times on the face of all Poles as required by Electrical Code, as well as adequate ground access to Poles. All Attachments must be placed as to allow and maintain a clear and proper climbing space. Licensee shall place its Attachments on the same side of the Pole as the majority of existing Attachments, if any. Licensee is prohibited from Boxing on CITY poles. Notwithstanding the foregoing, in no event will Licensee be responsible for climbing space violations caused by any other party, including CITY.

7.7 Tagging Each Attachment shall be identified at all times by an identifying marker at each Pole approved by CITY that, at minimum, (A) is permanent in duration and not degradable by rain or sunlight (B) has coloring and numbering or lettering unique to Licensee, and (C) is capable of being read unaided from the ground by a person with normal vision.

7.8 Tree Trimming Licensee shall be responsible for all tree trimming necessary for the safe and reliable installation, use, and maintenance of its Attachments, and to avoid stress on Poles caused by contact between tree limbs and Licensee's Attachments. All tree trimming shall be performed in accordance with the-then current CITY tree-trimming policies (to the extent not inconsistent with the terms and conditions of this Agreement), including without limitation those relating to owner notification and consent. The Licensee shall immediately resolve any citizen complaint of tree-trimming related to the Licensee's Attachments to the satisfaction of the CITY.

7.9 Anchors and Guying Licensee shall provide all anchors and guying necessary to accommodate the additional stress and load placed upon a Pole by its Attachments. Anchors, guys, and guy guards shall be in place and in effect prior to the installation of Attachments, Cables, or any other facilities on a

Pole. Licensee shall not attach to any CITY anchors or guying. Anchors shall not be placed outside of the easement in which a Pole stands.

ARTICLE 8
MODIFICATION OF ATTACHMENTS

8.1 No Unauthorized Modifications Except for routine modifications as provided in Section 8.2, Licensee shall not change the type, nature, or location of any Attachment or alter its use of a Pole without prior written CITY consent. Any such unauthorized modifications shall be deemed an Unauthorized Attachment and the remedial provisions in Article 10 (Unauthorized Attachments) shall apply.

8.2 Routine Modifications Licensee does not need CITY consent for (A) changes incident to routine maintenance and repair; (B) installations of Service Drops; (C) removal of Licensee's Attachments; or (D) upgrades of existing equipment that do not materially alter Pole loading or Pole space utilization.

8.3 CITY Mandated Modifications Within 30 calendar days of written request by CITY or within such other mutually agreed upon timeframe, Licensee shall move or rearrange its Attachments in order to maximize the usable available Pole space and/or to accommodate CITY facilities. Licensee shall do so at its sole cost and risk, except that Licensee shall not be responsible for any costs or expenses incurred to relocate or alter its Attachments to accommodate the Make-Ready work of other Third Party Users. If Licensee fails or refuses to comply with the directions of CITY to change, alter, improve, move, remove or rearrange any of its Attachments in accordance with this Agreement, CITY may then opt to change, alter, improve, move, remove or rearrange such Attachments without incurring any liability, except as provided in Article 16, to Licensee and at Licensee's sole cost and risk, or CITY may proceed under Article 13 of this Agreement and will provide an invoice to the costs to Licensee.

8.4 Emergencies In case of an Emergency, including electrical service restorations, CITY may move, rearrange or transfer Licensee's Attachments, without notice and without liability to Licensee or to any other person, except as provided in Article 16. Licensee shall be responsible for all Costs and shall reimburse CITY for the costs CITY incurs relating to such work within forty-five (45) calendar days of the date CITY sends Licensee an invoice for such work. An "Emergency" is a condition that: (i) poses an immediate threat to the safety of utility workers or the public; (ii) materially and adversely interferes with the performance of CITY or another Third Party User's service obligations; or (iii) poses an immediate threat to the integrity of CITY or another Third Party User's Poles or equipment. As soon as practical thereafter, CITY shall notify Licensee of such events and actions.

8.5 Destroyed Poles If any Pole on which Licensee has an Attachment is substantially destroyed or damaged by fire, storm, accident, or otherwise, CITY shall be under no obligation to rebuild or replace such Pole, but may elect to terminate Licensee's Attachment License for such Pole without any liability to Licensee. CITY shall notify Licensee in writing of a termination under this paragraph, and Licensee shall be entitled to a pro-rata refund of any prepaid but unearned Annual Usage Charge attributable to the Attachments on such damaged or destroyed Pole. Nothing herein shall prohibit Licensee from repairing or replacing such damaged or destroyed Poles at Licensee's sole cost and expense if: (A) CITY elects not to repair or replace same, and (B) Licensee is permitted to do so under the City Code, the terms of Licensee's franchise, if applicable, and any applicable easements.

8.6 Pole Transfers

A. Licensee and CITY expressly agree that for the orderly management of public rights-of-way and aesthetic considerations, double or multiple Poles shall be prohibited if a new Pole contains sufficient carrying capacity to support existing Pole attachments. If CITY replaces an existing Pole supporting an Attachment with a new Pole, CITY will provide at least 30 days' advance written notice via email as well as the NJUNS system to Licensee that Licensee must transfer its Attachment to the new Pole except for emergencies. If mutually agreed upon and if reasonably feasible and safe to do so, CITY will transfer the Attachment to the replacement Pole when CITY transfers its own lines and facilities. Licensee may also notify the CITY in writing within 15 days of the notice that it does not desire to occupy the new Pole. Failure of Licensee to timely respond to CITY's notice shall be deemed an election to occupy the new Pole. If Licensee opts not to occupy the new Pole, Licensee shall remove its facilities from CITY'S Pole within 30 days from the date the replacement Pole is installed and ready for use and Licensee's Attachment License to the replaced Pole shall terminate as of the date of replacement and as liquidated damages to CITY for Licensee's failure to remove Licensee's attachments from the replacement Pole the Usage Rates for such Pole shall be two times (2x) the Annual Usage Fee, starting 30 days after the date of replacement. Should the existing Pole upon which Licensee's facilities remain attached become damaged or rotten, the City shall not be responsible for its replacement and the Licensee will need to make other arrangements for their facilities. Licensee shall not be entitled to a refund of any Annual Usage Charge as a result. For each Attachment transferred by CITY, Licensee shall pay a transfer Fee as set forth in Exhibit A, unless the transfer is the result of a Third Party User attachment request, in which case the Third Party User will pay for Licensee's transfer.

B. All Poles, including any new Poles that may be required, shall be installed in the same line of existing Poles unless it is infeasible to do so either safely, technically, or legally.

8.7 Relocation Upon at least 60 days advance written notice, Licensee agrees that it will bear all actual and reasonable Costs associated with the relocation or re-routing of its Attachments in the event CITY facilities are removed from a Pole. In such event, CITY shall be under no obligation to maintain any Poles that no longer support CITY lines and may remove Licensee's Attachments when removing the abandoned Pole at Licensee's sole Cost and risk if Licensee fails to relocate its facilities in a timely manner. City is not responsible for any negotiations for reimbursement for developer related relocations.

8.8 Underground Conversion Upon written notice, Licensee agrees that it will bear all Costs associated with the relocation or re-routing of its Attachments in the event CITY facilities are removed from a Pole and re-routed through underground Conduits. In such event, CITY shall be under no obligation to maintain any Poles that no longer support CITY supply lines and may remove Licensee's Attachments when removing the abandoned Pole at Licensee's sole Cost and risk. CITY will afford Licensee the opportunity to relocate underground, at Licensee's expense, where reasonably practicable.

ARTICLE 9
INVENTORY, INSPECTIONS, ANNUAL REPORTING, RIGHT TO AUDIT

9.1 Right to Inspect CITY may inspect Licensee's work and Attachments at any time. CITY may conduct these inspections for any purpose relating to this Agreement, including without limitation: (A)

determining compliance with the Design Documents or other design and installation requirements; or (B) determining compliance with Electrical Code. The making of an inspection by CITY shall not operate in any way to relieve Licensee or Licensee's insurers of any responsibility, duty, obligation, or liability under this Agreement or otherwise, nor does CITY's ability to make inspections relieve Licensee from its obligations to exercise due care in the operation and inspection of its Attachments. Further, by conducting any inspection CITY is not responsible for the design, installation, or maintenance of Licensee's facilities or for any damages in anyway related to Licensee's Attachments to CITY'S Pole.

9.2 Compliance In the event any inspection of an existing Attachment reveals that corrections or other actions are required of Licensee under this Agreement, including without limitation those required for reasons of safety or structural integrity, Licensee shall make such corrections or take the requested actions within 30 days after the date CITY sends Licensee a written notice informing Licensee of the corrections to be made. If such corrections cannot be made within 30 days, the parties will agree on a mutually acceptable timeframe. CITY may also perform such work without notice, at Licensee's sole Cost and risk, except as provided in Article 16, if CITY determines in its reasonable judgment and discretion that an Emergency does not permit full advance notice to Licensee. If Licensee fails or refuses to comply with the directions of CITY, the Attachment License(s) for the Attachments in question shall be terminated. In no event will Licensee be responsible for corrections of violations caused by another party, including CITY. CITY may opt to change, alter, improve, move, remove or rearrange such Attachments without incurring any liability to Licensee, except as provided in Article 16, and at Licensee's sole Cost and risk, or proceed under Article 13 of this Agreement.

9.3 System-wide Inventory Not more than once every 3 years, nor less often than once every 10 years, CITY may, but is under no obligation to, conduct a system-wide inventory of all Licensee Attachments and Third-Party User attachments on its Poles, for which Licensee shall bear its proportionate share of Costs with all other Licensee's and Third Party Users. CITY will notify Licensee at least 90 days in advance of the times and places of such inventory, and Licensee may have representatives accompany CITY on the inventory. CITY may use the results of the inventory for purposes of calculating the Annual Usage Charge, but may also rely upon geographical grids or other mutually agreeable census to determine the correct count.

9.4 Annual Reporting Requirements Licensee shall report the following to CITY no later than October 31 of each year:

A. List of Installations The Licensee shall provide a list of specific Poles (by CITY Pole number, if available) on which the Licensee has installed, during the relevant reporting period, Attachments and Service Drops, or any other facility.

B. List of Non-Functional Attachment The Licensee shall provide a list of all Attachments or other installations that have either become non-functional, surrendered, or for which the Licensee is no longer paying under the Annual Usage Charge during the relevant reporting period. The report shall identify the specific Pole (by CITY Pole number, if available) on which the nonfunctional Attachment or installation is located and provide a description of the nonfunctional equipment.

C. Removed Equipment The Licensee shall provide a list of any equipment removed (and

not replaced by substantially similar equipment) from specific Poles (by CITY Pole number, if available) during the relevant reporting period. The report shall identify the Pole from which the equipment was removed, a description of the removed equipment, and indicate the approximate date of removal.

D. Contact Personnel The Licensee shall provide accurate and current contact information. Contact information shall include: (1) emails for field construction, engineering, and city relationship personnel, as well as an email and contact for a vice president level executive, and (2) a phone line that can be contacted by CITY at all times. Should contact information change Licensee shall provide updated information to the CITY within five (5) business days.

E. Failure to Report Failure of a Licensee to provide CITY the required annual information within forty-five (45) calendar days following issuance of written notice by CITY shall result in CITY suspending all work on the Licensee's Applications which may be in process or may be submitted after the suspension date. Within three (3) business days of CITY receiving the required annual information, CITY shall resume processing the Licensee's Attachment Applications in the order that they were initially received by CITY.

9.5 Right to Audit The Licensee grants the CITY, or its designees, the right to audit, examine or inspect, at the CITY's election, all of the Licensee's records relating to number and types of Licensee's Attachments during the term of the Agreement and retention period herein. The audit, examination or inspection may be performed by a CITY designee, which may include its internal auditors or an outside representative engaged by the CITY. The Licensee agrees to retain its records for a minimum of four (4) years following termination of the Agreement, unless there is an ongoing dispute under the Agreement, then, such retention period shall extend until final resolution of the dispute. "Licensee's Records" include any and all information, materials and data of every kind and character generated as a result of the work under this Agreement. Example of Licensee records include but are not limited to billings, books, general ledger, cost ledgers, invoices, production sheets, documents, correspondence, meeting notes, subscriptions, agreements, purchase orders, leases, contracts, commitments, arrangements, notes, daily diaries, reports, drawings, receipts, vouchers, memoranda, policies, procedures, and any and all other agreements, sources of information and matters that may in the CITY's judgment have any bearing on or pertain to any matters, rights, duties or obligations under or covered by the Agreement. The CITY agrees that it will exercise the right to audit, examine or inspect only during regular business hours. The Licensee agrees to allow the CITY's designee access to all of the Licensee's Records, Licensee's facilities, and current or former employees of Licensee, deemed necessary by CITY or its designee(s), to perform such audit, inspection or examination. Licensee also agrees to provide adequate and appropriate work space necessary to CITY or its designees to conduct such audits, inspections or examinations. Licensee must include this audit clause in any subcontractor, supplier or vendor contract.

ARTICLE 10
UNAUTHORIZED ATTACHMENTS

10.1 Unauthorized Attachments Licensee shall not place any Attachments on a Pole or other CITY infrastructure except as authorized by an Attachment License. If one or more Unauthorized Attachments are discovered, Licensee shall comply with this Article 10 or, if Licensee fails to comply, CITY may, but shall not be required to, remove the Unauthorized Attachment without incurring any liability to Licensee

and at Licensee's sole Cost, as described in this paragraph 10.1. With respect to any Unauthorized Attachment, CITY may opt to:

A. Require that Licensee remove such Unauthorized Attachment upon written notice or, if Licensee fails to do so as described in part B of this paragraph 10.1, remove such Attachment at Licensee's sole Cost and risk; or

B. Require that Licensee pay all costs to correct any Code or other violation, all inspection and engineering costs to field-check necessary Poles, Unauthorized Attachment Fees, with interest, for each unauthorized Attachment (as shown in Exhibit A Pole Attachment Charges), and submit an Attachment Application for each such Unauthorized Attachment, together with the then-current Filing Fee and Annual Usage Charge for the current year. If such penalty fees, Attachment Application, and charges are not received by CITY within 30 days of notice of the Unauthorized Attachment, or such reasonable time under the circumstances, CITY may then opt to remove Licensee's Unauthorized Attachments pursuant to Part A. of paragraph 10.1. CITY reserves the right to immediately remove any Unauthorized Attachments that, in the CITY'S sole opinion, pose an imminent danger to electrical utility operations or the public.

10.2 **Remedies Cumulative** The remedies afforded CITY under this Article 10 are in addition to any civil or criminal penalties provided by City Ordinance, as amended.

10.3 **Ratification Must Be in Writing** No act or failure to act by CITY with respect to an Unauthorized Attachment or any other unauthorized use of CITY Poles or property shall be considered to be a ratification, licensing, or permitting of the unauthorized use, irrespective of any otherwise applicable doctrine of waiver or laches.

10.4 **Excessive Unauthorized Attachments** Following the first audit after the Effective Date, if CITY determines that Licensee has made more than 30 Unauthorized Attachments cumulatively during any Contract Year, Licensee shall be considered to be in breach of this Agreement and CITY retains the right to terminate this Agreement and require removal of Licensee's Attachments in accordance with Article 13 of this Agreement. Licensee herein reserves the right to challenge any such termination and maintain its Attachments until such challenge is exhausted.

ARTICLE 11
ACCESS TO CONDUIT AND DUCTS

11. 1 **Scope** Nothing in this Agreement require, or shall be construed as to require CITY to provide Licensee with access to CITY's electrical Ducts and Conduits.

ARTICLE 12
CUSTOMER INTERACTION

12.1 Purpose Licensee acknowledges that the scope of its proposed project and Attachment installation it intends to undertake under this Agreement will require Licensee to make extensive and repeated intrusions onto the private property of CITY customers in order to access Poles. The purpose of this Article is to establish minimum standards of conduct with respect to property owners and CITY customers.

12.2 Licensee Conduct Before engaging in electrical installation work on the property of a CITY customer (except for connections or disconnections of customer's service or doing maintenance on existing Licensee facilities), Licensee shall, at minimum:

A. Provide CITY's Electric Utility Dispatch Center, (940) 349-7644, or such other department or division and number as CITY from time to time may designate, with notice of the times, locations, and nature of the work to be performed;

B. Require all field crews, and those of its Contractors, to carry and distribute upon request information packets explaining in detail the nature, extent, and purpose of the work being done and listing the telephone number and web site where additional information can be found;

C. Establish and maintain a call-center telephone number during all hours during which field work is being done that is staffed by knowledgeable personnel who can answer and resolve customer questions and complaints in a timely manner concerning the work being done on their premises;

D. Require all field crews to wear I.D. badges that identify themselves as employees or Contractors of Licensee;

E. Have all vehicles used in field work bear the logo(s) of Licensee's Contractors or Licensee; and

F. Have readily available, during all hours in which field work is being done, one or more knowledgeable personnel who can communicate with and assist the City Manager's Office and City Council members regarding property owner complaints, and also have available qualified personnel to conduct on-site resolution of property owner complaints.

12.3 No CITY Affiliation Licensee, and its employees, Contractors, and agents shall not at any time represent themselves to the public, any CITY customer, or any resident as being associated with, having the permission of, or having been requested by the City of Denton to be on private property. Licensee shall inform any such persons that it is allowed to work on CITY Poles by virtue of state and federal law, not by voluntary association with the City of Denton.

12.4 Service Interruptions If applicable, Licensee shall provide written notice to affected CITY customers of any planned electrical service interruptions by Licensee's contractors that will affect them not less than 48 hours in advance of such interruption. Such notice shall contain the specific dates and times for such interruptions and the reasons therefor.

ARTICLE 13
TERMINATION

13.1 **Termination of Attachment Licenses** Attachment Licenses for specific Attachments shall terminate upon any of the following events or conditions:

A. Licensee has not completed the Attachment installation within the later of (i) 120 days from issuance of the Attachment License (or such longer period as the parties may agree in writing); or (ii) 60 days after completion of all electrical Make-Ready work, unless Licensee and CITY agree in writing for a longer period;

B. Licensee removes the Attachment other than in the course of routine maintenance or replacement;

C. Licensee ceases to offer services, or provides services unlawfully, through the Attachment;

D. Licensee fails to comply with paragraphs 8.3, 8.7 or 9.2 of this Agreement, except as otherwise provided by those paragraphs.

13.2 **Right of Suspension** Except in the case of a good faith dispute between the Parties, if Licensee fails either to make any payment required under this Agreement, or to perform timely any obligation under this Agreement, and such default continues for 30 days after the date the payment or performance is due if such cure can reasonably be completed within thirty (30) days, and if not, such cure has commenced and is being diligently and consistently pursued then, in addition to any other available right or remedy, CITY may, upon written notice to Licensee, immediately suspend all Attachment Licenses of Licensee hereunder until such time as the default is cured. The payment under protest of a disputed amount in order to avoid, or lift, suspension of Attachment Licenses shall not prejudice the rights of Licensee to continue the payment dispute. A suspension of Attachment Licenses under this paragraph shall not prevent Licensee from operating, maintaining, repairing or removing its existing Attachments, but Licensee shall not install any new or additional Attachments or make any changes to existing Attachments (except for removal or routine repair or maintenance necessary to continue to provide services to then-existing Licensee customers) during the period of suspension.

13.3 **Termination of Agreement by CITY** If Licensee fails either to pay any undisputed payment required under this Agreement, or timely perform any obligation under this Agreement, and if such default has not been cured within three months of Licensee's receipt of written notice of default, or if such cure cannot reasonably be completed in three months, cure has commenced and has been continuously and diligently pursued, CITY may terminate this Agreement and all Attachment Licenses upon written notice to Licensee. Upon receipt of a notice of termination, Licensee shall promptly begin the process of removing all Attachments from specified Poles. All such Attachments shall be removed within 90 days after the date of the notice of termination, or within such time as CITY may agree. Until all of Licensee's Attachments are removed, Licensee shall continue to comply with all of the terms of this Agreement and perform all of its duties and obligations hereunder, including without limitation the obligation to pay Annual Usage Charges for its Attachments. Such payment by Licensee or acceptance by CITY of Annual Usage Charges shall not act to cure the default that triggered the termination nor shall it reinstate this

Agreement or Licensee's Attachment Licenses hereunder.

13.4 Failure to Remove Attachments If Licensee has not removed all its Attachments within the period of time specified in the preceding paragraph, or such additional period of time granted by CITY in writing, then CITY may remove Licensee's Attachments at Licensee's sole Cost and risk. CITY will invoice Licensee for such Cost. Additionally, CITY may, in its reasonable discretion and upon written notice to Licensee, deem the Attachments to have been abandoned and assume ownership thereof.

13.5 Termination of Agreement by Licensee Licensee may terminate this Agreement upon 60 days written notice to CITY, in which event all Attachments shall be removed within 120 days after the date of the notice of termination or within such other time as CITY agrees. Until all of Licensee's Pole Attachments are removed, Licensee shall continue to comply with all of the terms of this Agreement and perform all of its duties and obligations hereunder, including without limitation the obligation to pay Annual Usage Charges for its Attachments. Termination by Licensee during a Contract Year shall not relieve Licensee from payment for the full Annual Usage Charge for that Contract Year or any other sums that it owes CITY.

13.6 Survival Licensee's obligations under this Article 13 shall survive termination of this Agreement.

ARTICLE 14
ASSIGNMENTS

14.1 Written Consent Required The rights granted by this License Agreement inure to the benefit of Licensee and shall not be assigned, transferred, sold or disposed of, in whole or in part, by voluntary sale, merger, consolidation or otherwise by force or involuntary sale, without the express prior written consent of the CITY, which consent shall not be unreasonable withheld, delayed or conditioned.

14.2 Transfer of License Agreement Notwithstanding the provisions of Section 14.1, a transfer of this License Agreement may occur without CITY approval in the following circumstance: (i) an assignment or transfer to entities that control, are controlled by, or are under common control with Licensee, or (ii) the acquisition of all or substantially all of Licensee's assets in the Denton, Texas market by reason of a merger, acquisition or other business reorganization. In order to effect an assignment of this License Agreement as listed in (i) and (ii) above without CITY approval, the Licensee must provide the CITY a Notice of Assumption at least thirty (30) days prior to the assignment which contractually binds the purchasing or acquiring party to meet all the obligations of this License Agreement.

14.3 Institutional Mortgagee or Lenders Licensee may also assign this License Agreement, without CITY's consent and without prior notice to CITY, to an institutional mortgagee or lender providing financing to Licensee with respect to Licensee's Attachments in the event such institutional mortgagee or lender exercises its foreclosure right against Licensee and operates the Attachments; provided such institutional mortgagee or lender is capable of assuming all of the obligations of the Licensee under this License Agreement and further provided that any assignment will not be effective against CITY unless and until written notice of such assignment and exercise of rights is provided to CITY.

14.4 Assignment by CITY CITY may assign this Agreement in whole or in part without the consent of Licensee. CITY shall give Licensee written notice of the transaction within ten days after closing.

ARTICLE 15
SURETY

15.1 **Payment Bond** Within 30 days of the Effective Date of this Agreement, Licensee shall provide a payment bond in the amount of $500,000. The payment bond will serve as security for the faithful payment of all of Licensee's obligations for contracts, subcontracts, work, labor, equipment, supplies, and materials performed under this Agreement. The payment bond shall be issued by a solvent company authorized to do business in the State of Texas, and shall meet any other requirements established by law or by the City pursuant to applicable law.

15.2 **Performance Bond** Within 30 days of the Effective Date of this Agreement, Licensee shall provide a Performance Bond in the amount of $500,000 to guarantee the performance of Licensee's obligations under this Agreement, including, but not limited to, the removal of Licensee's Attachments upon termination of this Agreement. Licensee agrees to maintain the performance bond in full force and effect during the entire term of this Agreement and until CITY is reimbursed for all Costs incurred as a result of removing Licensee's Attachments upon termination of this Agreement. The performance bond shall be issued by a solvent company authorized to do business in the State of Texas, and shall meet any other requirements established by law or by the City pursuant to applicable law. The amount of the bond or financial security does not operate as a limitation upon obligations of the Licensee under this Agreement.

ARTICLE 16
LIABILITY AND INDEMNITY

16.1 CITY Liability CITY reserves to itself the right to maintain and operate its Poles in such manner as will best enable it to fulfill its own service requirements. CITY shall not be liable for any damages incurred by Licensee for damage or interruption to its Attachments except for actual repair costs caused by the gross negligence or intentional misconduct of CITY; provided, however, that CITY shall not be liable to Licensee for material or financial loss resulting from any interruption of Licensee's service or for interference with the operation of Licensee's Attachments. **NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY, ANY THIRD PARTY, OR ANY CUSTOMER OF THE OTHER PARTY FOR ANY SPECIAL, INDIRECT, PUNITIVE, OR CONSEQUENTIAL DAMAGES ARISING IN CONNECTION WITH THE USE OF OR DAMAGE TO, LICENSEE'S FACILITIES, OR THIS AGREEMENT.**

16.2 No Warranties by CITY Licensee is expected to inspect the Poles on which its Attachments will be placed and shall rely solely on such inspection to determine the suitability of the Poles for its purposes. **CITY DOES NOT MAKE, AND EXPRESSLY DISCLAIMS, ANY EXPRESS OR IMPLIED WARRANTIES CONCERNING ANY POLE, INCLUDING WITHOUT LIMITATION THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. LICENSEE ACCEPTS THE USE OF ALL POLES AS IS-WHERE IS, AND WITH ALL FAULTS, EXCEPT AS OTHERWISE PROVIDED HEREIN.**

16.3 Unsafe Poles Licensee acknowledges and agrees CITY does not warrant the condition or safety of CITY's Poles, or the premises surrounding the Poles, and LICENSEE HEREBY ASSUMES ALL RISKS OF , AND INDEMNIFIES CITY FROM, ANY DAMAGE, INJURY OR LOSS OF ANY NATURE WHATSOEVER CAUSED BY LICENSEE'S, OR LICENSEE'S CONTRACTORS' OR SUBCONTRACTORS' USE OF THE POLES AND ASSOCIATED FACILITIES AND EQUIPMENT ON, WITHIN, OR SURROUNDING THE POLES. Licensee expressly agrees it will undertake responsibility for inspecting and evaluating the condition of any Pole before allowing any employees, whether those of Licensee or Licensee's Contractors or Subcontractors, to climb or otherwise work on such Pole. If Licensee discovers any Poles that are rotten or otherwise unsafe for climbing or for Attachment installation, Licensee shall report any unsafe condition to CITY within one (1) day. Licensee further acknowledges CITY does not warrant all Poles are properly labeled, and agrees CITY is not liable for any injuries or damages caused by or in connection with missing labels or otherwise improperly labeled Poles. Licensee further agrees to notify CITY immediately if labels or tags are missing or otherwise improper.

16.4 Dangerous Nature of the Work Licensee acknowledges in performing the work contemplated by this Agreement, Licensee and its agents, servants, employees, Contractors and Subcontractors will work near electrically energized lines, transformers, and other electrical equipment, and it is the intention the power flowing through such facilities will not be interrupted except by CITY. Licensee shall ensure its employees, servants, agents, Contractors and Subcontractors have the necessary qualifications, skill, knowledge, training, and experience to protect themselves, their fellow employees, employees of CITY, and the general public, from harm or injury while performing work permitted by this Agreement. In addition, Licensee shall furnish its employees, and shall require its agents, Contractors and Subcontractors to furnish their employees, with competent supervision and sufficient and adequate personal protective equipment, tools and other equipment for their work to be performed in a safe

manner. Licensee further warrants it is apprised of, conscious of, and understands the imminent dangers (INCLUDING SERIOUS BODILY INJURY OR DEATH FROM ELECTROCUTION OR FALLS) inherent in the work necessary to make installations on CITY's Poles by Licensee's employees, servants, agents, Contractors and Subcontractors, and accepts as its duty and sole responsibility to notify and inform Licensee's employees, and to require its agents, Contractors and Subcontractors to inform their employees of such dangers and to keep them informed regarding same.

16.5 Disclaimer of Liability CITY shall not at any time be required to pay from its own funds for injury or damage occurring to any person or property from any cause whatsoever arising out of Licensee's construction, reconstruction, maintenance, repair, use, operation, condition or dismantling of Licensee's system or Licensee's provision of service.

16.6 Indemnification SUBJECT ONLY TO PARAGRAPH 16.9, LICENSEE SHALL, AT ITS SOLE COST AND EXPENSE, FULLY INDEMNIFY, DEFEND AND HOLD HARMLESS CITY AND ALL ASSOCIATED, AFFILIATED, ALLIED AND SUBSIDIARY ENTITIES OF CITY, WHETHER EXISTING NOW OR IN THE FUTURE, AND EACH OF THEIR RESPECTIVE OFFICIALS, OFFICERS, DEPARTMENTS, AGENCIES, COUNTIES, BOARDS, REPRESENTATIVES, EMPLOYEES, AGENTS, VOLUNTEERS, CONTRACTORS, SUBCONTRACTORS AND ATTORNEYS (CITY AND SUCH OTHER PERSONS AND ENTITIES BEING COLLECTIVELY REFERRED TO HEREIN AS "INDEMNITEES"), FROM AND AGAINST:

A. ANY AND ALL LIABILITIES, OBLIGATIONS, DAMAGES, PENALTIES, CLAIMS, LIENS, COSTS, CHARGES, LOSSES AND EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE FEES AND EXPENSES OF ATTORNEYS, EXPERT WITNESSES AND CONSULTANTS) , WHICH MAY BE IMPOSED UPON, INCURRED BY OR BE ASSERTED AGAINST THE INDEMNITEES BY REASON OF ANY ACT OR OMISSION OF LICENSEE, ITS PERSONNEL, EMPLOYEES, AGENTS, CONTRACTORS, SUBCONTRACTORS OR AFFILIATES, RESULTING IN ECONOMIC HARM, PERSONAL INJURY, BODILY INJURY, SICKNESS, DISEASE OR DEATH TO ANY PERSON OR DAMAGE TO, LOSS OF OR DESTRUCTION OF TANGIBLE OR INTANGIBLE PROPERTY, LIBEL, SLANDER, INVASION OF PRIVACY AND UNAUTHORIZED USE OF ANY TRADEMARK, TRADE NAME, COPYRIGHT, PATENT, SERVICE MARK OR ANY OTHER RIGHT OF ANY PERSON, FIRM OR CORPORATION, WHICH MAY ARISE OUT OF OR BE IN ANY WAY CONNECTED WITH THE CONSTRUCTION, RECONSTRUCTION, INSTALLATION, OPERATION, MAINTENANCE OR CONDITION OF LICENSEE'S ATTACHMENTS OR OTHER PROPERTY OF LICENSEE OR ITS AFFILIATES AND ANY OTHER FACILITIES AUTHORIZED BY OR PERMITTED UNDER THIS AGREEMENT; THE RELEASE OF HAZARDOUS SUBSTANCES, OR; THE FAILURE TO COMPLY WITH ANY FEDERAL, STATE OR LOCAL STATUTE, LAW, CODE, ORDINANCE OR REGULATION.

B. ANY AND ALL LIABILITIES, OBLIGATIONS, DAMAGES, PENALTIES, CLAIMS, LIENS, COSTS, CHARGES, LOSSES AND EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE FEES AND EXPENSES OF ATTORNEYS, EXPERT WITNESSES AND OTHER CONSULTANTS), WHICH ARE IMPOSED UPON, INCURRED BY OR ASSERTED AGAINST THE INDEMNITEES BY REASON OF ANY CLAIM OR LIEN ARISING OUT OF WORK, LABOR, MATERIALS OR SUPPLIES PROVIDED OR SUPPLIED TO LICENSEE, ITS CONTRACTORS OR SUBCONTRACTORS, FOR THE INSTALLATION, CONSTRUCTION, RECONSTRUCTION, OPERATION OR MAINTENANCE OF LICENSEE'S FACILITIES (AND ANY OTHER FACILITIES AUTHORIZED BY OR PERMITTED UNDER THIS AGREEMENT OR PROVISION OF COMMUNICATIONS SERVICES OR OTHER SERVICES AUTHORIZED BY OR PERMITTED UNDER THIS AGREEMENT), AND, UPON THE WRITTEN REQUEST OF CITY, LICENSEE SHALL CAUSE SUCH CLAIM OR LIEN COVERING CITY'S PROPERTY TO BE DISCHARGED OR BONDED WITHIN THIRTY (30) DAYS FOLLOWING SUCH REQUEST.

C. ANY AND ALL LIABILITIES, OBLIGATIONS, DAMAGES, PENALTIES, CLAIMS, LIENS, COSTS, CHARGES, LOSSES AND EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE FEES AND EXPENSES OF ATTORNEYS, EXPERT WITNESSES AND CONSULTANTS), WHICH MAY BE IMPOSED UPON, INCURRED BY OR BE ASSERTED AGAINST THE INDEMNITEES BY REASON OF ANY FINANCING OR SECURITIES OFFERING BY LICENSEE OR ITS AFFILIATES FOR VIOLATIONS OF THE COMMON LAW OR ANY LAWS, STATUTES, OR REGULATIONS OF THE STATE OF TEXAS OR THE UNITED STATES, INCLUDING THOSE OF THE FEDERAL SECURITIES AND EXCHANGE COMMISSION, WHETHER BY LICENSEE OR OTHERWISE.

D. ALL ACTS OR OMISSIONS BY LICENSEE OR ITS CONTRACTORS DONE IN THE COURSE OF INSTALLATION CONSTRUCTION OR IN THE MAINTENANCE, USE, OR OPERATION OF LICENSEE'S ATTACHMENTS.

E. ANY WORK PERFORMED BY CITY THAT WAS NECESSITATED BY THE INSTALLATION, MAINTENANCE, PRESENCE, USE OR REMOVAL OF LICENSEE'S ATTACHMENTS OR FROM ANY WORK THIS AGREEMENT AUTHORIZES CITY TO PERFORM ON LICENSEE'S BEHALF.

F. ALL CLAIMS OR CAUSES OF ACTION FOR DAMAGE TO PROPERTY OR INJURY TO OR DEATH OF ANY PERSONS, INCLUDING PAYMENTS MADE BY CITY UNDER ANY WORKER'S COMPENSATION LAWS OR UNDER ANY PLAN FOR EMPLOYEES' DISABILITY AND DEATH BENEFITS, ARISING OUT OF THE ERECTION, MAINTENANCE, REPAIR, PRESENCE, USE, RELOCATION, TRANSFER OR REMOVAL OF LICENSEE'S ATTACHMENTS OR THE PROXIMITY OF LICENSEE'S ATTACHMENTS TO CITY'S FACILITIES OR THE PROPERTY OF ANY OTHER THIRD PARTY USER, OR BY ANY ACT OR OMISSION OF LICENSEE ON OR IN THE VICINITY OF CITY'S POLES.

G. ALL CLAIMS OR CAUSES OF ACTION FOR PROPERTY DAMAGE, BODILY INJURY OR DEATH ARISING OUT OF THE PERFORMANCE OR NONPERFORMANCE OF ANY WORK OR OBLIGATION UNDERTAKEN BY LICENSEE PURSUANT TO THIS AGREEMENT.

H. ANY OCCURRENCE RELATED TO LICENSEE'S ERECTION, MAINTENANCE, REPAIR, PRESENCE, USE, RELOCATION, TRANSFER OR REMOVAL OF LICENSEE'S ATTACHMENTS, INCLUDING LIABILITIES INCURRED AS A RESULT OF VIOLATION OF ANY LAW, RULE, OR REGULATION OF THE UNITED STATES, STATE OF TEXAS OR ANY OTHER GOVERNMENTAL ENTITY OR ADMINISTRATIVE AGENCY.

I. A VIOLATION OF ANY STATE OR FEDERAL LAW ARISING OUT OF LICENSEE'S ERECTION, MAINTENANCE, REPAIR, PRESENCE OR USE, RELOCATION, TRANSFER OR REMOVAL OF LICENSEE'S ATTACHMENTS OR THE PROXIMITY OF LICENSEE'S ATTACHMENTS TO CITY'S FACILITIES OR THE PROPERTY OF ANY ATTACHING ENTITY, OR BY ANY ACT OR OMISSION OF LICENSEE ON OR IN THE VICINITY OF CITY'S POLES, WHETHER SUCH VIOLATION IS THE RESULT OF A VIOLATION OF A STATUTE BY CITY OR THE LICENSEE SOLELY OR ANY JOINT VIOLATION THEREOF.

J. CLAIMS OF GOVERNMENTAL BODIES, PROPERTY OWNERS OR OTHERS ALLEGING THAT LICENSEE DOES NOT HAVE A SUFFICIENT RIGHT OR AUTHORITY FOR PLACING AND MAINTAINING LICENSEE'S FACILITIES AT THE LOCATIONS OF POLES OWNED BY CITY OR JOINT USERS.

K. CLAIMS FOR TAXES OR SPECIAL CHARGES BY OTHERS THAT ARISE DIRECTLY OR INDIRECTLY FROM THE CONSTRUCTION, MAINTENANCE OR OPERATION OF LICENSEE'S FACILITIES.

L. CLAIMS OR CAUSES OF ACTION CAUSED BY OR RELATING IN ANY MANNER TO A BREACH OF THIS AGREEMENT OR A FAILURE TO FOLLOW THE TERMS OF THIS AGREEMENT BY LICENSEE OR ITS AGENTS AND EMPLOYEES OR BY LICENSEE'S CONTRACTORS OR THEIR AGENTS AND EMPLOYEES.

M. ALL CLAIMS OR CAUSES OF ACTION OF THIRD PARTY USERS ALLEGING INTERFERENCE FROM LICENSEE'S ATTACHMENTS OR DAMAGE TO THIRD PARTY USER ATTACHMENTS OR FACILITIES.

N. ALL CLAIMS OR CAUSES OF ACTION RELATING TO LICENSEE'S USE OF ITS ATTACHMENTS, INCLUDING WITHOUT LIMITATION CLAIMS OF LIBEL AND SLANDER AND CLAIMS BASED UPON INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS.

0. LICENSEE'S OBLIGATIONS TO INDEMNIFY INDEMNITEES UNDER THIS AGREEMENT SHALL NOT EXTEND TO CLAIMS, LOSSES, AND OTHER MATTERS COVERED HEREUNDER THAT ARE CAUSED OR CONTRIBUTED TO BY THE NEGLIGENCE OF ONE OR MORE INDEMNITEES. IN SUCH CASE THE OBLIGATION TO INDEMNIFY SHALL BE REDUCED IN PROPORTION TO THE NEGLIGENCE OF THE INDEMNITEES. BY ENTERING INTO THIS AGREEMENT, CITY DOES NOT CONSENT TO SUIT, WAIVE ITS GOVERNMENTAL IMMUNITY OR THE LIMITATIONS AS TO DAMAGES CONTAINED IN THE TEXAS TORT CLAIMS ACT.

P. THIS SECTION 16.6 SURVIVES THE TERMINATION OF THIS LICENSE AGREEMENT.

16.7 Assumption of Risk Licensee undertakes and assumes for its officers, agents, Contractors and subcontractors and employees (collectively "Licensee" for the purpose of this Section), all risk of dangerous conditions, if any, on or about any CITY-owned or controlled property, the streets and public ways, and Licensee hereby agrees to indemnify and hold harmless the Indemnitees against and from any claim asserted or liability imposed upon the Indemnitees for personal injury or property damage to any person (other than from Indemnitees' gross negligence) arising out of Licensee's installation, operation, maintenance or condition of the Communication Facilities or other facilities or Licensee's failure to comply with any Federal, State or local statute, law, code, ordinance or regulation.

16.8 Defense of Indemnitees In the event any action or proceeding shall be brought against the Indemnitees by reason of any matter for which the Indemnitees are indemnified hereunder, Licensee shall, upon notice from any of the Indemnitees, at Licensee's sole cost and expense, resist and defend the same with legal counsel selected by Licensee and consented to by CITY, such consent not to be unreasonably withheld; provided, however, that Licensee shall not admit liability in any such matter on behalf of the Indemnitees without their written consent and provided further that Indemnitees shall not admit liability for, nor enter into any compromise or settlement of, any claim for which they are indemnified hereunder, without the prior written consent of Licensee.

16.9 Joint Liability The indemnity obligations set forth in paragraphs 16.5 and 16.6 shall apply to fully protect and indemnify CITY from all such claimed damages regardless of whether CITY is a joint tortfeasor unless (1) the indemnified liability was the result of intentional or reckless misconduct on the part of CITY, or their agents, servants, employees, or contractors, or (2) by virtue of a final judgment, a finder of fact determines CITY'S percentage of responsibility for the indemnified liability to be 60% or greater, in which case each party shall then be liable for its found percentage of damages in accordance with Texas law.

16.10 Governmental Immunity No provision of this Agreement is intended, or shall be construed, to

be a waiver for any purpose by CITY of the provisions of the Texas Tort Claims Act or any other law limiting municipal liability.

16.11 City Fault. SUBJECT ONLY TO PARAGRAPH 16.6, IT IS THE EXPRESS INTENT OF THE PARTIES THAT THE FOREGOING INDEMNITY IS TO PROTECT AND INDEMNIFY CITY AGAINST THE CONSEQUENCES OF ITS OWN FAULT WHERE THE CITY'S FAULT IS A CONCURRENT CAUSE OF THE INDEMNIFIED CLAIM.

16.12 Notice, Cooperation and Expenses The Indemnitees shall give Licensee prompt notice of the making of any claim or the commencement of any action, suit or other proceeding covered by the provisions of this Article 16. Nothing herein shall be deemed to prevent the Indemnitees at their own expense from cooperating with Licensee and participating in the defense of any litigation by their own counsel.

16.13 Other Indemnification Provisions No indemnification provision contained in this Article shall be construed in any way to limit any other indemnification provision contained in this Agreement.

16.14 Survival This Article 16 shall survive the termination of this License Agreement.

ARTICLE 17
INSURANCE

17.1 Licensee shall purchase and maintain in force and effect, at its own expense, the following minimum insurance coverages and limits:

17.2 Statutory Worker's Compensation and Employer's Liability Insurance with minimum limits of not less than indicated below. The policy must be in the name of the Licensee.

Required Limits – Statutory limits, with Employer's Liability Coverage as follows:

Bodily Injury by Accident	$1,000,000.00
Bodily Injury by Disease Each Employee	$1,000,000.00
Bodily Injury by Disease Policy Limit	$1,000,000.00

17.3 Commercial General Liability Insurance, including the coverages identified below, with minimum limits indicated below.

Each Occurrence	$1,000,000.00
General Aggregate	$2,000,000.00

The Commercial General Liability Policy will include the following coverage's where applicable:

1. Bodily injury & Property damage on an "Occurrence" basis
2. Premises & Operations

3. Products/Completed Operations
4. Personal & Advertising Injury Liability
5. Contractual Liability
6. Explosion, Collapse, and Underground (XCU)

17.4 Commercial Automobile Insurance for all owned, non-owned, and hired vehicles.

Combined Single Limit BI & PD $500,000.00

17.5 Umbrella/Excess Liability Coverage over Employers' Liability, Commercial General Liability, and Commercial Automobile Liability Policies, with the limits shown below.

Excess Liability Coverage $8,000,000.00 per occurrence/claim

17.6 Each of Licensee's liability insurance policies where the CITY is included as an additional insured shall be primary to and non-contributing with, any other insurance carried by, or for the benefit of the CITY. Insurance may be provided under a single limit policy, or two or more policies with combined limits for the required amount of coverage.

17.7 Licensee's workers' compensation, employers' liability, commercial automobile liability, commercial general liability, and umbrella/excess liability insurance policies shall, through policy language or endorsement, waive all rights of subrogation in favor of CITY and its affiliates, and their shareholders, directors, officers, members, employees and agents.

17.8 CITY and its employees, officers, directors, shareholders, members, and agents shall be included as additional insureds on all policies (except workers' compensation and employer's liability). Commercial general liability policy shall include ISO endorsement forms "CG 20 10 " and "CG 20 37," or their equivalent. Further:

(a) In the event of cancellation of the required policies, Licensee or its insurer(s) shall provide thirty (30) days' prior written notice of cancellation to CITY.

(b) Upon request by CITY, Licensee shall provide copies of policy endorsements as required in this Section 17 from issuing insurance company(s).

17.9 All Licensee's insurance shall be issued by insurance carriers authorized or licensed to do business in Texas at the time the policy is issued and rated by A.M. Best Company as A-VII or better, confirmed by one or more insurance certificates listing CITY's name and address as a Certificate Holder, and list the name of Project as described in this Agreement and the name and phone number of the broker who prepared the certificate. Certificates of insurance shall be prepared on an Acord form 25.

17.10 With respect to any coverage maintained on a "claims-made" policy form, Licensee shall maintain such coverage, either through policy renewals or the purchase of an extended discovery period (if such extended coverage is available), for two (2) years following termination of this Agreement; provided that, if a "claims-made" policy is maintained, the retroactive date must precede the effective date of this Agreement.

17.11 Licensee shall not commence the installation of Attachments under this Agreement until Licensee has obtained all required insurance and until such insurance certificates and endorsements/policy language have been received and approved by CITY. CITY's approval of Licensee's insurance shall not relieve or decrease the liability of Licensee hereunder.

17.12 If Licensee fails to obtain or renew the above required insurance and furnish to the CITY acceptable evidence thereof, CITY shall have the right, but not the obligation, to: (1) procure such insurance and reduce the Agreement amount by the cost thereof; or (2) deem as material breach of this Agreement the Licensee's failure to do so.

17.13 Nothing herein shall reduce or alter any obligation Licensee has to indemnify, defend or hold harmless the Indemnified Parties identified in the Agreement.

17.14 In the event Licensee enters into a subcontract with an independent contractor, the Licensee will require the independent contractor to procure insurance that is appropriate for the type and level of services being provided.

17.15 Licensee shall bear all risks and be responsible for any uninsured loss due to policy deductibles, self-insured retentions, exclusions, limitation inadequacy and/or absence of coverage, whether such policies are purchased by Licensee and/or CITY.

ARTICLE 18
MISCELLANEOUS PROVISIONS

18.1 Integration This Agreement constitutes the entire understanding of the parties relating to the use of CITY'S Poles hereunder; and there shall be no modification or waiver hereof except by writing, signed by the parties. There are no oral representations or agreements between the parties. All previous agreements, correspondence, statements, and negotiations are superseded by this Agreement.

18.2 No Waiver The failure of either party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in duly force and effect.

18.3 Applicable Law The parties hereto agree and intend that all disputes that may arise from, out of, under or respecting the terms and conditions of this Agreement, or concerning the rights or obligations of the parties hereunder, or respecting any performance or failure of performance by either party hereunder, shall be governed by the laws of the State of Texas, without application of its Conflict of Laws provisions. Except as provided in Article 3, Paragraph 3.2 of this Agreement, the parties further agree and intend that venue shall be proper and shall lie exclusively in state or federal court with jurisdiction in Denton County, Texas, except where otherwise provided herein and except where the Texas Public Utility Commission lawfully has jurisdiction.

18.4 Severability If any term, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants and provisions of this Agreement shall remain in full force and effect.

18.5 Payments & Interest All monetary payments under this Agreement shall be due and payable within 45 days after receipt of invoice. All overdue balances shall accrue interest at the rate of 1% per month from the due date until paid, or the maximum rate allowed by law, whichever is less.

18.6 Amending Agreement Notwithstanding other provisions of this Agreement, the terms and conditions of this Agreement shall not be amended, changed, or altered except in writing signed by authorized representatives of both Parties.

18.7 Dispute Resolution This procedure shall govern any dispute resolution process between CITY and Licensee arising from or related to the subject matter of this Agreement that is not resolved by agreement between their respective personnel responsible for day-to-day administration and performance of this Agreement. Upon mutual agreement of the Parties, prior to the filing of any suit with respect to such a dispute, other than a suit seeking injunctive relief with respect to intellectual property rights, the Party believing itself aggrieved ("the Invoking Party") will call for progressive management involvement in the dispute negotiation by giving written notice to the other Party. Such a notice will be without prejudice to the Invoking Party's right to any other remedy permitted by this Agreement. CITY and Licensee will use their best efforts to arrange personal meetings and telephone conferences as needed, at mutually convenient times and places, between their negotiators. If a resolution is not

achieved by negotiators at the final management level within allotted reasonable amount of time, then either Party may within ten (10) business days thereafter request non-binding mediation to resolve the dispute. The mediation shall take place in Denton County or in a location mutually agreed to by the Parties. The allotted period for completion of the mediation shall be thirty (30) calendar days. Notwithstanding the foregoing, either Party may file an action in a court of competent jurisdiction within the State of Texas to resolve the dispute at any time unless otherwise agreed.

18.8 Receivership, Foreclosure, or Bankruptcy Licensee shall notify CITY not later than thirty (30) days of the filing of a receivership, reorganization, bankruptcy or other such action or proceeding by or against Licensee. The rights granted to Licensee hereunder, at the option of CITY shall cease and terminate one hundred twenty (120) days after the appointment of a receiver or receivers, or trustee or trustees, to take over and conduct the business of Licensee whether in a receivership, reorganization, bankruptcy or other action or proceeding unless such receivership or trusteeship shall have been vacated prior to the expiration of said one hundred twenty (120) days, or unless:

A. to the extent permitted by law, within one hundred twenty (120) days after their election or appointment, such receivers or trustees shall have complied fully with all the terms and provisions of this Agreement granted pursuant hereto, and the receivers or trustees within said one hundred twenty (120) days shall have remedied all defaults under the Agreement, if any; and

B. to the extent permitted by law, within said one hundred twenty (120) days, such receivers or trustees shall execute an agreement duly approved by CITY having jurisdiction in the premises, whereby such receivers or trustees assume and agree to be bound by each and every term, provision and limitation of this Agreement.

C. In the case of foreclosure or other judicial sale of the plant, property and equipment of Licensee, or any part thereof, including or excluding this Agreement, CITY may serve notice of termination upon Licensee and the successful bidder at such sale, in which event the Agreement herein granted and all rights and privileges of the Agreement hereunder shall cease and terminate thirty (30) days after service of such notice, unless:

D. CITY shall have approved the transfer of this Agreement, as and in the manner in this Agreement provided; and

E. Unless such successful bidder shall have agreed with CITY to assume and be bound by all the terms and conditions to this Agreement.

18.9 Incorporation of Recitals and Appendices The Recitals stated above and all appendices, attachments, and exhibits to this Agreement are incorporated into and constitute part of this Agreement.

18.10 Contractors and Agents Bound Licensee shall be fully liable for any Contractor or subcontractor retained by Licensee to perform work or services for Licensee under this Agreement, as a condition of being granted access to Poles and City property.

18.11 No Third Party Beneficiaries The terms and provisions of this Agreement are intended to be for the benefit of CITY and Licensee except as otherwise provided in this Agreement, and nothing in this Agreement, express or implied, is intended to confer upon any person or entity, other than the parties to this Agreement, any benefits, rights or remedies under or by reason of this Agreement.

18.12 Emergency Contact Each Party shall maintain a staffed 24-hour emergency telephone number where a Party can contact the other Party to report damage to the other Party's Facilities or other situations requiring immediate communications between the Parties. Failure to maintain an emergency contact shall subject the Licensee to a charge equal to the actual costs incurred by CITY per incident and shall eliminate CITY's liability to Licensee for any actions that CITY deems reasonably necessary given the specific circumstances. The CITY's Electric Utility Dispatch Center emergency phone number is (940) 349-7644.

18.13 Notices When notice is required to be given under this Agreement by either party, it shall be in writing mailed or delivered to the other party at the following address or to such other address as either party may from time to time designate in writing for that purpose. All notices shall be effective upon receipt.

City:

Office of the City Attorney
City of Denton
215 E. McKinney St.
Denton, Texas
76201

Licensee:

Lisa Newsome
JU Sr. Specialist, Joint Use
lisa.k.newsome@ftr.com
260-461-3520

Kevin Saville
General Counsel
Ks9458@ftr.com
612-839-0909

IN WITNESS WHEREOF, the undersigned have executed this Agreement at Denton, Denton County, Texas through their duly authorized representatives.

AGREED:

CITY OF DENTON

_____
City Manager

Signed on the _____ day of _____,20 _

Approved as to legal form

_____
City Attorney

LICENSEE

Scott Mispagel
Name of Licensee Entity

_____
Signature of Authorized Person for Licensee Entity

Printed Name of Authorized Person

Signed on the 20th day of June ,20 25

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED AS TO ALL TERMS

_____
Antonio Puente, General Manager
Denton Municipal Electric

Date Signed: _____

Attachment 1

New License Agreement

NOTICE

This Agreement does not authorize Licensee to install or maintain wireless communications devices on City of Denton poles or other infrastructure, electric or otherwise. Should Licensee desire to install wireless communications devices on City of Denton poles or other infrastructure, electric or otherwise, Licensee must enter into a separate agreement.

POLE ATTACHMENT LICENSE AGREEMENT BETWEEN THE CITY OF DENTON AND LICENSEE

This License Agreement is between the **City of Denton** ("CITY"), a Texas home-rule municipal corporation, and **Frontier Southwest Inc.** and its affiliates under common control ("Licensee") (collectively referred to as the "Parties").

WHEREAS, CITY, operates or controls certain utility poles in the public rights of way managed and controlled by CITY throughout Denton; and

WHEREAS, Licensee desires to provide voice, video, internet, or data transmission and other lawful communications services within CITY's service area; and

WHEREAS, to provide voice, video, internet, or data transmission and other lawful communications services, Licensee seeks to place and maintain cables, equipment, facilities, within CITY's service area and desires to place such cables, equipment, and facilities on various Poles and easements owned by CITY; and

WHEREAS, CITY is willing to grant Licensee a revocable, non-exclusive license to use certain Poles on the strict terms and conditions set forth in this Agreement and subject to the CITY Code of Ordinances, Electrical Code, and Distribution Construction Standards, as they may be amended from time to time.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions herein contained, CITY and Licensee do hereby mutually covenant and agree as follows:

ARTICLE 1
DEFINITIONS AND CONSTRUCTION

1.1 Definitions: For purposes of this Agreement, capitalized terms are defined as follows:

A. **CITY Distribution Construction Standards** means those engineering and construction standards, specifications, and designs maintained and referenced internally by CITY, and complied with in all material respects by CITY, for its own Pole distribution construction and engineering efforts.

B. **Annual Usage Charge** means the recurring charge that Licensee is to pay CITY annually under this Agreement for attachment to CITY's Poles. The Annual Usage Charge is in

addition to any Costs and Filing Fees Licensee may incur during a Contract Year, and shall be determined by CITY as of December 1 of each Contract Year, other than the first Contract Year. The Annual Usage Charge for any Contract Year shall be the number of Attachments shown on CITY's records to exist as of December 1 of the preceding Contract Year multiplied by the Usage Rate for the new Contract Year for each attachment of equipment. Unless applicable state or federal law is amended to allow a charge for over-lashed Cable, the Annual Usage Charge shall not apply to over-lashed Cable over- lashed with any of Licensee's Attachments for which a Usage Rate is chargeable. Unless otherwise expressly provided in this Agreement, Annual Usage Charges are not refundable.

C. **Attachment Application** means the CITY prescribed application sheet, together with all required prints, maps, proposed routes, project descriptions, studies, and proposed schedules that Licensee must submit, in full, to CITY in order to request, have reviewed, perform required and then be granted an Attachment License for a particular Pole or group of Poles. For the avoidance of doubt, any Licensee Attachment that was affixed to any CITY Pole prior to the Effective Date will not require a new Attachment Application to remain on such Pole.

D. **Attachment** means (other than for Annual Usage Charge Purposes):

1. each Cable owned, controlled, or used by Licensee, together with its associated messenger strand, guy wires, span guys, anchors, and other appurtenant and incidental facilities, affixed to a Pole regardless of the means by which affixed (a Cable lashed to another Cable and each Cable lashed to a common messenger is a separate Attachment);

2. each amplifier, repeater, controller, box, cabinet, appliance, device, or piece of equipment owned, controlled, or used by Licensee and affixed to a Pole, regardless of the means by which it is affixed;

3. each amplifier, repeater, controller, box, cabinet, appliance, device, or piece of equipment owned, controlled, or used by Licensee that is resting on the ground but is connected to a Pole, Attachment, or CITY line by a conductor;

4. a new or existing service wire drop that is (i) located in the same one foot of space assigned to the Licensee's Cable Attachment, and (ii) is attached to the same Pole as an existing Attachment of Licensee shall NOT constitute an additional Attachment.

5. risers installed by the Licensee for the purpose of transitioning overhead Cable to underground Cable or vice versa; or risers installed by the Licensee for the purpose of extending service to a customer shall be considered an additional attachment(s) with each individual riser charged at the Riser Rate as defined in the PAF Schedule of the CITY's then current Rate Ordinance

6. Licensee installed conduits, which differ from the conduits mentioned in risers above (5) shall be considered multiple attachments with the value based on the linear footage of the Conduit along the vertical length of the Pole that the conduit is installed.

7. Any other devices installed by the Licensee that may be approved by DME for installation on the Pole will be considered a large unit attachment subject to the miscellaneous charge rate tariff in the PAF Schedule.

E. **Attachment License** means the revocable (solely pursuant to the terms and condition hereof and applicable law), non-exclusive right of Licensee to make an Attachment to a Pole under this Agreement, pursuant to CITY's approval of an Attachment Application and subject to (1) any modifications, conditions, and specifications imposed by CITY pursuant to this Agreement or applicable law when approving the Attachment Application and (2) all Design Documents issued by CITY with respect to the Attachment and Pole in question. An Attachment License authorizes Attachments solely for lawful communications purposes, as described in this Agreement. The use of any Attachment for any purpose other than providing lawful communications as described in this Agreement is prohibited and shall constitute a breach of this Agreement.

F. **Boxing** means the use of a cross arm or through bolt to facilitate a Pole attachment on the opposite side of the Pole from any existing attachment and the installation of Cable or facilities on both sides of the same Pole at approximately the same height. Licensee is prohibited from Boxing on CITY Poles.

G. **Cable** means a conductor, wire, or fiber or a bound or sheathed assembly of conductors, wires, or fibers used as a wire communications or transmission medium (a bare messenger is also a Cable).

H. **Communications Space** means the area on any given Pole, below and sufficiently remote from the Supply Space as required by Electrical Code, within which Attachments and Pole Contacts may lie. The term Communications Space has the equivalent meaning as that used in the Electrical Code. The top surface of the Communications Space must remain at least 40 inches from the lowest surface of the Supply Space and from any other electrical lines, conductors, or equipment, or below the Supply Space at a distance as defined by the National Electric Safety Code for a specified condition. The bottom surface of the Communications Space must maintain a clearance in accordance with National Electrical Safety Code standards. Any make ready that may be required to meet these standards shall be paid for by the Licensee.

I. **Conduit** means a structure owned by CITY containing one or more Ducts, usually placed in the ground, in which Cables or wires may be installed. CITY-owned electrical Conduit is expressly reserved for utility reliability and expansion purposes and is not available for use by Licensee.

J. **Conduit System** means any combination of Ducts, Conduits, Manholes, and Handholes joined to form an integrated whole. As used in this Agreement, the term refers to Conduit Systems owned or controlled by CITY. CITY-owned electrical Conduit System is expressly reserved for utility reliability and expansion purposes and is not available for use by Licensee.

K. **Contract Year** means any calendar year during which this Agreement is in effect, beginning January 1 and ending December 31, except that the first Contract Year shall run from

the Effective Date until December 31 of that year and the final Contract Year shall run from January 1 of that year until the date of termination.

L. **Contractor** includes subcontractors.

M. **Cost** means the total cost reasonably incurred by CITY for any particular task under this Agreement, and includes without limitation reasonable labor, material, equipment usage, outside Contractor and vendor charges, reasonable overhead, and reasonable general and administrative expenses. Costs may be incurred for, without limitation, engineering and engineering review, Make-Ready construction, inspections and oversight, auditing, public relations and intervention, and other services. Certain Cost rates are specified in Exhibit A to this Agreement, which CITY may change no more than once per year; provided, however, that any such change to such Cost rates shall be based on CITY's reasonable cost of labor, materials, and equipment usage. Subject to the foregoing, Costs shall be determined by CITY in its reasonable judgment and reasonable discretion, and shall be paid by Licensee in accordance with either of the following, at CITY's sole option:

1. Any advance estimate provided by CITY, in which event CITY shall have the right to refuse to incur the Costs until the estimate is paid; and/or

2. Any final invoice submitted by CITY. In the event an advance estimate was paid by Licensee for Costs, the final invoice will reflect such payment.

N. **Design Documents** means all specifications, drawings, schematics, blueprints, engineering documents, and written requirements for materials, equipment, design, construction, and workmanship with respect to Make-Ready and installation work on a particular Attachment or Pole or group of Attachments or Poles. Any and all design documents must be sealed by a licensed professional engineer.

0. **Duct** means a single enclosed tube, pipe, or channel for enclosing and carrying Cables, wires, and other facilities owned by CITY. As used in this Agreement, the term Duct includes Inner-Ducts created by subdividing a Duct into smaller channels. CITY-owned electrical and/or electric communication Duct is expressly reserved for utility reliability and expansion purposes and is not available for use by Licensee.

P. **Effective Date** means the date CITY signs this Agreement as shown on the signature page of this Agreement.

Q. **Electrical Code** means the National Electrical Safety Code (NESC), the National Electrical Code (NEC), and Chapter 752 of the Texas Health and Safety Code.

R. **Filing Fee** means the initial, non-refundable fee charged to Licensee for filing an Attachment Application for an Attachment License. Filing Fees are set by the CITY and shall not exceed the actual and reasonable Cost to CITY of reviewing and processing an Attachment Application. The Filing Fee is solely to compensate CITY for reviewing and processing an Attachment Application and does not include or offset Costs or Annual Usage Charges.

S. **Handholes** means an enclosure, usually below ground level, used for the purpose of installing, operating, and maintaining Attachments in a Conduit. A Handhole is too small to permit personnel to physically enter. CITY-owned electrical Handholes are expressly reserved for utility reliability and expansion purposes and is not available for use by Licensee.

T. **Infrastructure Usage Regulations** means the Denton City Code of Ordinances and any other CITY ordinance that may be enacted to govern electric utility infrastructure usage or rental.

U. **Inner-Duct** means a pathway created by subdividing a Duct into smaller channels. CITY-owned electrical and/or electric utility communication Inner-Duct is expressly reserved for utility reliability and expansion purposes and is not available for use by Licensee.

V. **Make-Ready** means all work required to accommodate Licensee's Attachments on a Pole with respect to CITY and Third Party User needs and in compliance with Electrical Code, CITY Distribution Construction Standards, generally accepted engineering and construction practices, and applicable laws.

W. **Manhole (also called "Pullbox" or "Vault")** an enclosure, usually below ground level and entered through a hole on the surface covered with a cast iron or concrete Manhole cover, which personnel may enter and use for the purpose of installing, operating, and maintaining Attachments in a Conduit. CITY-owned electrical Manholes are expressly reserved for utility reliability and expansion purposes and is not available for use by Licensee.

X. **Maximum Lawful Usage Rate** means the maximum amount that CITY may lawfully charge for an Attachment under applicable state and federal law, rules and regulations in effect from time to time. If, for any Contract Year, applicable state or federal law does not limit the amount CITY may charge Licensee for a particular Attachment or service under this Agreement, the Maximum Lawful Usage Rate for the Attachment or service shall be the amount that CITY determines, in its sole judgment and discretion, to constitute a reasonable and non-discriminatory annual Usage Rate.

V. **Pole** means any electric distribution pole owned by CITY that supports electric lines having a nominal voltage of not more than 35kV; provided, however, that any electric distribution pole having a nominal voltage of more than 35kV will also be a "Pole" if the pole is also used for distribution of power from a local substation to customers. Unless otherwise agreed by CITY with respect to a particular pole, the term Pole does not include (1) street lighting, traffic signal, AMI extender bridge, or dusk to dawn light poles; (2) metal or wood poles or towers supporting transmission lines carrying a nominal voltage greater than 35kV, unless such wood poles are also used to support distribution lines carrying a nominal voltage of not more than 35kV and where predesigned to accept telecommunication installations; (3) any structure or facility within a substation; (4) conduits (except as otherwise provided in Article 11); or (5) any structure not used for electric power distribution.

Z. **Pole Contact** means the point or contiguous area on a Pole at which one or more of Licensee's Attachments makes physical contact with a Pole regardless of the duration for which the Pole Contact existed.

AA. **Service Drop** means a Cable used to connect directly to a customer's location from one

Pole and attached to no more than one additional Pole where the additional Pole does not support voltage greater than six hundred volts (600V) or a Cable used to connect a customer's location through the use of multiple licensed Poles where Service Drop Make-Ready has been performed.

BB. Supply Space means the area on any given Pole, above the Communications Space, that is reserved for the placement of electric supply lines, electrical equipment, and other CITY facilities. The term Supply Space has the equivalent meaning as that used in the Electrical Code. Licensee may not place any Attachments or Pole Contacts in the Supply Space.

CC. Third Party User means any third party that has, or may be granted, an attachment license or other right to attach with respect to a Pole. Third-parties that are allowed by Licensee to overlash third-party conductors onto existing Licensee Attachment(s) shall also execute a Pole Attachment License Agreement with the CITY, regardless of the duration for which the Attachment or Pole Contact existed. At least thirty (30) days before third-party overlash operations, Licensee shall provide advanced written notice to CITY that identifies the proposed third-party overlashing entity and all proposed third-party overlash locations.

DD. Unauthorized Attachment means an Attachment or any other affixing or placing of Licensee's facilities onto CITY property for which Licensee does not have a valid Attachment License.

EE. Usage Rate means, for each given Contract Year, the amount Licensee must pay CITY for each Attachment. Usage Rates are specified in Exhibit A to this Agreement and which CITY may change no more than once per year.

1.2 Syntax Except as otherwise expressly provided herein, all nouns, pronouns and variations thereof shall be deemed to refer to the singular and plural.

1.3 Amendments Any reference to a law, code, or document shall mean such law, code, or document as it may be amended from time to time.

1.4 Third Party User Agreements CITY has in the past entered into other Pole usage agreements with Third Party Users. In construing this Agreement, no variations between this Agreement and other agreements with Third Party Users shall have any evidentiary value or be construed against CITY. It is the Parties intent that this provision is not meant to unlawfully discriminate against Licensee in favor of other licensees.

1.5 No Construction against CITY The rule of construction that ambiguities in a contract are to be construed against the drafting party shall not apply to this Agreement.

1.6 Headings The descriptive headings in this Agreement are only for the convenience of the parties and shall not be deemed to affect the meaning or construction of any provision.

ARTICLE 2
SCOPE AND TERM OF AGREEMENT

2.1 General Purpose In accordance with the provisions of this Agreement, CITY may issue

Attachment Licenses to Licensee on the terms and conditions set forth herein. Before Licensee makes any Attachment to or begins any work on a Pole, excluding Service Drops, it shall file an Attachment Application and await CITY's issuance of an Attachment License and Design Documents with respect to that particular Attachment or Pole, as set forth in Article 4. Nothing in this Agreement shall be construed to obligate CITY to grant an Attachment License with respect to any particular Pole where Licensee has failed to fulfill the requirements herein for the grant of such Attachment License.

A. The use of any Attachment for any purpose other than providing lawful communications as described in this Agreement is prohibited and shall constitute a breach of this Agreement.

B. Licensee is prohibited from Boxing on CITY Poles.

C. CITY-owned electrical Conduit is expressly reserved for utility reliability and expansion purposes and is not available for use by Licensee.

D. CITY-owned electrical Duct is expressly reserved for utility reliability and expansion purposes and is not available for use by Licensee.

E. CITY-owned electrical Handholes are expressly reserved for utility reliability and expansion purposes and are not available for use by Licensee.

F. City-owned electrical Inner-Duct is expressly reserved for utility reliability and expansion purposes and is not available for use by Licensee.

G. CITY-owned electrical Manholes are expressly reserved for utility reliability and expansion purposes and are not available for use by Licensee.

2.2 Term The initial term of this Agreement is ten (10) years, beginning on the Effective Date and renewing thereafter for two successive ten-year terms, subject to the default provisions, or unless terminated by either Party. At the end of each then-current term, Licensee shall, if it intends to terminate, give CITY written notice of its request to terminate 180 days before the end of the then-current term. If Licensee is in default during the course of the then-current term and Licensee has not cured the default, this Agreement shall not renew. If Licensee has defaulted and not cured such default, renewal will be granted in CITY's reasonable discretion. If renewal is denied, CITY will give written notice of the reasons for denial within thirty (30) days of making that determination and this Agreement will expire at the end of the then-current term.

2.3 Existing Facilities Only Except as otherwise set forth in paragraph 6.4, (i) CITY is under no obligation to add, build, keep, maintain, or replace Poles or any other facilities for the use or convenience of Licensee; and (ii) the maintenance, replacement, removal, relocation, or addition of CITY Poles and facilities shall remain within the sole province and discretion of CITY. Notwithstanding the foregoing, any actions of the CITY under this Agreement shall be taken on a nondiscriminatory basis.

2.4 Poles Only This Agreement is limited to and only addresses Attachments to CITY Poles. This Agreement does not authorize Licensee to install or maintain Attachments on other CITY property and facilities, including without limitation Conduits, buildings, and towers.

2.5 City Rights-of-Ways Except for the placement of Attachments or other facilities covered by this Agreement on CITY Poles and notwithstanding that a Pole to which Licensee may attach its facilities is in the CITY's public streets or rights-of-way, nothing in this Agreement shall be construed to grant, nor does this Agreement grant, Licensee any right or authorization to use or occupy the public streets or rights-of- way of the CITY or any other public property.

2.6 Access to Rights of Ways limited Except to access the CITY's rights of ways as an incident of attaching facilities to CITY'S Poles under this Agreement, Licensee and CITY expressly agree that the authority to attach to CITY Poles does not grant Licensee authority to use or occupy CITY's public streets or rights-of-way.

2.7 Separate Agreement and Franchise Needed for Access to Rights of Ways Licensee expressly agrees that should it intend to use the CITY'S rights of ways, Licensee shall enter into a separate franchise agreement for such privileges.

2.8 Private Easements Licensee understands that some Poles are located on dedicated easements over private property that, by their terms, restrict the use of the easement to CITY for the sole purpose of electric distribution or transmission. Nothing in this Agreement and no action by CITY shall be construed to offer, grant or approve any right or license to use such easement or to affix an Attachment to a Pole within such easement without the consent of the owner of the property to which the easement is appurtenant, unless otherwise allowed by law. CITY has no obligation to expand or obtain rights in such easement on Licensee's behalf. It is the sole obligation of Licensee to obtain the necessary consent or additional easement rights, if any, at Licensee's own expense.

2.9 Eminent Domain CITY is under no obligation to exercise any power of eminent domain on Licensee's behalf.

2.10 No Property Rights In Poles All Poles shall remain the property of CITY and no payment made by Licensee shall create or vest in Licensee any ownership right, title, or interest in any Pole, but Licensee's interest shall remain a bare license. The existence of such a license shall not in any way alter or affect CITY's right to use, change, reclaim, operate, maintain, or remove its Poles, subject to the terms and conditions hereof. Nothing in this Agreement shall prohibit Licensee from repairing, operating, or maintaining a Pole at Licensee's sole cost and expense if: (i) CITY expressly abandons the Pole or constructively abandons the Pole by electing not to repair, operate, or maintain the Pole to such an extent that a reasonable person would conclude that CITY has abandoned the Pole; and (ii) Licensee is permitted to do so under the City Code, the terms of Licensee's franchise, if applicable, and any applicable easements; provided, however, that CITY may remove an abandoned Pole if such removal manifestly serves the public interest. If CITY's use of its Poles materially and adversely affects Licensee's use and operation of an Attachment, Licensee may, by written notice to CITY, remove its Attachments from any adversely affected Pole. Such termination shall be implemented by written notice to the CITY.

2.11 License Not Exclusive Licensee acknowledges that CITY has entered into other agreements concerning the use of Poles by third parties, including Licensee's competitors and may in the future enter into similar agreements. Nothing in this Agreement shall be construed to limit or in any way affect CITY's right or ability to enter into or honor other agreements, or to grant any rights, licenses, or access concerning any Pole, irrespective of the character or degree of economic competition or loss caused to Licensee, so long as CITY's actions are not unreasonably discriminatory.

2.12 CITY Priority The primary purpose of a Pole is electric distribution and public health and safety, and CITY reserves to itself first priority in the use of a Pole. In the event of any conflict between the use of a Pole by CITY and Licensee, the use of a Pole for the distribution of electric power to CITY customers shall prevail and have priority over Licensee's use of the Pole. CITY retains and shall have exclusive use of the Supply Space. All of Licensee's Aerial Attachments shall remain within the Communications Space.

2.13 Discretion of CITY Final CITY reserves the right to deny any Attachment Application pursuant to the terms and conditions of this Agreement, reserve any Pole to its own use pursuant to a *bona fide* development plan, or modify any Pole for legal, safety, mechanical, structural, engineering, environmental, reliability, or service reasons. Determination of these issues shall at all times remain within the reasonable discretion of CITY, subject in all respects to the terms and conditions of this Agreement. Licensee will not be required to pay for any modifications to any Pole or its Attachments in order to accommodate a Third Party User.

2.14 No Cost or Expense to CITY The engineering, construction, installation, use, operation, and maintenance of Licensee's Attachments shall be at Licensee's sole expense. Unless otherwise expressly provided of this Agreement, nothing in this Agreement shall be construed to require CITY to expend any funds or to incur or bear any cost or expense.

ARTICLE 3
USAGE RATES AND CHARGES

3.1 Payment Due upon License Approval CITY's approval of an Attachment License shall be conditioned on Licensee's payment of the then current Usage Rate for each approved Attachment, prorated to reflect the number of months remaining in the Contract Year with any partial month being considered to be a full month. Licensee's payment is due within 45 days from the date of CITY'S approval of an Attachment License.

3.2 Calculation of Usage Rates For each Contract Year, the Usage Rate shall not exceed the Maximum Lawful Usage Rate. Before each new Contract Year, CITY will notify Licensee in writing of the Maximum Lawful Usage Rate for such Contract Year at least 60 days in advance of any invoice. The CITY shall provide its Maximum Lawful Usage Rate calculations and relevant support data so Licensee may verify that the such Usage Rate is calculated in accordance with applicable law. The Maximum Lawful Usage Rate may take into account changes in applicable laws that are to go into effect during the upcoming Contract Year.

3.3 Dispute of Maximum Lawful Usage Rate If Licensee disagrees in good faith with CITY's determination of the Maximum Lawful Usage Rate, Licensee may protest the CITY'S Usage Rate in writing within 30 days of receipt of the notice of the then proposed Usage Rate. The protest shall include copies of all records and other documentation that support Licensee's position. Failure to timely protest CITY's proposed Usage Rate shall constitute agreement to and acceptance of CITY's determination and a waiver of Licensee's rights to dispute CITY'S Usage Rate, unless such rate is unlawful pursuant to applicable law. If Licensee timely protests a proposed Usage Rate, the parties shall endeavor in good faith to negotiate a resolution of the dispute. If the parties are unable to resolve the dispute within 60 days from the date of Licensee's protest, then either party may seek relief from the Public Utility

Commission of Texas ("PUCT") pursuant to section 54.204 of the Texas Utilities Code, any successor regulation, or any other law that confers jurisdiction on the PUCT. The PUCT shall be the sole and exclusive forum for resolution of a dispute regarding CITY'S Usage Rate, unless the PUCT lacks jurisdiction, in which event the dispute resolution provisions set forth in paragraph 18.7 shall control. If the dispute is not resolved by the time the Annual Usage Charge invoice is issued, Licensee shall nonetheless pay the invoice based upon the disputed Usage Rate. Payment by Licensee of the invoice shall not prejudice Licensee's ability to continue to contest the Usage Rate, and CITY agrees not to interpose any claim, defense, or counterclaim that Licensee has waived its right to contest the Usage Rate by paying the disputed invoice. Failure to pay the disputed Usage Rate shall constitute a breach of this Agreement.

3.4 Subsequent Annual Usage Charges In each January of each Contract Year and continuing thereafter until the expiration or termination of this Agreement, CITY will invoice for, and Licensee shall pay, within 45 days after receipt of invoice, the Annual Usage Charge for the new Contract Year. All overdue balances shall accrue interest at the rate of 1% per month from the due date until paid, or the maximum rate allowed by law, whichever is less.

3.5 Invoice Disputes If Licensee believes in good faith that an Attachment count contained in an Annual Usage Charge invoice is incorrect, it shall nonetheless pay the invoice under protest. To protest an invoice, Licensee must give CITY written notice of the nature of its protest no later than the due date for payment of the invoice together with copies of records and other documentation supporting its position. The parties shall promptly meet to resolve the discrepancies in their records to determine the correct Attachment count. If the parties are unable to resolve a discrepancy as to the correct count, the parties may, upon mutual agreement, jointly conduct a physical inventory of geographical grids or other mutually agreeable census to determine the correct count. The Cost to conduct such inventory or census shall be equally divided between the parties.

3.6 Adjustments If upon resolution of a dispute between the parties under paragraph 3.2 or paragraph 3.4, a refund is due to Licensee, CITY shall refund the amount of the overcharge together with interest at the rate specified in paragraph 18.5 from the date of CITY's receipt of the protested Annual Usage Charge payment. If Licensee owes additional money, a corrected invoice shall be issued by CITY for the additional Annual Usage Charge due, plus accrued interest at the rate specified in paragraph 18.5 from the due date of the original invoice.

3.7 No Allowances Unless otherwise expressly stated in this Agreement, there shall be no offsets against any sums due under this Agreement, or any other allowances, for system improvement, materials or labor supplied, upgrading, life extension, or other direct or incidental benefits conferred by Licensee upon CITY or its Poles, system, or facilities. All such improvements and benefits belong solely to CITY, and the fact that such improvements or benefits may accrue shall in no way alter or affect Licensee's obligations under this Agreement.

ARTICLE 4
ATTACHMENT
LICENSES

4.1 Attachment License Required Licensee shall have an Attachment License with CITY before performing any new Attachment work on a Pole or making any Contact with, or Attachment to, a Pole or

other facility on CITY property or easement. Maintenance of existing equipment shall be allowed, including transfers for new Poles and for Make-Ready work of other licensees, if Licensee has a current Attachment License that covers the existing Attachments and equipment. Licensee must have an Attachment License for each Pole or group of Poles to which Licensee's Attachments are to be affixed, identifying each separate Attachment to the Pole(s) by type. An Attachment License is not needed to perform visual inspections necessary for preparing an Attachment Application.

4.2 Overlashing Licensee must obtain a separate and additional Attachment License for any Attachment it seeks to overlash to an existing Licensee or Third Party User Attachment or Pole Contact. Licensee may not allow another party to overlash to Licensee's facilities without such party first having an agreement with and attachment license from CITY. Poles are the sole property of CITY, and Licensee shall not charge or accept any financial consideration for allowing a third party to overlash to an Attachment or Pole Contact without CITY's written consent.

4.3 Application Process The Attachment Application must be submitted in the then approved CITY format. The Attachment Application form, and all required supporting documentation and other procedures, are within the reasonable discretion of CITY and may change from time to time upon prior written notice (provided such changes are not inconsistent with the terms and conditions of this Agreement and applied in a nondiscriminatory manner). CITY may reject entirely an incomplete Attachment Application, or it may request additional information to support the Attachment Application, in which event the requested information shall be promptly furnished. In the event that CITY denies an Attachment Application, it shall provide written notice of its reason for denial to Licensee within 30 business days of the date the Attachment Application was submitted.

4.4 Approval

A. CITY retains sole and complete discretion to deny or modify any Attachment Application in order to be able to preserve the safety, reliability, integrity, and effectiveness of the electric distribution system that constitutes the core of its business and its governmental mandate. CITY will approve, modify, or deny an Attachment Application within 15 business days of submission. Licensee may request CITY to reconsider a denial or modification of an Attachment Application. CITY may approve an Attachment Application as submitted, approve it on a modified or conditional basis, or may deny the Attachment Application in accordance with the policies adopted by CITY. An Attachment Application may be denied solely for the reason set forth. The CITY's City Manager, or designee, may deny an application if:

1. the applicant fails to submit a complete Attachment Application;

2. the applicant fails to supplement its Attachment Application with additional information or otherwise cooperate with the utility as requested in the evaluation of the Attachment Application;

3. the applicant fails to pay the applicable Filing Fee;

4. the proposed attachments are of excessive size or weight or would otherwise subject utility infrastructure to unacceptable levels of additional stress;

5. approval would jeopardize the reliability or integrity of the electric system or of individual units of utility infrastructure;

6. approval would present a safety hazard to a City employee or the public;

7. approval would impair the City's ability to operate or maintain utility infrastructure; or

8. approval would require an unacceptable change, upgrade, or addition to utility infrastructure.

B. In the event that CITY intends to deny an Attachment Application based on sub-paragraph numbers 1 - 8 set forth in Paragraph 4.5.A. above, or for any other reason for which denial is permitted by law, and the Pole may be modified or replaced to resolve that issue, CITY shall approve the Attachment Application provided that:

1. the Licensee agrees to pay CITY's Costs to so modify or replace the Pole; and

2. the Attachment Application is otherwise acceptable and grantable pursuant to the terms and conditions of this Agreement and applicable law. Provided, however, that nothing in this sentence abridges or modifies the requirements set forth in paragraph 6.4.

4.5 **Order of Approval** Attachment Applications concerning a particular Pole will be considered and acted upon by CITY in the order in which they are filed. For purposes of evaluating an Attachment Application with respect to Pole capacity and existing Third Party User Attachments, CITY will consider not only all existing attachments but also all valid Attachment Licenses and reserved CITY space.

4.6 **Engineering** Licensee shall submit documentation of its field evaluation that has been sealed by a professional engineer licensed by the State of Texas. CITY shall accept and rely on such documentation, but shall reserve the right to perform, or have a firm retained by CITY perform, its own engineering and field evaluation including pole loading analysis. All Costs for such engineering and field evaluation shall be paid by Licensee. With respect to a particular Pole, CITY's engineering shall take into account and allow space for all Attachment Licenses, which are valid for that Pole. In granting an Attachment License, CITY shall issue to Licensee the related Design Documents that were paid for by the Licensee.

4.7 **Attachment License Expiration** All Attachment Licenses and Design Documents and any rights conferred thereunder shall expire on the later of (i) 120 days after issuance (or such longer period as the parties may agree to in writing) or (ii) 60 days after completion of all Make-Ready work, unless all Make-Ready and installation work has occurred in accordance with the Design Documents before the end of such period. If an Attachment License for a Pole expires, Licensee shall re-apply, *de nova,* for an Attachment License and must receive such License from the CITY before Licensee can begin working on or making an Attachment to that Pole.

ARTICLE 5
GENERAL REQUIREMENTS

5.1 **Work Site Safety** In performing any work on or near Poles supporting energized electric lines,

Licensee, and its Contractors, agents and employees shall comply with Chapter 752 of the Texas Health and Safety Code and all federal, state and local laws, rules and regulations governing work in proximity to energized electric lines, including without limitation, those promulgated by the Occupational Safety and Health Administration. LICENSEE SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS CITY, ITS OFFICERS, EMPLOYEES, VOLUNTEERS, AGENTS, CONTRACTORS, AND SUBCONTRACTORS FROM AND AGAINST ALL CLAIMS, DEMANDS, ACTIONS, SUITS AND JUDGMENTS ARISING FROM OR CONCERNING A BREACH BY LICENSEE OF ITS OBLIGATIONS UNDER THIS PARAGRAPH.

5.2 Electrical Code Licensee, and its Contractors, agents and employees, and all work, Contacts, and Attachments on a Pole shall at all times comply with the-then current Electrical Code, as applicable.

5.3 Design Documents All installation and other work performed by Licensee on a Pole or Attachment shall at all times comply with the Design Documents and CITY Distribution Construction Standards and CITY requirements subsequent to Make-Ready inspections.

5.4 Service Interruptions Licensee shall not cause any interruption of CITY or Third Party User services without first obtaining CITY's express written consent as provided by Article 6. If it is necessary for CITY to de-energize any equipment or lines for Licensee's benefit, Licensee shall (a) reimburse CITY in full for all Costs in doing so, and (b) coordinate any customer or system outages with the CITY. In the event Licensee damages any of CITY's equipment or lines or causes any service interruption, Licensee, at its sole expense, shall immediately do all things reasonable to avoid injury and further damage, direct and incidental, resulting therefrom and shall notify CITY immediately. Licensee shall be liable for all Costs resulting from such damage and any necessary repairs.

5.5 CITY Oversight CITY shall have the right to conduct on-site field oversight and inspections of Licensee's Attachments, work, and operations on CITY'S Poles. CITY may conduct pre-construction surveys, and post-construction inspections at Licensee's expense and shall provide Licensee with the results. CITY shall at all times have unrestricted access to Poles and to all field work sites of Licensee and Licensee's Contractors. Both CITY and CITY's representative at any Pole site shall have complete and final authority to order the immediate suspension of Licensee's construction or installation activities if CITY or CITY's representative, in its sole discretion and judgment, deems such action necessary for reasons of safety, engineering, electrical service reliability, or failure to obtain proper licenses and permits. If an immediate suspension order is issued, the CITY or CITY's representative shall have the right to inspect any and all facilities installed up to that point on Licensee's Attachment submittal, at Licensee's expense. In the event of an oral suspension order, CITY shall send written notice to Licensee within three (3) days after such suspension, identifying the bases for suspension. Such suspension shall be in effect until such time as the Licensee cures, at Licensee's sole Cost, the alleged bases for suspension. In no event shall CITY be responsible for any damages, losses, or costs incurred by Licensee as a result of such work stoppage. Licensee's failure to obey a suspension order issued in accordance with this Agreement shall constitute a breach of this Agreement.

5.6 Laws To the extent that the Code of the City of Denton lawfully requires Licensee to possess a valid franchise or construction permit before engaging in a particular act, Licensee must comply with such requirement before beginning installing Attachments. Nothing in this Agreement shall be construed as waiving other CITY requirements or permitting the construction of facilities other than Attachments.

Attachments must conform to local, state, or federal law. Licensee's use of any Pole and Licensee's Attachments shall at all times conform to the requirements of the CITY's Code of Ordinances, infrastructure usage regulations, and the published policies promulgated by the CITY pursuant thereto.

5.7 **Other Permits** Licensee shall apply for and obtain all licenses, permits or other authorizations required to provide its service or to use, operate or maintain its Attachments. If Licensee is denied any required license, permit or authorization, Licensee may, upon written notice to CITY, terminate any Attachment License granted hereunder that was predicated upon the grant of such license, permit or authorization.

5.8 **Taxes and Liens** Licensee shall pay all taxes and assessments lawfully levied on Licensee's Attachments and any tax, assessments, fee, or charge levied on Poles solely because of their use by Licensee. In no event shall Licensee permit any lien to be filed or to exist upon any Poles or CITY property as a result of any claim against Licensee. Licensee shall promptly pay upon receipt of written notice from CITY all such liens together with all fees and costs necessary to discharge same, or shall bond around such liens in the manner provided by law.

5.9 **Electrical Code Conflicts** In the event of a difference, conflict, or discrepancy between or among the requirements or practices of any Electrical Code or safety regulations, laws, or industry standards the following rules shall apply: (A) if one specification or practice is more stringent than the other, the more stringent shall apply; (B) if one is not more stringent than the other, the NESC shall govern to the extent permitted by law; (C) if the first two rules are insufficient to resolve the conflict in a clear and unambiguous manner, CITY shall determine which standard shall apply, giving highest priority to safety considerations.

5.10 **Design Document Conflicts** In the event of a difference, conflict, or discrepancy between or among the requirements or practices of the Design Documents and CITY Distribution Construction Standard, the Design Documents shall govern. In the event Licensee believes a Design Document or CITY Distribution Construction Standard is inconsistent with Electrical Code or applicable law, Licensee shall refer the matter to CITY for determination.

ARTICLE 6
MAKE-READY

6.1 **Performance and Cost of Make-Ready Work** All Make-Ready Work shall be performed by the CITY and/or a contractor authorized by CITY to perform such work. All Make-Ready Costs shall be borne solely by Licensee, including without limitation, costs of planning, engineering, construction, and pole replacement or modifications, except as set forth in paragraphs 6.3, 6.4, and 6.5. CITY will advise Licensee of estimated Make-Ready Costs. Make-Ready Work will not commence until Licensee has paid estimated Make-Ready Costs.

6.2 **Payment of Make-Ready Work** Upon completion of Make-Ready Work, CITY shall invoice Licensee for CITY's actual cost of such Make-Ready Work. After completion of the Make-Ready Work the actual Make-Ready Cost will be trued up against the estimated Make-Ready Costs payment.

6.3 **Third Party Facilities** Make-Ready Costs that are to be paid by Licensee include all costs and expenses to relocate or alter the attachments or facilities of any pre-existing Third Party User as may be necessary to accommodate Licensee's Attachment. CITY shall provide at least 30 days' written notice to each Third Party User that needs to relocate or alter its facilities to accommodate Licensee and attempt

to make all other necessary arrangements directly with the affected Third Party Users. CITY agrees to make best efforts to cause a Third Party User to relocate such Third Party User's facilities, including declaring such Third Party User's facilities to be unauthorized, in accordance with the terms of CITY's pole attachment agreement with such Third Party User, if the Third Party User fails to relocate its facilities within the time periods specified in the pole attachment agreement between CITY and such Third Party User.

6.4 **Non-Conforming Attachments** Notwithstanding paragraphs 6.1 or 6.2, Licensee shall not be liable for any cost or expense to modify, replace, relocate, or alter any attachments of CITY or a Third Party User that do not comply with the Electrical Code or applicable law. Licensee shall notify CITY if Licensee determines that any Third Party User attachments are out of compliance with the Electrical Code or applicable law, and CITY shall use its best efforts to cause any Third Party User to bring existing attachments into compliance within 30 days of such notice. If after 30 days the owner of the out-of-compliance attachment has not completed its work and brought its attachment in to compliance with the Electrical Code and applicable law, CITY shall declare such Third Party User's facilities to be unauthorized, and CITY or Licensee may relocate or alter the Third Party User's attachment at the Third Party User's expense. CITY shall use its best efforts to cause the Third Party User to pay Licensee its costs and expenses for bringing such Third Party User's attachment in compliance with the Electrical Code and applicable law.

6.5 **Pole Replacement and Maintenance** CITY shall change, modify, or replace any Pole, at Licensee's request, unless such change, modification, or replacement will jeopardize the safety or reliability of CITY's electrical service. Except as otherwise provided in this paragraph, Pole replacement Costs shall be borne by Licensee if Pole replacement is requested by Licensee or if, because of insufficient capacity, approval of Licensee's Attachment Application first causes the need for the Pole replacement. CITY agrees that if a Pole is broken or rotten, standard Pole replacement costs shall be borne by CITY, except for additional Pole height above the height of the existing Pole; or Pole strength required to accommodate Licensee's new attachments. If the non-compliance with the Electrical Code or applicable law or the broken Pole is the result of Licensee's actions or the actions of Licensee's subcontractors, the Licensee shall be liable for the expense.

6.6 **Pole Inspections** Notwithstanding anything set forth in paragraph 6.4 and 6.5 with respect to Licensee's responsibility to pay CITY's costs of changing, modifying, or replacing any Pole, CITY shall continue its existing Pole maintenance and inspection program.

ARTICLE 7
INSTALLATION AND MAINTENANCE OF ATTACHMENTS

7.1 **Installation** Upon (A) completion of Make-Ready work, and (B) CITY's receipt of full payment of all sums owing to CITY, if any, for engineering, Make-Ready, and other Costs in connection with the applicable Pole, Licensee may affix its Attachments to the Pole as set forth in the Attachment License and Design Documents.

7.2 **Communication Space** Except as otherwise provided herein, all Attachments and Contacts on a Pole must remain in the Communications Space. Licensee operations in the Supply Space or in the space separating the Communication and Supply Spaces are prohibited. The Communications Space includes the space reserved for each attachment on a given Pole. Each attachment or space reserved in the Communications Space shall have a maximum size of twelve (12) inches. Each thru-bolt type

Attachment where the Pole is drilled and bolted to support Cable and messenger or band used to support Cable or messenger shall maintain a minimum of 12" vertical separation from adjacent bolts or bands.

7.3 Maintenance Licensee shall, at its sole expense, make and maintain its Attachments in a safe condition and in good repair including maintain tree trimming and clearances, and in such a manner as to not interfere with or interrupt CITY's lines, facilities, and services or with Third Party User attachments, facilities, and services.

7.4 No Damage Licensee shall not cause damage to CITY or Third Party User facilities or operations. If Licensee, its Contractors, agents, employees, or Attachments cause damage to CITY or Third Party User facilities or operations, Licensee assumes all responsibility for, and shall, as determined by CITY, either repair or promptly reimburse CITY or the Third Party User for all direct loss and expense caused by such damage. Licensee shall immediately inform CITY and all damaged Third Party Users of any damage to their facilities.

7.5 Sag and Mid-Span Clearances Licensee shall leave proper sag in its lines and Cables and shall observe the established sag of power line conductors and other Cables so that during the life of the Attachment minimum clearances are (A) achieved at Poles located on both sides of the span and (B) maintained throughout the span. A minimum clearance between surfaces must be maintained between Licensee's and others' Cables at mid-span and between Licensee's and others' Attachments and Pole Contacts on the Poles. Licensee will correct any clearance violations caused by its facilities or Attachments. In no event will Licensee be responsible for clearance violations caused by any other party, including CITY. Licensee will be responsible to resolve or remedy any incident where their Attachments fail to comply with Electrical Code safety clearance standards.

7.6 Climbing Space An unobstructed climbing space must be maintained at all times on the face of all Poles as required by Electrical Code, as well as adequate ground access to Poles. All Attachments must be placed as to allow and maintain a clear and proper climbing space. Licensee shall place its Attachments on the same side of the Pole as the majority of existing Attachments, if any. Licensee is prohibited from Boxing on CITY poles. Notwithstanding the foregoing, in no event will Licensee be responsible for climbing space violations caused by any other party, including CITY.

7.7 Tagging Each Attachment shall be identified at all times by an identifying marker at each Pole approved by CITY that, at minimum, (A) is permanent in duration and not degradable by rain or sunlight (B) has coloring and numbering or lettering unique to Licensee, and (C) is capable of being read unaided from the ground by a person with normal vision.

7.8 Tree Trimming Licensee shall be responsible for all tree trimming necessary for the safe and reliable installation, use, and maintenance of its Attachments, and to avoid stress on Poles caused by contact between tree limbs and Licensee's Attachments. All tree trimming shall be performed in accordance with the-then current CITY tree-trimming policies (to the extent not inconsistent with the terms and conditions of this Agreement), including without limitation those relating to owner notification and consent. The Licensee shall immediately resolve any citizen complaint of tree-trimming related to the Licensee's Attachments to the satisfaction of the CITY.

7.9 Anchors and Guying Licensee shall provide all anchors and guying necessary to accommodate the additional stress and load placed upon a Pole by its Attachments. Anchors, guys, and guy guards shall be in place and in effect prior to the installation of Attachments, Cables, or any other facilities on a

Pole. Licensee shall not attach to any CITY anchors or guying. Anchors shall not be placed outside of the easement in which a Pole stands.

ARTICLE 8
MODIFICATION OF ATTACHMENTS

8.1 No Unauthorized Modifications Except for routine modifications as provided in Section 8.2, Licensee shall not change the type, nature, or location of any Attachment or alter its use of a Pole without prior written CITY consent. Any such unauthorized modifications shall be deemed an Unauthorized Attachment and the remedial provisions in Article 10 (Unauthorized Attachments) shall apply.

8.2 Routine Modifications Licensee does not need CITY consent for (A) changes incident to routine maintenance and repair; (B) installations of Service Drops; (C) removal of Licensee's Attachments; or (D) upgrades of existing equipment that do not materially alter Pole loading or Pole space utilization.

8.3 CITY Mandated Modifications Within 30 calendar days of written request by CITY or within such other mutually agreed upon timeframe, Licensee shall move or rearrange its Attachments in order to maximize the usable available Pole space and/or to accommodate CITY facilities. Licensee shall do so at its sole cost and risk, except that Licensee shall not be responsible for any costs or expenses incurred to relocate or alter its Attachments to accommodate the Make-Ready work of other Third Party Users. If Licensee fails or refuses to comply with the directions of CITY to change, alter, improve, move, remove or rearrange any of its Attachments in accordance with this Agreement, CITY may then opt to change, alter, improve, move, remove or rearrange such Attachments without incurring any liability, except as provided in Article 16, to Licensee and at Licensee's sole cost and risk, or CITY may proceed under Article 13 of this Agreement and will provide an invoice to the costs to Licensee.

8.4 Emergencies In case of an Emergency, including electrical service restorations, CITY may move, rearrange or transfer Licensee's Attachments, without notice and without liability to Licensee or to any other person, except as provided in Article 16. Licensee shall be responsible for all Costs and shall reimburse CITY for the costs CITY incurs relating to such work within forty-five (45) calendar days of the date CITY sends Licensee an invoice for such work. An "Emergency" is a condition that: (i) poses an immediate threat to the safety of utility workers or the public; (ii) materially and adversely interferes with the performance of CITY or another Third Party User's service obligations; or (iii) poses an immediate threat to the integrity of CITY or another Third Party User's Poles or equipment. As soon as practical thereafter, CITY shall notify Licensee of such events and actions.

8.5 Destroyed Poles If any Pole on which Licensee has an Attachment is substantially destroyed or damaged by fire, storm, accident, or otherwise, CITY shall be under no obligation to rebuild or replace such Pole, but may elect to terminate Licensee's Attachment License for such Pole without any liability to Licensee. CITY shall notify Licensee in writing of a termination under this paragraph, and Licensee shall be entitled to a pro-rata refund of any prepaid but unearned Annual Usage Charge attributable to the Attachments on such damaged or destroyed Pole. Nothing herein shall prohibit Licensee from repairing or replacing such damaged or destroyed Poles at Licensee's sole cost and expense if: (A) CITY elects not to repair or replace same, and (B) Licensee is permitted to do so under the City Code, the terms of Licensee's franchise, if applicable, and any applicable easements.

8.6 Pole Transfers

A. Licensee and CITY expressly agree that for the orderly management of public rights-of-way and aesthetic considerations, double or multiple Poles shall be prohibited if a new Pole contains sufficient carrying capacity to support existing Pole attachments. If CITY replaces an existing Pole supporting an Attachment with a new Pole, CITY will provide at least 30 days' advance written notice via email as well as the NJUNS system to Licensee that Licensee must transfer its Attachment to the new Pole except for emergencies. If mutually agreed upon and if reasonably feasible and safe to do so, CITY will transfer the Attachment to the replacement Pole when CITY transfers its own lines and facilities. Licensee may also notify the CITY in writing within 15 days of the notice that it does not desire to occupy the new Pole. Failure of Licensee to timely respond to CITY's notice shall be deemed an election to occupy the new Pole. If Licensee opts not to occupy the new Pole, Licensee shall remove its facilities from CITY'S Pole within 30 days from the date the replacement Pole is installed and ready for use and Licensee's Attachment License to the replaced Pole shall terminate as of the date of replacement and as liquidated damages to CITY for Licensee's failure to remove Licensee's attachments from the replacement Pole the Usage Rates for such Pole shall be two times (2x) the Annual Usage Fee, starting 30 days after the date of replacement. Should the existing Pole upon which Licensee's facilities remain attached become damaged or rotten, the City shall not be responsible for its replacement and the Licensee will need to make other arrangements for their facilities. Licensee shall not be entitled to a refund of any Annual Usage Charge as a result. For each Attachment transferred by CITY, Licensee shall pay a transfer Fee as set forth in Exhibit A, unless the transfer is the result of a Third Party User attachment request, in which case the Third Party User will pay for Licensee's transfer.

B. All Poles, including any new Poles that may be required, shall be installed in the same line of existing Poles unless it is infeasible to do so either safely, technically, or legally.

8.7 Relocation Upon at least 60 days advance written notice, Licensee agrees that it will bear all actual and reasonable Costs associated with the relocation or re-routing of its Attachments in the event CITY facilities are removed from a Pole. In such event, CITY shall be under no obligation to maintain any Poles that no longer support CITY lines and may remove Licensee's Attachments when removing the abandoned Pole at Licensee's sole Cost and risk if Licensee fails to relocate its facilities in a timely manner. City is not responsible for any negotiations for reimbursement for developer related relocations.

8.8 Underground Conversion Upon written notice, Licensee agrees that it will bear all Costs associated with the relocation or re-routing of its Attachments in the event CITY facilities are removed from a Pole and re-routed through underground Conduits. In such event, CITY shall be under no obligation to maintain any Poles that no longer support CITY supply lines and may remove Licensee's Attachments when removing the abandoned Pole at Licensee's sole Cost and risk. CITY will afford Licensee the opportunity to relocate underground, at Licensee's expense, where reasonably practicable.

ARTICLE 9
INVENTORY, INSPECTIONS, ANNUAL REPORTING, RIGHT TO AUDIT

9.1 Right to Inspect CITY may inspect Licensee's work and Attachments at any time. CITY may conduct these inspections for any purpose relating to this Agreement, including without limitation: (A)

determining compliance with the Design Documents or other design and installation requirements; or (B) determining compliance with Electrical Code. The making of an inspection by CITY shall not operate in any way to relieve Licensee or Licensee's insurers of any responsibility, duty, obligation, or liability under this Agreement or otherwise, nor does CITY's ability to make inspections relieve Licensee from its obligations to exercise due care in the operation and inspection of its Attachments. Further, by conducting any inspection CITY is not responsible for the design, installation, or maintenance of Licensee's facilities or for any damages in anyway related to Licensee's Attachments to CITY'S Pole.

9.2 Compliance In the event any inspection of an existing Attachment reveals that corrections or other actions are required of Licensee under this Agreement, including without limitation those required for reasons of safety or structural integrity, Licensee shall make such corrections or take the requested actions within 30 days after the date CITY sends Licensee a written notice informing Licensee of the corrections to be made. If such corrections cannot be made within 30 days, the parties will agree on a mutually acceptable timeframe. CITY may also perform such work without notice, at Licensee's sole Cost and risk, except as provided in Article 16, if CITY determines in its reasonable judgment and discretion that an Emergency does not permit full advance notice to Licensee. If Licensee fails or refuses to comply with the directions of CITY, the Attachment License(s) for the Attachments in question shall be terminated. In no event will Licensee be responsible for corrections of violations caused by another party, including CITY. CITY may opt to change, alter, improve, move, remove or rearrange such Attachments without incurring any liability to Licensee, except as provided in Article 16, and at Licensee's sole Cost and risk, or proceed under Article 13 of this Agreement.

9.3 System-wide Inventory Not more than once every 3 years, nor less often than once every 10 years, CITY may, but is under no obligation to, conduct a system-wide inventory of all Licensee Attachments and Third-Party User attachments on its Poles, for which Licensee shall bear its proportionate share of Costs with all other Licensee's and Third Party Users. CITY will notify Licensee at least 90 days in advance of the times and places of such inventory, and Licensee may have representatives accompany CITY on the inventory. CITY may use the results of the inventory for purposes of calculating the Annual Usage Charge, but may also rely upon geographical grids or other mutually agreeable census to determine the correct count.

9.4 Annual Reporting Requirements Licensee shall report the following to CITY no later than October 31 of each year:

A. List of Installations The Licensee shall provide a list of specific Poles (by CITY Pole number, if available) on which the Licensee has installed, during the relevant reporting period, Attachments and Service Drops, or any other facility.

B. List of Non-Functional Attachment The Licensee shall provide a list of all Attachments or other installations that have either become non-functional, surrendered, or for which the Licensee is no longer paying under the Annual Usage Charge during the relevant reporting period. The report shall identify the specific Pole (by CITY Pole number, if available) on which the nonfunctional Attachment or installation is located and provide a description of the nonfunctional equipment.

C. Removed Equipment The Licensee shall provide a list of any equipment removed (and

not replaced by substantially similar equipment) from specific Poles (by CITY Pole number, if available) during the relevant reporting period. The report shall identify the Pole from which the equipment was removed, a description of the removed equipment, and indicate the approximate date of removal.

D. Contact Personnel The Licensee shall provide accurate and current contact information. Contact information shall include: (1) emails for field construction, engineering, and city relationship personnel, as well as an email and contact for a vice president level executive, and (2) a phone line that can be contacted by CITY at all times. Should contact information change Licensee shall provide updated information to the CITY within five (5) business days.

E. Failure to Report Failure of a Licensee to provide CITY the required annual information within forty-five (45) calendar days following issuance of written notice by CITY shall result in CITY suspending all work on the Licensee's Applications which may be in process or may be submitted after the suspension date. Within three (3) business days of CITY receiving the required annual information, CITY shall resume processing the Licensee's Attachment Applications in the order that they were initially received by CITY.

9.5 Right to Audit The Licensee grants the CITY, or its designees, the right to audit, examine or inspect, at the CITY's election, all of the Licensee's records relating to number and types of Licensee's Attachments during the term of the Agreement and retention period herein. The audit, examination or inspection may be performed by a CITY designee, which may include its internal auditors or an outside representative engaged by the CITY. The Licensee agrees to retain its records for a minimum of four (4) years following termination of the Agreement, unless there is an ongoing dispute under the Agreement, then, such retention period shall extend until final resolution of the dispute. "Licensee's Records" include any and all information, materials and data of every kind and character generated as a result of the work under this Agreement. Example of Licensee records include but are not limited to billings, books, general ledger, cost ledgers, invoices, production sheets, documents, correspondence, meeting notes, subscriptions, agreements, purchase orders, leases, contracts, commitments, arrangements, notes, daily diaries, reports, drawings, receipts, vouchers, memoranda, policies, procedures, and any and all other agreements, sources of information and matters that may in the CITY's judgment have any bearing on or pertain to any matters, rights, duties or obligations under or covered by the Agreement. The CITY agrees that it will exercise the right to audit, examine or inspect only during regular business hours. The Licensee agrees to allow the CITY's designee access to all of the Licensee's Records, Licensee's facilities, and current or former employees of Licensee, deemed necessary by CITY or its designee(s), to perform such audit, inspection or examination. Licensee also agrees to provide adequate and appropriate work space necessary to CITY or its designees to conduct such audits, inspections or examinations. Licensee must include this audit clause in any subcontractor, supplier or vendor contract.

ARTICLE 10
UNAUTHORIZED ATTACHMENTS

10.1 Unauthorized Attachments Licensee shall not place any Attachments on a Pole or other CITY infrastructure except as authorized by an Attachment License. If one or more Unauthorized Attachments are discovered, Licensee shall comply with this Article 10 or, if Licensee fails to comply, CITY may, but shall not be required to, remove the Unauthorized Attachment without incurring any liability to Licensee

and at Licensee's sole Cost, as described in this paragraph 10.1. With respect to any Unauthorized Attachment, CITY may opt to:

A. Require that Licensee remove such Unauthorized Attachment upon written notice or, if Licensee fails to do so as described in part B of this paragraph 10.1, remove such Attachment at Licensee's sole Cost and risk; or

B. Require that Licensee pay all costs to correct any Code or other violation, all inspection and engineering costs to field-check necessary Poles, Unauthorized Attachment Fees, with interest, for each unauthorized Attachment (as shown in Exhibit A Pole Attachment Charges), and submit an Attachment Application for each such Unauthorized Attachment, together with the then-current Filing Fee and Annual Usage Charge for the current year. If such penalty fees, Attachment Application, and charges are not received by CITY within 30 days of notice of the Unauthorized Attachment, or such reasonable time under the circumstances, CITY may then opt to remove Licensee's Unauthorized Attachments pursuant to Part A. of paragraph 10.1. CITY reserves the right to immediately remove any Unauthorized Attachments that, in the CITY'S sole opinion, pose an imminent danger to electrical utility operations or the public.

10.2 **Remedies Cumulative** The remedies afforded CITY under this Article 10 are in addition to any civil or criminal penalties provided by City Ordinance, as amended.

10.3 **Ratification Must Be in Writing** No act or failure to act by CITY with respect to an Unauthorized Attachment or any other unauthorized use of CITY Poles or property shall be considered to be a ratification, licensing, or permitting of the unauthorized use, irrespective of any otherwise applicable doctrine of waiver or laches.

10.4 **Excessive Unauthorized Attachments** Following the first audit after the Effective Date, if CITY determines that Licensee has made more than 30 Unauthorized Attachments cumulatively during any Contract Year, Licensee shall be considered to be in breach of this Agreement and CITY retains the right to terminate this Agreement and require removal of Licensee's Attachments in accordance with Article 13 of this Agreement. Licensee herein reserves the right to challenge any such termination and maintain its Attachments until such challenge is exhausted.

ARTICLE 11
ACCESS TO CONDUIT AND DUCTS

11. 1 **Scope** Nothing in this Agreement require, or shall be construed as to require CITY to provide Licensee with access to CITY's electrical Ducts and Conduits.

ARTICLE 12
CUSTOMER INTERACTION

12.1 Purpose Licensee acknowledges that the scope of its proposed project and Attachment installation it intends to undertake under this Agreement will require Licensee to make extensive and repeated intrusions onto the private property of CITY customers in order to access Poles. The purpose of this Article is to establish minimum standards of conduct with respect to property owners and CITY customers.

12.2 Licensee Conduct Before engaging in electrical installation work on the property of a CITY customer (except for connections or disconnections of customer's service or doing maintenance on existing Licensee facilities), Licensee shall, at minimum:

A. Provide CITY's Electric Utility Dispatch Center, (940) 349-7644, or such other department or division and number as CITY from time to time may designate, with notice of the times, locations, and nature of the work to be performed;

B. Require all field crews, and those of its Contractors, to carry and distribute upon request information packets explaining in detail the nature, extent, and purpose of the work being done and listing the telephone number and web site where additional information can be found;

C. Establish and maintain a call-center telephone number during all hours during which field work is being done that is staffed by knowledgeable personnel who can answer and resolve customer questions and complaints in a timely manner concerning the work being done on their premises;

D. Require all field crews to wear I.D. badges that identify themselves as employees or Contractors of Licensee;

E. Have all vehicles used in field work bear the logo(s) of Licensee's Contractors or Licensee; and

F. Have readily available, during all hours in which field work is being done, one or more knowledgeable personnel who can communicate with and assist the City Manager's Office and City Council members regarding property owner complaints, and also have available qualified personnel to conduct on-site resolution of property owner complaints.

12.3 No CITY Affiliation Licensee, and its employees, Contractors, and agents shall not at any time represent themselves to the public, any CITY customer, or any resident as being associated with, having the permission of, or having been requested by the City of Denton to be on private property. Licensee shall inform any such persons that it is allowed to work on CITY Poles by virtue of state and federal law, not by voluntary association with the City of Denton.

12.4 Service Interruptions If applicable, Licensee shall provide written notice to affected CITY customers of any planned electrical service interruptions by Licensee's contractors that will affect them not less than 48 hours in advance of such interruption. Such notice shall contain the specific dates and times for such interruptions and the reasons therefor.

ARTICLE 13
TERMINATION

13.1 **Termination of Attachment Licenses** Attachment Licenses for specific Attachments shall terminate upon any of the following events or conditions:

A. Licensee has not completed the Attachment installation within the later of (i) 120 days from issuance of the Attachment License (or such longer period as the parties may agree in writing); or (ii) 60 days after completion of all electrical Make-Ready work, unless Licensee and CITY agree in writing for a longer period;

B. Licensee removes the Attachment other than in the course of routine maintenance or replacement;

C. Licensee ceases to offer services, or provides services unlawfully, through the Attachment;

D. Licensee fails to comply with paragraphs 8.3, 8.7 or 9.2 of this Agreement, except as otherwise provided by those paragraphs.

13.2 **Right of Suspension** Except in the case of a good faith dispute between the Parties, if Licensee fails either to make any payment required under this Agreement, or to perform timely any obligation under this Agreement, and such default continues for 30 days after the date the payment or performance is due if such cure can reasonably be completed within thirty (30) days, and if not, such cure has commenced and is being diligently and consistently pursued then, in addition to any other available right or remedy, CITY may, upon written notice to Licensee, immediately suspend all Attachment Licenses of Licensee hereunder until such time as the default is cured. The payment under protest of a disputed amount in order to avoid, or lift, suspension of Attachment Licenses shall not prejudice the rights of Licensee to continue the payment dispute. A suspension of Attachment Licenses under this paragraph shall not prevent Licensee from operating, maintaining, repairing or removing its existing Attachments, but Licensee shall not install any new or additional Attachments or make any changes to existing Attachments (except for removal or routine repair or maintenance necessary to continue to provide services to then-existing Licensee customers) during the period of suspension.

13.3 **Termination of Agreement by CITY** If Licensee fails either to pay any undisputed payment required under this Agreement, or timely perform any obligation under this Agreement, and if such default has not been cured within three months of Licensee's receipt of written notice of default, or if such cure cannot reasonably be completed in three months, cure has commenced and has been continuously and diligently pursued, CITY may terminate this Agreement and all Attachment Licenses upon written notice to Licensee. Upon receipt of a notice of termination, Licensee shall promptly begin the process of removing all Attachments from specified Poles. All such Attachments shall be removed within 90 days after the date of the notice of termination, or within such time as CITY may agree. Until all of Licensee's Attachments are removed, Licensee shall continue to comply with all of the terms of this Agreement and perform all of its duties and obligations hereunder, including without limitation the obligation to pay Annual Usage Charges for its Attachments. Such payment by Licensee or acceptance by CITY of Annual Usage Charges shall not act to cure the default that triggered the termination nor shall it reinstate this

Agreement or Licensee's Attachment Licenses hereunder.

13.4 Failure to Remove Attachments If Licensee has not removed all its Attachments within the period of time specified in the preceding paragraph, or such additional period of time granted by CITY in writing, then CITY may remove Licensee's Attachments at Licensee's sole Cost and risk. CITY will invoice Licensee for such Cost. Additionally, CITY may, in its reasonable discretion and upon written notice to Licensee, deem the Attachments to have been abandoned and assume ownership thereof.

13.5 Termination of Agreement by Licensee Licensee may terminate this Agreement upon 60 days written notice to CITY, in which event all Attachments shall be removed within 120 days after the date of the notice of termination or within such other time as CITY agrees. Until all of Licensee's Pole Attachments are removed, Licensee shall continue to comply with all of the terms of this Agreement and perform all of its duties and obligations hereunder, including without limitation the obligation to pay Annual Usage Charges for its Attachments. Termination by Licensee during a Contract Year shall not relieve Licensee from payment for the full Annual Usage Charge for that Contract Year or any other sums that it owes CITY.

13.6 Survival Licensee's obligations under this Article 13 shall survive termination of this Agreement.

ARTICLE 14
ASSIGNMENTS

14.1 Written Consent Required The rights granted by this License Agreement inure to the benefit of Licensee and shall not be assigned, transferred, sold or disposed of, in whole or in part, by voluntary sale, merger, consolidation or otherwise by force or involuntary sale, without the express prior written consent of the CITY, which consent shall not be unreasonable withheld, delayed or conditioned.

14.2 Transfer of License Agreement Notwithstanding the provisions of Section 14.1, a transfer of this License Agreement may occur without CITY approval in the following circumstance: (i) an assignment or transfer to entities that control, are controlled by, or are under common control with Licensee, or (ii) the acquisition of all or substantially all of Licensee's assets in the Denton, Texas market by reason of a merger, acquisition or other business reorganization. In order to effect an assignment of this License Agreement as listed in (i) and (ii) above without CITY approval, the Licensee must provide the CITY a Notice of Assumption at least thirty (30) days prior to the assignment which contractually binds the purchasing or acquiring party to meet all the obligations of this License Agreement.

14.3 Institutional Mortgagee or Lenders Licensee may also assign this License Agreement, without CITY's consent and without prior notice to CITY, to an institutional mortgagee or lender providing financing to Licensee with respect to Licensee's Attachments in the event such institutional mortgagee or lender exercises its foreclosure right against Licensee and operates the Attachments; provided such institutional mortgagee or lender is capable of assuming all of the obligations of the Licensee under this License Agreement and further provided that any assignment will not be effective against CITY unless and until written notice of such assignment and exercise of rights is provided to CITY.

14.4 Assignment by CITY CITY may assign this Agreement in whole or in part without the consent of Licensee. CITY shall give Licensee written notice of the transaction within ten days after closing.

ARTICLE 15
SURETY

15.1 **Payment Bond** Within 30 days of the Effective Date of this Agreement, Licensee shall provide a payment bond in the amount of $500,000. The payment bond will serve as security for the faithful payment of all of Licensee's obligations for contracts, subcontracts, work, labor, equipment, supplies, and materials performed under this Agreement. The payment bond shall be issued by a solvent company authorized to do business in the State of Texas, and shall meet any other requirements established by law or by the City pursuant to applicable law.

15.2 **Performance Bond** Within 30 days of the Effective Date of this Agreement, Licensee shall provide a Performance Bond in the amount of $500,000 to guarantee the performance of Licensee's obligations under this Agreement, including, but not limited to, the removal of Licensee's Attachments upon termination of this Agreement. Licensee agrees to maintain the performance bond in full force and effect during the entire term of this Agreement and until CITY is reimbursed for all Costs incurred as a result of removing Licensee's Attachments upon termination of this Agreement. The performance bond shall be issued by a solvent company authorized to do business in the State of Texas, and shall meet any other requirements established by law or by the City pursuant to applicable law. The amount of the bond or financial security does not operate as a limitation upon obligations of the Licensee under this Agreement.

ARTICLE 16
LIABILITY AND INDEMNITY

16.1 CITY Liability CITY reserves to itself the right to maintain and operate its Poles in such manner as will best enable it to fulfill its own service requirements. CITY shall not be liable for any damages incurred by Licensee for damage or interruption to its Attachments except for actual repair costs caused by the gross negligence or intentional misconduct of CITY; provided, however, that CITY shall not be liable to Licensee for material or financial loss resulting from any interruption of Licensee's service or for interference with the operation of Licensee's Attachments. **NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY, ANY THIRD PARTY, OR ANY CUSTOMER OF THE OTHER PARTY FOR ANY SPECIAL, INDIRECT, PUNITIVE, OR CONSEQUENTIAL DAMAGES ARISING IN CONNECTION WITH THE USE OF OR DAMAGE TO, LICENSEE'S FACILITIES, OR THIS AGREEMENT.**

16.2 No Warranties by CITY Licensee is expected to inspect the Poles on which its Attachments will be placed and shall rely solely on such inspection to determine the suitability of the Poles for its purposes. **CITY DOES NOT MAKE, AND EXPRESSLY DISCLAIMS, ANY EXPRESS OR IMPLIED WARRANTIES CONCERNING ANY POLE, INCLUDING WITHOUT LIMITATION THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. LICENSEE ACCEPTS THE USE OF ALL POLES AS IS-WHERE IS, AND WITH ALL FAULTS, EXCEPT AS OTHERWISE PROVIDED HEREIN.**

16.3 Unsafe Poles Licensee acknowledges and agrees CITY does not warrant the condition or safety of CITY's Poles, or the premises surrounding the Poles, and LICENSEE HEREBY ASSUMES ALL RISKS OF , AND INDEMNIFIES CITY FROM, ANY DAMAGE, INJURY OR LOSS OF ANY NATURE WHATSOEVER CAUSED BY LICENSEE'S, OR LICENSEE'S CONTRACTORS' OR SUBCONTRACTORS' USE OF THE POLES AND ASSOCIATED FACILITIES AND EQUIPMENT ON, WITHIN, OR SURROUNDING THE POLES. Licensee expressly agrees it will undertake responsibility for inspecting and evaluating the condition of any Pole before allowing any employees, whether those of Licensee or Licensee's Contractors or Subcontractors, to climb or otherwise work on such Pole. If Licensee discovers any Poles that are rotten or otherwise unsafe for climbing or for Attachment installation, Licensee shall report any unsafe condition to CITY within one (1) day. Licensee further acknowledges CITY does not warrant all Poles are properly labeled, and agrees CITY is not liable for any injuries or damages caused by or in connection with missing labels or otherwise improperly labeled Poles. Licensee further agrees to notify CITY immediately if labels or tags are missing or otherwise improper.

16.4 Dangerous Nature of the Work Licensee acknowledges in performing the work contemplated by this Agreement, Licensee and its agents, servants, employees, Contractors and Subcontractors will work near electrically energized lines, transformers, and other electrical equipment, and it is the intention the power flowing through such facilities will not be interrupted except by CITY. Licensee shall ensure its employees, servants, agents, Contractors and Subcontractors have the necessary qualifications, skill, knowledge, training, and experience to protect themselves, their fellow employees, employees of CITY, and the general public, from harm or injury while performing work permitted by this Agreement. In addition, Licensee shall furnish its employees, and shall require its agents, Contractors and Subcontractors to furnish their employees, with competent supervision and sufficient and adequate personal protective equipment, tools and other equipment for their work to be performed in a safe

manner. Licensee further warrants it is apprised of, conscious of, and understands the imminent dangers (INCLUDING SERIOUS BODILY INJURY OR DEATH FROM ELECTROCUTION OR FALLS) inherent in the work necessary to make installations on CITY's Poles by Licensee's employees, servants, agents, Contractors and Subcontractors, and accepts as its duty and sole responsibility to notify and inform Licensee's employees, and to require its agents, Contractors and Subcontractors to inform their employees of such dangers and to keep them informed regarding same.

16.5 Disclaimer of Liability CITY shall not at any time be required to pay from its own funds for injury or damage occurring to any person or property from any cause whatsoever arising out of Licensee's construction, reconstruction, maintenance, repair, use, operation, condition or dismantling of Licensee's system or Licensee's provision of service.

16.6 Indemnification SUBJECT ONLY TO PARAGRAPH 16.9, LICENSEE SHALL, AT ITS SOLE COST AND EXPENSE, FULLY INDEMNIFY, DEFEND AND HOLD HARMLESS CITY AND ALL ASSOCIATED, AFFILIATED, ALLIED AND SUBSIDIARY ENTITIES OF CITY, WHETHER EXISTING NOW OR IN THE FUTURE, AND EACH OF THEIR RESPECTIVE OFFICIALS, OFFICERS, DEPARTMENTS, AGENCIES, COUNTIES, BOARDS, REPRESENTATIVES, EMPLOYEES, AGENTS, VOLUNTEERS, CONTRACTORS, SUBCONTRACTORS AND ATTORNEYS (CITY AND SUCH OTHER PERSONS AND ENTITIES BEING COLLECTIVELY REFERRED TO HEREIN AS "INDEMNITEES"), FROM AND AGAINST:

A. ANY AND ALL LIABILITIES, OBLIGATIONS, DAMAGES, PENALTIES, CLAIMS, LIENS, COSTS, CHARGES, LOSSES AND EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE FEES AND EXPENSES OF ATTORNEYS, EXPERT WITNESSES AND CONSULTANTS) , WHICH MAY BE IMPOSED UPON, INCURRED BY OR BE ASSERTED AGAINST THE INDEMNITEES BY REASON OF ANY ACT OR OMISSION OF LICENSEE, ITS PERSONNEL, EMPLOYEES, AGENTS, CONTRACTORS, SUBCONTRACTORS OR AFFILIATES, RESULTING IN ECONOMIC HARM, PERSONAL INJURY, BODILY INJURY, SICKNESS, DISEASE OR DEATH TO ANY PERSON OR DAMAGE TO, LOSS OF OR DESTRUCTION OF TANGIBLE OR INTANGIBLE PROPERTY, LIBEL, SLANDER, INVASION OF PRIVACY AND UNAUTHORIZED USE OF ANY TRADEMARK, TRADE NAME, COPYRIGHT, PATENT, SERVICE MARK OR ANY OTHER RIGHT OF ANY PERSON, FIRM OR CORPORATION, WHICH MAY ARISE OUT OF OR BE IN ANY WAY CONNECTED WITH THE CONSTRUCTION, RECONSTRUCTION, INSTALLATION, OPERATION, MAINTENANCE OR CONDITION OF LICENSEE'S ATTACHMENTS OR OTHER PROPERTY OF LICENSEE OR ITS AFFILIATES AND ANY OTHER FACILITIES AUTHORIZED BY OR PERMITTED UNDER THIS AGREEMENT; THE RELEASE OF HAZARDOUS SUBSTANCES, OR; THE FAILURE TO COMPLY WITH ANY FEDERAL, STATE OR LOCAL STATUTE, LAW, CODE, ORDINANCE OR REGULATION.

B. ANY AND ALL LIABILITIES, OBLIGATIONS, DAMAGES, PENALTIES, CLAIMS, LIENS, COSTS, CHARGES, LOSSES AND EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE FEES AND EXPENSES OF ATTORNEYS, EXPERT WITNESSES AND OTHER CONSULTANTS), WHICH ARE IMPOSED UPON, INCURRED BY OR ASSERTED AGAINST THE INDEMNITEES BY REASON OF ANY CLAIM OR LIEN ARISING OUT OF WORK, LABOR, MATERIALS OR SUPPLIES PROVIDED OR SUPPLIED TO LICENSEE, ITS CONTRACTORS OR SUBCONTRACTORS, FOR THE INSTALLATION, CONSTRUCTION, RECONSTRUCTION, OPERATION OR MAINTENANCE OF LICENSEE'S FACILITIES (AND ANY OTHER FACILITIES AUTHORIZED BY OR PERMITTED UNDER THIS AGREEMENT OR PROVISION OF COMMUNICATIONS SERVICES OR OTHER SERVICES AUTHORIZED BY OR PERMITTED UNDER THIS AGREEMENT), AND, UPON THE WRITTEN REQUEST OF CITY, LICENSEE SHALL CAUSE SUCH CLAIM OR LIEN COVERING CITY'S PROPERTY TO BE DISCHARGED OR BONDED WITHIN THIRTY (30) DAYS FOLLOWING SUCH REQUEST.

C. ANY AND ALL LIABILITIES, OBLIGATIONS, DAMAGES, PENALTIES, CLAIMS, LIENS, COSTS, CHARGES, LOSSES AND EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE FEES AND EXPENSES OF ATTORNEYS, EXPERT WITNESSES AND CONSULTANTS), WHICH MAY BE IMPOSED UPON, INCURRED BY OR BE ASSERTED AGAINST THE INDEMNITEES BY REASON OF ANY FINANCING OR SECURITIES OFFERING BY LICENSEE OR ITS AFFILIATES FOR VIOLATIONS OF THE COMMON LAW OR ANY LAWS, STATUTES, OR REGULATIONS OF THE STATE OF TEXAS OR THE UNITED STATES, INCLUDING THOSE OF THE FEDERAL SECURITIES AND EXCHANGE COMMISSION, WHETHER BY LICENSEE OR OTHERWISE.

D. ALL ACTS OR OMISSIONS BY LICENSEE OR ITS CONTRACTORS DONE IN THE COURSE OF INSTALLATION CONSTRUCTION OR IN THE MAINTENANCE, USE, OR OPERATION OF LICENSEE'S ATTACHMENTS.

E. ANY WORK PERFORMED BY CITY THAT WAS NECESSITATED BY THE INSTALLATION, MAINTENANCE, PRESENCE, USE OR REMOVAL OF LICENSEE'S ATTACHMENTS OR FROM ANY WORK THIS AGREEMENT AUTHORIZES CITY TO PERFORM ON LICENSEE'S BEHALF.

F. ALL CLAIMS OR CAUSES OF ACTION FOR DAMAGE TO PROPERTY OR INJURY TO OR DEATH OF ANY PERSONS, INCLUDING PAYMENTS MADE BY CITY UNDER ANY WORKER'S COMPENSATION LAWS OR UNDER ANY PLAN FOR EMPLOYEES' DISABILITY AND DEATH BENEFITS, ARISING OUT OF THE ERECTION, MAINTENANCE, REPAIR, PRESENCE, USE, RELOCATION, TRANSFER OR REMOVAL OF LICENSEE'S ATTACHMENTS OR THE PROXIMITY OF LICENSEE'S ATTACHMENTS TO CITY'S FACILITIES OR THE PROPERTY OF ANY OTHER THIRD PARTY USER, OR BY ANY ACT OR OMISSION OF LICENSEE ON OR IN THE VICINITY OF CITY'S POLES.

G. ALL CLAIMS OR CAUSES OF ACTION FOR PROPERTY DAMAGE, BODILY INJURY OR DEATH ARISING OUT OF THE PERFORMANCE OR NONPERFORMANCE OF ANY WORK OR OBLIGATION UNDERTAKEN BY LICENSEE PURSUANT TO THIS AGREEMENT.

H. ANY OCCURRENCE RELATED TO LICENSEE'S ERECTION, MAINTENANCE, REPAIR, PRESENCE, USE, RELOCATION, TRANSFER OR REMOVAL OF LICENSEE'S ATTACHMENTS, INCLUDING LIABILITIES INCURRED AS A RESULT OF VIOLATION OF ANY LAW, RULE, OR REGULATION OF THE UNITED STATES, STATE OF TEXAS OR ANY OTHER GOVERNMENTAL ENTITY OR ADMINISTRATIVE AGENCY.

I. A VIOLATION OF ANY STATE OR FEDERAL LAW ARISING OUT OF LICENSEE'S ERECTION, MAINTENANCE, REPAIR, PRESENCE OR USE, RELOCATION, TRANSFER OR REMOVAL OF LICENSEE'S ATTACHMENTS OR THE PROXIMITY OF LICENSEE'S ATTACHMENTS TO CITY'S FACILITIES OR THE PROPERTY OF ANY ATTACHING ENTITY, OR BY ANY ACT OR OMISSION OF LICENSEE ON OR IN THE VICINITY OF CITY'S POLES, WHETHER SUCH VIOLATION IS THE RESULT OF A VIOLATION OF A STATUTE BY CITY OR THE LICENSEE SOLELY OR ANY JOINT VIOLATION THEREOF.

J. CLAIMS OF GOVERNMENTAL BODIES, PROPERTY OWNERS OR OTHERS ALLEGING THAT LICENSEE DOES NOT HAVE A SUFFICIENT RIGHT OR AUTHORITY FOR PLACING AND MAINTAINING LICENSEE'S FACILITIES AT THE LOCATIONS OF POLES OWNED BY CITY OR JOINT USERS.

K. CLAIMS FOR TAXES OR SPECIAL CHARGES BY OTHERS THAT ARISE DIRECTLY OR INDIRECTLY FROM THE CONSTRUCTION, MAINTENANCE OR OPERATION OF LICENSEE'S FACILITIES.

L. CLAIMS OR CAUSES OF ACTION CAUSED BY OR RELATING IN ANY MANNER TO A BREACH OF THIS AGREEMENT OR A FAILURE TO FOLLOW THE TERMS OF THIS AGREEMENT BY LICENSEE OR ITS AGENTS AND EMPLOYEES OR BY LICENSEE'S CONTRACTORS OR THEIR AGENTS AND EMPLOYEES.

M. ALL CLAIMS OR CAUSES OF ACTION OF THIRD PARTY USERS ALLEGING INTERFERENCE FROM LICENSEE'S ATTACHMENTS OR DAMAGE TO THIRD PARTY USER ATTACHMENTS OR FACILITIES.

N. ALL CLAIMS OR CAUSES OF ACTION RELATING TO LICENSEE'S USE OF ITS ATTACHMENTS, INCLUDING WITHOUT LIMITATION CLAIMS OF LIBEL AND SLANDER AND CLAIMS BASED UPON INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS.

0. LICENSEE'S OBLIGATIONS TO INDEMNIFY INDEMNITEES UNDER THIS AGREEMENT SHALL NOT EXTEND TO CLAIMS, LOSSES, AND OTHER MATTERS COVERED HEREUNDER THAT ARE CAUSED OR CONTRIBUTED TO BY THE NEGLIGENCE OF ONE OR MORE INDEMNITEES. IN SUCH CASE THE OBLIGATION TO INDEMNIFY SHALL BE REDUCED IN PROPORTION TO THE NEGLIGENCE OF THE INDEMNITEES. BY ENTERING INTO THIS AGREEMENT, CITY DOES NOT CONSENT TO SUIT, WAIVE ITS GOVERNMENTAL IMMUNITY OR THE LIMITATIONS AS TO DAMAGES CONTAINED IN THE TEXAS TORT CLAIMS ACT.

P. THIS SECTION 16.6 SURVIVES THE TERMINATION OF THIS LICENSE AGREEMENT.

16.7 Assumption of Risk Licensee undertakes and assumes for its officers, agents, Contractors and subcontractors and employees (collectively "Licensee" for the purpose of this Section), all risk of dangerous conditions, if any, on or about any CITY-owned or controlled property, the streets and public ways, and Licensee hereby agrees to indemnify and hold harmless the Indemnitees against and from any claim asserted or liability imposed upon the Indemnitees for personal injury or property damage to any person (other than from Indemnitees' gross negligence) arising out of Licensee's installation, operation, maintenance or condition of the Communication Facilities or other facilities or Licensee's failure to comply with any Federal, State or local statute, law, code, ordinance or regulation.

16.8 Defense of Indemnitees In the event any action or proceeding shall be brought against the Indemnitees by reason of any matter for which the Indemnitees are indemnified hereunder, Licensee shall, upon notice from any of the Indemnitees, at Licensee's sole cost and expense, resist and defend the same with legal counsel selected by Licensee and consented to by CITY, such consent not to be unreasonably withheld; provided, however, that Licensee shall not admit liability in any such matter on behalf of the Indemnitees without their written consent and provided further that Indemnitees shall not admit liability for, nor enter into any compromise or settlement of, any claim for which they are indemnified hereunder, without the prior written consent of Licensee.

16.9 Joint Liability The indemnity obligations set forth in paragraphs 16.5 and 16.6 shall apply to fully protect and indemnify CITY from all such claimed damages regardless of whether CITY is a joint tortfeasor unless (1) the indemnified liability was the result of intentional or reckless misconduct on the part of CITY, or their agents, servants, employees, or contractors, or (2) by virtue of a final judgment, a finder of fact determines CITY'S percentage of responsibility for the indemnified liability to be 60% or greater, in which case each party shall then be liable for its found percentage of damages in accordance with Texas law.

16.10 Governmental Immunity No provision of this Agreement is intended, or shall be construed, to

be a waiver for any purpose by CITY of the provisions of the Texas Tort Claims Act or any other law limiting municipal liability.

16.11 City Fault. SUBJECT ONLY TO PARAGRAPH 16.6, IT IS THE EXPRESS INTENT OF THE PARTIES THAT THE FOREGOING INDEMNITY IS TO PROTECT AND INDEMNIFY CITY AGAINST THE CONSEQUENCES OF ITS OWN FAULT WHERE THE CITY'S FAULT IS A CONCURRENT CAUSE OF THE INDEMNIFIED CLAIM.

16.12 Notice, Cooperation and Expenses The Indemnitees shall give Licensee prompt notice of the making of any claim or the commencement of any action, suit or other proceeding covered by the provisions of this Article 16. Nothing herein shall be deemed to prevent the Indemnitees at their own expense from cooperating with Licensee and participating in the defense of any litigation by their own counsel.

16.13 Other Indemnification Provisions No indemnification provision contained in this Article shall be construed in any way to limit any other indemnification provision contained in this Agreement.

16.14 Survival This Article 16 shall survive the termination of this License Agreement.

ARTICLE 17
INSURANCE

17.1 Licensee shall purchase and maintain in force and effect, at its own expense, the following minimum insurance coverages and limits:

17.2 Statutory Worker's Compensation and Employer's Liability Insurance with minimum limits of not less than indicated below. The policy must be in the name of the Licensee.

Required Limits – Statutory limits, with Employer's Liability Coverage as follows:

Bodily Injury by Accident	$1,000,000.00
Bodily Injury by Disease Each Employee	$1,000,000.00
Bodily Injury by Disease Policy Limit	$1,000,000.00

17.3 Commercial General Liability Insurance, including the coverages identified below, with minimum limits indicated below.

Each Occurrence	$1,000,000.00
General Aggregate	$2,000,000.00

The Commercial General Liability Policy will include the following coverage's where applicable:

1. Bodily injury & Property damage on an "Occurrence" basis
2. Premises & Operations

3. Products/Completed Operations
4. Personal & Advertising Injury Liability
5. Contractual Liability
6. Explosion, Collapse, and Underground (XCU)

17.4 Commercial Automobile Insurance for all owned, non-owned, and hired vehicles.

Combined Single Limit BI & PD $500,000.00

17.5 Umbrella/Excess Liability Coverage over Employers' Liability, Commercial General Liability, and Commercial Automobile Liability Policies, with the limits shown below.

Excess Liability Coverage $8,000,000.00 per occurrence/claim

17.6 Each of Licensee's liability insurance policies where the CITY is included as an additional insured shall be primary to and non-contributing with, any other insurance carried by, or for the benefit of the CITY. Insurance may be provided under a single limit policy, or two or more policies with combined limits for the required amount of coverage.

17.7 Licensee's workers' compensation, employers' liability, commercial automobile liability, commercial general liability, and umbrella/excess liability insurance policies shall, through policy language or endorsement, waive all rights of subrogation in favor of CITY and its affiliates, and their shareholders, directors, officers, members, employees and agents.

17.8 CITY and its employees, officers, directors, shareholders, members, and agents shall be included as additional insureds on all policies (except workers' compensation and employer's liability). Commercial general liability policy shall include ISO endorsement forms "CG 20 10 " and "CG 20 37," or their equivalent. Further:

(a) In the event of cancellation of the required policies, Licensee or its insurer(s) shall provide thirty (30) days' prior written notice of cancellation to CITY.

(b) Upon request by CITY, Licensee shall provide copies of policy endorsements as required in this Section 17 from issuing insurance company(s).

17.9 All Licensee's insurance shall be issued by insurance carriers authorized or licensed to do business in Texas at the time the policy is issued and rated by A.M. Best Company as A-VII or better, confirmed by one or more insurance certificates listing CITY's name and address as a Certificate Holder, and list the name of Project as described in this Agreement and the name and phone number of the broker who prepared the certificate. Certificates of insurance shall be prepared on an Acord form 25.

17.10 With respect to any coverage maintained on a "claims-made" policy form, Licensee shall maintain such coverage, either through policy renewals or the purchase of an extended discovery period (if such extended coverage is available), for two (2) years following termination of this Agreement; provided that, if a "claims-made" policy is maintained, the retroactive date must precede the effective date of this Agreement.

17.11 Licensee shall not commence the installation of Attachments under this Agreement until Licensee has obtained all required insurance and until such insurance certificates and endorsements/policy language have been received and approved by CITY. CITY's approval of Licensee's insurance shall not relieve or decrease the liability of Licensee hereunder.

17.12 If Licensee fails to obtain or renew the above required insurance and furnish to the CITY acceptable evidence thereof, CITY shall have the right, but not the obligation, to: (1) procure such insurance and reduce the Agreement amount by the cost thereof; or (2) deem as material breach of this Agreement the Licensee's failure to do so.

17.13 Nothing herein shall reduce or alter any obligation Licensee has to indemnify, defend or hold harmless the Indemnified Parties identified in the Agreement.

17.14 In the event Licensee enters into a subcontract with an independent contractor, the Licensee will require the independent contractor to procure insurance that is appropriate for the type and level of services being provided.

17.15 Licensee shall bear all risks and be responsible for any uninsured loss due to policy deductibles, self-insured retentions, exclusions, limitation inadequacy and/or absence of coverage, whether such policies are purchased by Licensee and/or CITY.

ARTICLE 18
MISCELLANEOUS PROVISIONS

18.1 Integration This Agreement constitutes the entire understanding of the parties relating to the use of CITY'S Poles hereunder; and there shall be no modification or waiver hereof except by writing, signed by the parties. There are no oral representations or agreements between the parties. All previous agreements, correspondence, statements, and negotiations are superseded by this Agreement.

18.2 No Waiver The failure of either party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in duly force and effect.

18.3 Applicable Law The parties hereto agree and intend that all disputes that may arise from, out of, under or respecting the terms and conditions of this Agreement, or concerning the rights or obligations of the parties hereunder, or respecting any performance or failure of performance by either party hereunder, shall be governed by the laws of the State of Texas, without application of its Conflict of Laws provisions. Except as provided in Article 3, Paragraph 3.2 of this Agreement, the parties further agree and intend that venue shall be proper and shall lie exclusively in state or federal court with jurisdiction in Denton County, Texas, except where otherwise provided herein and except where the Texas Public Utility Commission lawfully has jurisdiction.

18.4 Severability If any term, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants and provisions of this Agreement shall remain in full force and effect.

18.5 Payments & Interest All monetary payments under this Agreement shall be due and payable within 45 days after receipt of invoice. All overdue balances shall accrue interest at the rate of 1% per month from the due date until paid, or the maximum rate allowed by law, whichever is less.

18.6 Amending Agreement Notwithstanding other provisions of this Agreement, the terms and conditions of this Agreement shall not be amended, changed, or altered except in writing signed by authorized representatives of both Parties.

18.7 Dispute Resolution This procedure shall govern any dispute resolution process between CITY and Licensee arising from or related to the subject matter of this Agreement that is not resolved by agreement between their respective personnel responsible for day-to-day administration and performance of this Agreement. Upon mutual agreement of the Parties, prior to the filing of any suit with respect to such a dispute, other than a suit seeking injunctive relief with respect to intellectual property rights, the Party believing itself aggrieved ("the Invoking Party") will call for progressive management involvement in the dispute negotiation by giving written notice to the other Party. Such a notice will be without prejudice to the Invoking Party's right to any other remedy permitted by this Agreement. CITY and Licensee will use their best efforts to arrange personal meetings and telephone conferences as needed, at mutually convenient times and places, between their negotiators. If a resolution is not

achieved by negotiators at the final management level within allotted reasonable amount of time, then either Party may within ten (10) business days thereafter request non-binding mediation to resolve the dispute. The mediation shall take place in Denton County or in a location mutually agreed to by the Parties. The allotted period for completion of the mediation shall be thirty (30) calendar days. Notwithstanding the foregoing, either Party may file an action in a court of competent jurisdiction within the State of Texas to resolve the dispute at any time unless otherwise agreed.

18.8 Receivership, Foreclosure, or Bankruptcy Licensee shall notify CITY not later than thirty (30) days of the filing of a receivership, reorganization, bankruptcy or other such action or proceeding by or against Licensee. The rights granted to Licensee hereunder, at the option of CITY shall cease and terminate one hundred twenty (120) days after the appointment of a receiver or receivers, or trustee or trustees, to take over and conduct the business of Licensee whether in a receivership, reorganization, bankruptcy or other action or proceeding unless such receivership or trusteeship shall have been vacated prior to the expiration of said one hundred twenty (120) days, or unless:

A. to the extent permitted by law, within one hundred twenty (120) days after their election or appointment, such receivers or trustees shall have complied fully with all the terms and provisions of this Agreement granted pursuant hereto, and the receivers or trustees within said one hundred twenty (120) days shall have remedied all defaults under the Agreement, if any; and

B. to the extent permitted by law, within said one hundred twenty (120) days, such receivers or trustees shall execute an agreement duly approved by CITY having jurisdiction in the premises, whereby such receivers or trustees assume and agree to be bound by each and every term, provision and limitation of this Agreement.

C. In the case of foreclosure or other judicial sale of the plant, property and equipment of Licensee, or any part thereof, including or excluding this Agreement, CITY may serve notice of termination upon Licensee and the successful bidder at such sale, in which event the Agreement herein granted and all rights and privileges of the Agreement hereunder shall cease and terminate thirty (30) days after service of such notice, unless:

D. CITY shall have approved the transfer of this Agreement, as and in the manner in this Agreement provided; and

E. Unless such successful bidder shall have agreed with CITY to assume and be bound by all the terms and conditions to this Agreement.

18.9 Incorporation of Recitals and Appendices The Recitals stated above and all appendices, attachments, and exhibits to this Agreement are incorporated into and constitute part of this Agreement.

18.10 Contractors and Agents Bound Licensee shall be fully liable for any Contractor or subcontractor retained by Licensee to perform work or services for Licensee under this Agreement, as a condition of being granted access to Poles and City property.

18.11 No Third Party Beneficiaries The terms and provisions of this Agreement are intended to be for the benefit of CITY and Licensee except as otherwise provided in this Agreement, and nothing in this Agreement, express or implied, is intended to confer upon any person or entity, other than the parties to this Agreement, any benefits, rights or remedies under or by reason of this Agreement.

18.12 Emergency Contact Each Party shall maintain a staffed 24-hour emergency telephone number where a Party can contact the other Party to report damage to the other Party's Facilities or other situations requiring immediate communications between the Parties. Failure to maintain an emergency contact shall subject the Licensee to a charge equal to the actual costs incurred by CITY per incident and shall eliminate CITY's liability to Licensee for any actions that CITY deems reasonably necessary given the specific circumstances. The CITY's Electric Utility Dispatch Center emergency phone number is (940) 349-7644.

18.13 Notices When notice is required to be given under this Agreement by either party, it shall be in writing mailed or delivered to the other party at the following address or to such other address as either party may from time to time designate in writing for that purpose. All notices shall be effective upon receipt.

City:

Office of the City Attorney
City of Denton
215 E. McKinney St.
Denton, Texas
76201

Licensee:

Lisa Newsome
JU Sr. Specialist, Joint Use
lisa.k.newsome@ftr.com
260-461-3520

Kevin Saville
General Counsel
Ks9458@ftr.com
612-839-0909

IN WITNESS WHEREOF, the undersigned have executed this Agreement at Denton, Denton County, Texas through their duly authorized representatives.

AGREED:

CITY OF DENTON

_____
City Manager

Signed on the _____ day of _____,20 _

Approved as to legal form

_____
City Attorney

LICENSEE

Scott Mispagel
Name of Licensee Entity

_____
Signature of Authorized Person for Licensee Entity

Printed Name of Authorized Person

Signed on the 20th day of June ,20 25

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED AS TO ALL TERMS

_____
Antonio Puente, General Manager
Denton Municipal Electric

Date Signed: _____

File #: ID 25-1265, **Version:** 1

AGENDA CAPTION

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a Fourth Amendment to an engagement between the City of Denton and King & Spalding, LLP, amending the engagement approved by the City Attorney on March 17, 2022, in the not-to-exceed amount of $49,500.00; amended by City Manager and City Council; said Fourth Amendment to provide additional legal services for the City of Denton; providing for the expenditure of funds therefor; and providing an effective date (File 7560 - providing for an additional Fourth Amendment expenditure amount not-to-exceed $200,000.00, with the total contract amount not-to-exceed $449,000.00).

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

DATE: July 15, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a Fourth Amendment to an engagement between the City of Denton and King & Spalding, LLP, amending the engagement approved by the City Attorney on March 17, 2022, in the not-to-exceed amount of $49,500.00; amended by City Manager and City Council; said Fourth Amendment to provide additional legal services for the City of Denton; providing for the expenditure of funds therefor; and providing an effective date (File 7560 – providing for an additional Fourth Amendment expenditure amount not-to-exceed $200,000.00, with the total contract amount not-to-exceed $449,000.00).

INFORMATION/BACKGROUND

This engagement with King & Spalding, LLP provides support for International Swaps and Derivative Association ("ISDA") contract reviews and other legal work related to Denton Municipal Electric's transactions under the Risk Management Policy and Hedge Plan.

King & Spalding, LLP has also provided support in negotiating two Power Purchase Agreements with particular attention to the changing landscape of tariffs and tax credits under this engagement.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On March 17, 2022, the City Attorney approved an engagement with King & Spalding, LLP in the not to-exceed amount of $49,500.00.

On January 8, 2024, City Council approved the first amendment to the engagement authorizing an additional $50,000.00 in expenditures to not exceed $99,500.00.

On October 15, 2024, City Council approved the second amendment to the engagement authorizing an additional $100,000.00 in expenditures to not exceed $199,500.00.

On April 28, 2025, the City Manager approved the third amendment to the engagement authorizing an additional $49,500.00 in expenditures to not exceed $249,000.00.

RECOMMENDATION

Award Amendment No. 4 with King & Spalding, LLP, to provide additional legal services for the City of

Denton, in a not-to-exceed amount of $200,000.00, for a total amended contract amount of $449,000.00.

PRINCIPAL PLACE OF BUSINESS

King & Spalding, LLP Houston, TX

ESTIMATED SCHEDULE OF PROJECT

This is an ongoing representation that is provided as needed as Denton Municipal Electric enters into these types of transactions.

FISCAL INFORMATION

These services will be funded from Denton Municipal Electric operating account 600001.7856. Purchase Order #195236 will be revised to include the fourth amendment amount of $200,000.00. The total amended amount of this contract is $449,000.00.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance

Respectfully submitted:

/s/Marcella Lunn
Senior Deputy City Attorney

Legal Staff Contact:
Marcella Lunn

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE APPROVAL OF A FOURTH AMENDMENT TO AN ENGAGEMENT BETWEEN THE CITY OF DENTON AND KING & SPALDING, LLP, AMENDING THE ENGAGEMENT APPROVED BY THE CITY ATTORNEY ON MARCH 17, 2022, IN THE NOT-TO-EXCEED AMOUNT OF $49,500.00; AND AMENDED BY CITY MANAGER AND CITY COUNCIL; SAID FOURTH AMENDMENT TO PROVIDE ADDITIONAL LEGAL SERVICES FOR THE CITY OF DENTON; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (FILE 7560 – PROVIDING FOR AN ADDITIONAL FOURTH AMENDMENT EXPENDITURE AMOUNT NOT-TO-EXCEED $200,000.00, WITH THE TOTAL CONTRACT AMOUNT NOT-TO-EXCEED $449,000.00).

WHEREAS, on March 17, 2022, the City Attorney awarded a contract to King & Spalding, LLP in the amount of $49,500.00, for legal services; and

WHEREAS, this procurement was undertaken as part of the City's governmental function; and

WHEREAS, the additional fees under the proposed Fourth Amendment are fair and reasonable and are consistent with, and not higher than, the recommended practices and fees 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 Fourth Amendment, increasing the amount of the contract between the City and King & Spalding, LLP, which is on file in the office of the Purchasing Agent, in the amount of Two Hundred Thousand and 0/100 ($200,000.00) Dollars, is hereby approved, and the expenditure of funds therefor is hereby authorized in accordance with said amendment which shall be effective upon the execution of the amendment referenced herein. The total contract amount increases to $449,000.00.

SECTION 2. 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:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

Scott Bray
Deputy City Attorney

File #: ID 25-1318, **Version:** 1

AGENDA CAPTION

Consider approval of a resolution of the City of Denton, Texas calling a public hearing of the City Council on land use assumptions, water and wastewater capital improvements plan, and a proposed amendment to impact fees related to possible adoption of amended water and wastewater impact fees in accordance with Chapter 395 of the Texas Local Government Code; acknowledging the posted notice of the public hearing and requiring additional notice of the public hearing as set forth in the body of this resolution; and providing an effective date.

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Water Utilities

ACM: Cassandra Ogden

DATE: July15, 2025

SUBJECT

Consider approval of a resolution of the City Council of the City of Denton, Texas calling a public hearing of the City Council on land use assumptions, water and wastewater capital improvements plan, and a proposed amendment to impact fees related to possible adoption of amended water and wastewater impact fees in accordance with Chapter 395 of the Texas Local Government Code; acknowledging the posted notice of the public hearing and requiring additional notice of the public hearing as set forth in the body of this resolution; and providing an effective date.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Support Healthy and Safe Communities.

INFORMATION/BACKGROUND

The City of Denton is updating the Water and Wastewater Impact Fees in accordance with Chapter 395 of the Texas Local Government Code (TLGC). Impact fees provide a means for recovering the cost of adding capacity to the water and wastewater system to serve new growth that creates additional demand. The City first adopted impact fees for Water and Wastewater Utilities in September 1998. These fees are required by law to be updated every five years, with the most recent update completed in 2018. The current update began in August 2022.

In February and June 2025, staff presented to the Capital Improvement Advisory Committee (CIAC). On June 25, CIAC voted to recommend approval (6-0). A presentation on the proposed updates and recommendations was also provided to City Council during the July 15 work session.

This item sets the public hearing date for August 5, 2025, in accordance with Chapter 395 of the TLGC. The public hearing will consider land use assumptions, the updated water and wastewater capital improvements plan, and proposed amendments to impact fees. Notice of the public hearing was published in the official newspaper on June 21 and July 5, 2025.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Public Utilities Board – October 24, 2022 – Received Direction
Developer Meeting – July 8, 2024 – Provided Update and Received Feedback
City Council – July 16, 2024 – Received Direction
Developer Meeting – September 10, 2024 – Provided Update and Received Feedback
Developer Meeting – February 10, 2025 - Provided Update and Received Feedback
Capital Improvement Advisory Committee – February 12, 2025

RECOMMENDATION

Staff recommends approval of the resolution acknowledging the posted notice of the public hearing, requiring additional notice as specified, and setting the public hearing date for August 5, 2025.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Resolution

Respectfully submitted:
Stephen Gay, 940-349-8086
Director of Water Utilities

For information regarding this acquisition, please contact Kyle Pedigo at 940-349-7194.

Legal point of contact: Susan Keller at 940-349-8132

RESOLUTION NO. 25-1318

A RESOLUTION OF THE CITY OF DENTON, TEXAS CALLING A PUBLIC HEARING OF THE CITY COUNCIL ON LAND USE ASSUMPTIONS, WATER AND WASTEWATER CAPITAL IMPROVEMENTS PLAN, AND A PROPOSED AMENDMENT TO IMPACT FEES RELATED TO POSSIBLE ADOPTION OF AMENDED WATER AND WASTEWATER IMPACT FEES IN ACCORDANCE WITH CHAPTER 395 OF THE TEXAS LOCAL GOVERNMENT CODE; ACKNOWLEDGING THE POSTED NOTICE OF THE PUBLIC HEARING AND REQUIRING ADDITIONAL NOTICE OF THE PUBLIC HEARING AS SET FORTH IN THE BODY OF THIS RESOLUTION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Capital Improvements Advisory Committee has met as required by law, on June 25, 2025, to consider land use assumptions and a capital improvements plan related to the possible adoption of amended impact fees to recover those costs related to water and wastewater facilities, as allowed by law; and

WHEREAS, the City Council is required to hold a public hearing in accordance with the requirements of subchapter C of Chapter 395 of the Texas Local Government Code to obtain public input on the land use assumptions, to the capital improvements plan, and relating to the possible adoption of such amended impact fees; and

WHEREAS, the comments of the Capital Improvements Advisory Committee on the proposed amendments to the land use assumptions, capital improvements plan, and proposed amended impact fees will be provided to the City Council on or before the 5th business day before the date of the public hearing on the amendments; and

WHEREAS, the City Council deems it in the public interest to set a public hearing on the subject of land use assumptions, a capital improvements plan, and relating to the possible adoption of amended impact fees; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The recitals set forth above are found to be true and correct legislative and factual determinations of the City of Denton and are hereby approved and incorporated into the body of this resolution and made a part hereof for all purposes as if fully set forth herein.

SECTION 2. City Council hereby calls a public hearing to be held in the City of Denton, City Council Chambers at 215 East McKinney Street, Denton, Texas 76201 convening at 6:30 p.m. on August 5, 2025 to consider the adoption of land use assumptions within one or more designated service areas that includes areas both within the corporate city limits of Denton and portions of its extraterritorial jurisdiction, to consider the capital improvements plan as proposed, and to consider, as more fully shown on the attached notice of public hearing, the possible adoption of amended impact fees to recover costs related to water and wastewater facilities.

SECTION 3. Notice of the public hearing was published on June 21, 2025 and July 5, 2025 in the *Denton Record-Chronicle,* a newspaper of general circulation in Denton County, Texas pursuant to scheduling resolution approved by this Council on June 17, 2025; said notice being substantially in accordance with the notice of public hearing in compliance with Texas Local Government Code §395.055.

SECTION 4. On or before the date of the first publication of the notice of the public hearing on the land use assumptions, capital improvements plan, and proposed amended impact fees, the City's land use assumptions, the time period of the projections, a description of the general nature of the capital improvement facilities, and impact fees that may be proposed were made available in accordance with Texas Local Government Code §395.043, in the office of the City Secretary in the City Hall at 215 East McKinney Street, Denton, Texas 76201 and on the City of Denton website.

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

The motion to approve this resolution was made by [_____] and seconded by [_____].

The resolution was passed and approved by the following vote [__ – __ – __]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Susan Keller Digitally signed by Susan Keller Date: 2025.07.11 15:26:05 -05'00'

File #: Z25-0007a, **Version:** 1

AGENDA CAPTION

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 2 (R-2) District to a Mixed-Use Neighborhood (MN) District on approximately 1.09 acres of land generally located on the north side of West University Drive between Willow Lane and Cottonwood Lane 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 6-0 to recommend approval of the request. Motion for approval by Commissioner Pruett and second by Commissioner McDuff. (Z25-0007a, Kalyans, Julie Wyatt) THIS ITEM HAS BEEN POSTPONED UNTIL THE AUGUST 19, 2025, CITY COUNCIL MEETING

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

DCM: Cassey Ogden

DATE: July 15, 2025

SUBJECT

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 2 (R-2) District to a Mixed-Use Neighborhood (MN) District on approximately 1.09 acres of land generally located on the north side of West University Drive between Willow Lane and Cottonwood Lane 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 6-0 to recommend approval of the request. Motion for approval by Commissioner Pruett and second by Commissioner McDuff. (Z25-0007a, Kalyans, Julie Wyatt) THIS ITEM HAS BEEN POSTPONED UNTIL THE AUGUST 19, 2025, CITY COUNCIL MEETING.
https://dentontx.new.swagit.com/videos/346760?ts=8794

BACKGROUND

The applicant, Aimee Bissett with 97 Land Company, on behalf of the property owner, Kalyans, Inc. is requesting to rezone a 1.09-acre tract from Residential 2 (R2) District to Mixed-Use Neighborhood (MN) District. The purpose of the request is to reestablish a previous retail use (package liquor sales) in an existing building.

The applicant is requesting this item be postponed to a date certain of August 19, 2025, in order to further explore options to address nearby residents' concerns.

EXHIBITS

Exhibit 1 - Agenda Information Sheet

Respectfully submitted:
Tina Firgens, AICP
Deputy Director of Development Services/Planning Director

Prepared by:
Julie Wyatt, AICP
Principal Planner

File #: S25-0002a, **Version:** 1

AGENDA CAPTION

Hold a public hearing and consider adoption of an ordinance of the City of Denton, Texas regarding a request for a Specific Use Permit to allow for a Multi-family Residential Use on approximately 4.115 acres of land, generally located on the east side of Fallmeadow Street, fifteen feet east of the northern intersection of Gardenview Circle and Fallmeadow 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 severability; and establishing an effective date. The Planning and Zoning Commission voted [6-0] to recommend approval of the request. Motion for approval by Commissioner Riggs and second by Commissioner McDuff. (S25-0002a, Palladium Denton West, Sean Jacobson)

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

DCM: Cassey Ogden

DATE: July 15, 2025

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 to allow for a Multi-family Residential Use on approximately 4.115 acres of land, generally located on the east side of Fallmeadow Street, fifteen feet east of the northern intersection of Gardenview Circle and Fallmeadow 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 severability; and establishing an effective date. The Planning and Zoning Commission voted [6-0] to recommend approval of the request. Motion for approval by Commissioner Riggs and second by Commissioner McDuff. (S25-0002a, Palladium Denton West, Sean Jacobson)

https://dentontx.new.swagit.com/videos/346760?ts=6814

BACKGROUND

The applicant, Maxwell Fisher with ZoneDev, representing the property owner, MSW Partners, LLC, and the developer, Palladium Fallmeadow Denton, Ltd., is requesting approval of a Specific Use Permit (SUP) to allow for a Multifamily use on the subject property. The subject property is zoned Residential 7 (R7). In the R7 zoning district, a Multifamily use is only permitted with an approved SUP.

The subject property is an approximately 4.115-acre site located on the east side of Fallmeadow Street, fifteen feet east of the northern intersection of Gardenview Circle and Fallmeadow Street. The subject property is currently undeveloped but is encumbered by an electric easement and contains a large storm sewer pipe. Both of these necessitate the use of a combination of creative solutions, including an Alternative Landscape Plan, to ensure the City's ability to access and maintain its infrastructure, while still meeting the intent of the landscape standards of the Denton Development Code (DDC).

The proposed development consists of one three-story building with a proposed footprint of 49,811 square feet. The Site Plan provided as Exhibit 7 shows the proposed location of the buildings and parking areas, the Landscape Plan attached as Exhibit 8 shows the proposed landscape locations, and the proposed Building Elevations are provided as Exhibit 9.

As part of this proposed development, the developer has pledged that 81 of the proposed 120 units would be affordable housing units and plans to utilize tax credit financing. On February 18, 2025, the City of Denton City Council approved a resolution of support for a housing tax credit application to the Texas Department of Housing and Community Affairs for the proposed development of the Palladium Denton West multifamily project on the subject property. This approved resolution enabled the developer to pursue tax credits as part of the project's financing, but it does not constitute any form of land use approval nor obligate the Planning and Zoning Commission or City Council to approve the requested SUP.

In order to further support the development of affordable housing within the city, the Denton Development Code (DDC) was recently amended to establish Section 2.12 Affordable Housing Development Incentive Program. This program allows developers who enter into Affordability Incentives Agreements with the City to take advantage of certain affordability incentives (as provided for in DDC Section 2.12) in the design of their site and building based on the number of affordable housing units built within the site.

Therefore, pursuant to Subchapter 2.12, because this project is proposed to include 81 affordable housing units, the developer of the subject property will execute with the City an Affordability Incentives Agreement for this project in order to ensure the units remain affordable (per the requirements in the DDC) in exchange for the development incentives. As part of this agreement, the developer is enabled to take advantage of three affordability incentives in the design of their site. Below are the three Affordability Incentives used and the actual design which that incentive enables, as shown in further detail in the attached Proposed Site Plan (Exhibit 7), Proposed Landscape Plan (Exhibit 8), and Proposed Building Elevations (Exhibit 9):

1. Affordability Incentive 1: 20% increase in maximum building height in the applicable zoning district in Section 3.2– 3.5, provided the development is still in compliance with Section 7.10.6
    a. Actual Design: 19.3% increase in building height above the maximum permitted height in the R7 zoning district, from a maximum height of 40 feet to a maximum height of 47 feet, nine inches.
2. Affordability Incentive 2: A 10-point reduction in the Landscaping Area Point System.
    a. Actual Design: A 5-point reduction in the Landscaping Area Point System.
3. Affordability Incentive 3: A reduction in parking requirements to not less than 1 parking space per affordable dwelling unit, irrespective of the number of habitable rooms.
    a. Actual Design: A reduction in required parking to 1 vehicle space per unit for the 81 affordable housing units. Vehicle parking for the remaining 39 units shall be in accordance with standard minimum vehicle parking requirements for the Multifamily Residential Use in DDC Table 7.9-I.

A full Staff Analysis of the request is provided as Exhibit 2.

PLANNING AND ZONING COMMISSION

On June 25, 2025, the Planning & Zoning Commission held a public hearing and recommended approval of the Specific Use Permit [6-0]. The property owner and applicant were available to answer questions, and one member of the public spoke in opposition to the request. A summary of the Commission's questions and discussion is provided below.

- The Commission discussed and commented on the following topics:
    - Confirmed that the City would not be held liable for any damages to approved encroachments (improvements) within certain public easements, should the City have to perform work within said easements.
    - Inquired whether there was any neighborhood opposition to the request.
    - Inquired about the number and affordability of proposed affordable housing units.
    - Confirmed the City had processes for preventing offsite drainage impacts from new developments, and that the applicant had a process for receiving drainage-related citizen concerns during and following new construction.
    - Requested clarification regarding various proposed onsite amenities, including education classes being offered for future residents of the development.
    - Confirmed that the project was tax credit-financed, but privately owned and subject to full property taxes.

OPTIONS

1. Approve as submitted
2. Approve subject to conditions
3. Deny
4. Postpone consideration

RECOMMENDATION

Staff recommends **approval** of the SUP request with the following conditions:
Note, exhibit references within these conditions refer to ordinance exhibits, not exhibits to this report – Ordinance Exhibits C, D, and E align with report Exhibits 7, 8, and 9, respectively.

1. The attached Site Plan, Landscape Plan, and Building Elevations 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. City 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, as well as a reduction in provided vehicle parking of no more than 10 spaces, provided all applicable requirements of the DDC are met:

    a. No more than 120 one- and two- and three-bedroom units with a total building footprint not to exceed 49,811 square feet.

    b. A minimum total landscape area of 38,724 square feet. At minimum, on-site amenities shall include a dog park, and an outdoor open space containing a grill area, pool, and playground, as depicted in Exhibit C.

    c. One hundred and sixty-nine (169) vehicle parking spaces required, after approved reductions, and ten (10) bicycle parking spaces required, as depicted in Exhibit C.

    d. Two full points of access onto Fallmeadow 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 and species 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, and 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 Building Elevations (Exhibit E). Minor alterations to the Building Elevations may be approved by City Staff, provided that the final project complies with DDC Section 7.10 Site and Building Design.

6. Encroachment into City of Denton drainage easements, as depicted in Exhibits C and D, are permitted only on the condition that the following language, or similar language to the same effect as approved by City Staff, is included in a note on the final plat for the Property:

    "As a condition of allowing encroachments in existing and proposed drainage easements on this lot, Owner acknowledges that the City of Denton has the rights of constructing public drainage improvements, drainage maintenance, inspection, or other related public

drainage work within the drainage easements. Owner acknowledges the city's right to remove the fence and any other private improvements encroaching within the easements. City of Denton is not liable for any reimbursement, replacement, or damages incurred by the encroachment of private improvements, including paving, landscaping, or structures."

Should the above language, or similar language to the same effect as approved by City Staff, not be included in a note on the Final Plat, the Site Plan and Landscape Plan shall be changed to remove all encroachments from all existing and proposed drainage easements on the Property, while maintaining compliance with all other standards of the Denton Development Code. The aforementioned changes may require a Specific Use Permit amendment in accordance with the Denton Development Code, subject to determination by City Staff.

7. The Multifamily Residential project on the Property is proposed to include a percentage of affordable housing units targeted at specific income levels which is sufficient, in accordance with Denton Development Code Table 2.12-B Affordability Incentive Procedure - Definitions, to allow the project to request 3 or fewer Affordability Incentives from the list in DDC Subsection 2.12.1F.2 Affordability Incentives. The attached Site Plan and Landscape Plan (Exhibits C and D) include designs which take advantage of three incentives from DDC Subsection 2.12.1F.2. Below are the three Affordability Incentives used and the actual designs which those incentives enable:

    a. Affordability Incentive 1: 20% increase in the maximum permitted building height for the R7 zoning district as provided in DDC Subsection 3.2.7 R-7 Residential, provided the development is still in compliance with Subsection 7.10.6 Building Height in Transition Areas.

        i. Actual Design: 19.3% increase in building height above the maximum permitted building height in the R7 zoning district, for a total height of 47 feet, 9 inches.

    b. Affordability Incentive 2: A 10-point reduction in the required number of points from Table 7.E Landscaping Area Point System.

        i. Actual Design: A 5-point reduction in the required number of points from Section B: Parking Lot Landscape Elements of Table 7.E Landscaping Area Point System, as depicted in Exhibit D.

    c. Affordability Incentive 3: A reduction in parking requirements to not less than 1 parking space per affordable dwelling unit irrespective of the number of habitable rooms.

        i. Actual Design: A reduction in required parking to 1 vehicle space per affordable housing unit for the 81 units of proposed affordable housing. Vehicle parking for the remaining 39 units shall be in accordance with the parking study submitted to and approved by staff in accordance with DDC 7.9.5G Modification of Minimum Parking Requirement by Director.

    In accordance with DDC Subsection 2.12.1D.2.b Affordability Incentives Agreement, prior to issuance of any building permit for this project, the applicant must execute an Affordability Incentives Agreement, including all elements required by DDC Subsection 2.12.1D.2.b, in a form approved by the City Attorney. Should the applicant not execute an approved Affordability Incentives Agreement as required by DDC Subsection 2.12.1D.2.b, then the Site Plan (Exhibit C), (Exhibit D), and Building Elevations (Exhibit E) for this SUP shall be required to be redesigned to remove all deviations from DDC

standards which were enabled by Affordability Incentives. Approval of the redesigned SUP plans shall require an SUP amendment in accordance with the DDC.

8. Notwithstanding the limited administrative approvals authorized in conditions 2, 3, 4, and 5, the City reserves the right to require approval by ordinance of any amendments or alterations to the SUP, the attached Site Plan, the attached Landscape Plan, and the attached Building Elevations.

9. 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
October 1, 2019	City Council	City Initiated Zoning Transition to R7	Approved
June 25, 2025	Planning & Zoning Commission	Specific Use Permit	Recommend Approval

PUBLIC OUTREACH:

To comply with the public hearing notice requirements, the following were completed:

- Prior to submitting an application, the applicant held two neighborhood meetings:
  - **January 15, 2025 -** Eight attendees. Staff was not informed prior to the meeting and does not have independent notes. The applicant reports that feedback was generally positive, with attendees expressing appreciation for the new development in the area and the opportunity for new housing. See Exhibit 11 for further documentation.
  - **February 24, 2025 -** Eight attendees. Attendees seemed supportive overall and raised no objections. They did ask a number of questions, including about development and construction costs and timing for the project, the number of affordable units and level of affordability, size of units, whether the developer would manage the building, if rents were expected to rise, if Denton's development standards made the project more difficult or costly or limited the number of units, about the duration and renewability of affordable housing tax credits, and if they had done a Traffic Impact Analysis. Certain attendees expressed a preference for sustainable and native landscaping. See Exhibit 11 for further documentation.

- By June 5, 2025 - 38 notices were sent to property owners within 200 feet of the subject property. As of the writing of this report, staff has received one letter of objection from one owner on behalf of nine properties (see Exhibit 12).

- By June 5, 2025 - 216 courtesy notices were sent to physical addresses within 500 feet of the subject property.

- A notice was published on the City's website on June 5, 2025, and again on June 25, 2025.

- A notice was published in the Denton Record Chronicle on June 7, 2025, and again on June 28, 2025.

- One sign was posted on the property on June 12, 2025.

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 - Current Zoning Map
Exhibit 6 - Applicant Project Narrative
Exhibit 7 - Proposed Site Plan
Exhibit 8 - Proposed Landscape Plan
Exhibit 9 - Proposed Building Elevations
Exhibit 10 - Fiscal Impact Summary
Exhibit 11 - Notification Packet
Exhibit 12 - Draft Ordinance
Exhibit 13 - LLC Members List
Exhibit 14 - Letters to Adjacent Property Owner
Exhibit 15 - Staff Presentation

Respectfully submitted:
Tina Firgens, AICP
Deputy Director of Development Services/
Planning Director

Prepared by:
Sean Jacobson
Associate Planner

Planning Staff Analysis

S25-0002a / Palladium Denton West

City Council District 2

REQUEST:
Specific Use Permit (SUP) to allow for a Multifamily Dwelling Use on approximately 4.115 acres of land. The subject property is zoned Residential 7 (R7). The Multifamily use is an allowed use with an approved Specific Use Permit.

OWNER:
MSW Partners, LLC

APPLICANT:
Maxwell Fisher with ZoneDev

STAFF RECOMMENDATION:
Staff recommends **approval** of the SUP request with the following conditions:
Note, exhibit references within these conditions refer to ordinance exhibits, not exhibits to this report – Ordinance Exhibits C, D, and E align with report Exhibits 7, 8, and 9, respectively.

1. The attached Site Plan, Landscape Plan, and Building Elevations 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. City 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, as well as a reduction in provided vehicle parking of no more than 10 spaces, provided all applicable requirements of the DDC are met:

    a. No more than 120 one- and two- and three-bedroom units with a total building footprint not to exceed 49,811 square feet.

    b. A minimum total landscape area of 38,724 square feet. At minimum, on-site amenities shall include a dog park, and an outdoor open space containing a grill area, pool, and playground, as depicted in Exhibit C.

    c. One hundred and sixty-nine (169) vehicle parking spaces required, after approved reductions, and ten (10) bicycle parking spaces required, as depicted in Exhibit C.

    d. Two full points of access onto Fallmeadow 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 and species 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, and 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 Building Elevations (Exhibit E). Minor alterations to the Building Elevations may be approved by City Staff, provided that the final project complies with DDC Section 7.10 Site and Building Design.

6. Encroachment into City of Denton drainage easements, as depicted in Exhibits C and D, are permitted only on the condition that the following language, or similar language to the same effect as approved by City Staff, is included in a note on the final plat for the Property:

   > "As a condition of allowing encroachments in existing and proposed drainage easements on this lot, Owner acknowledges that the City of Denton has the rights of constructing public drainage improvements, drainage maintenance, inspection, or other related public drainage work within the drainage easements. Owner acknowledges the city's right to remove the fence and any other private improvements encroaching within the easements. City of Denton is not liable for any reimbursement, replacement, or damages incurred by the encroachment of private improvements, including paving, landscaping, or structures."

   Should the above language, or similar language to the same effect as approved by City Staff, not be included in a note on the Final Plat, the Site Plan and Landscape Plan shall be changed to remove all encroachments from all existing and proposed drainage easements on the Property, while maintaining compliance with all other standards of the Denton Development Code. The aforementioned changes may require a Specific Use Permit amendment in accordance with the Denton Development Code, subject to determination by City Staff.

7. The Multifamily Residential project on the Property is proposed to include a percentage of affordable housing units targeted at specific income levels which is sufficient, in accordance with Denton Development Code Table 2.12-B Affordability Incentive Procedure - Definitions, to allow the project to request 3 or fewer Affordability Incentives from the list in DDC Subsection 2.12.1F.2 Affordability Incentives. The attached Site Plan and Landscape Plan (Exhibits C and D) include designs which take advantage of three incentives from DDC Subsection 2.12.1F.2. Below are the three Affordability Incentives used and the actual designs which those incentives enable:

   a. Affordability Incentive 1: 20% increase in the maximum permitted building height for the R7 zoning district as provided in DDC Subsection 3.2.7 R-7 Residential, provided the development is still in compliance with Subsection 7.10.6 Building Height in Transition Areas.

      i. Actual Design: 19.3% increase in building height above the maximum permitted building height in the R7 zoning district, for a total height of 47 feet, 9 inches.

   b. Affordability Incentive 2: A 10-point reduction in the required number of points from Table 7.E Landscaping Area Point System.

      i. Actual Design: A 5-point reduction in the required number of points from Section B: Parking Lot Landscape Elements of Table 7.E Landscaping Area Point System, as depicted in Exhibit D.

c. Affordability Incentive 3: A reduction in parking requirements to not less than 1 parking space per affordable dwelling unit irrespective of the number of habitable rooms.

    i. Actual Design: A reduction in required parking to 1 vehicle space per affordable housing unit for the 81 units of proposed affordable housing. Vehicle parking for the remaining 39 units shall be in accordance with the parking study submitted to and approved by staff in accordance with DDC 7.9.5G Modification of Minimum Parking Requirement by Director.

In accordance with DDC Subsection 2.12.1D.2.b Affordability Incentives Agreement, prior to issuance of any building permit for this project, the applicant must execute an Affordability Incentives Agreement, including all elements required by DDC Subsection 2.12.1D.2.b, in a form approved by the City Attorney. Should the applicant not execute an approved Affordability Incentives Agreement as required by DDC Subsection 2.12.1D.2.b, then the Site Plan (Exhibit C), (Exhibit D), and Building Elevations (Exhibit E) for this SUP shall be required to be redesigned to remove all deviations from DDC standards which were enabled by Affordability Incentives. Approval of the redesigned SUP plans shall require an SUP amendment in accordance with the DDC.

8. Notwithstanding the limited administrative approvals authorized in conditions 2, 3, 4, and 5, the City reserves the right to require approval by ordinance of any amendments or alterations to the SUP, the attached Site Plan, the attached Landscape Plan, and the attached Building Elevations.

9. The zoning map shall reflect the Specific Use Permit on the property consistent with the DDC.

SITE DATA:
The approximately 4.115-acre subject property is currently undeveloped. There is no FEMA floodplain or floodway located on the property. There are no designated Environmentally Sensitive Areas (ESAs) on the property.

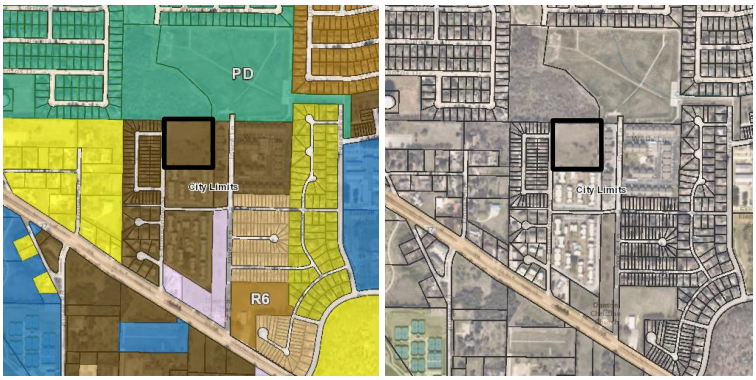
The subject property has approximately 408 feet of frontage on Fallmeadow Street. Fallmeadow Street is designated as a collector on the current Mobility Plan. Access in and out of the proposed development will be through two full points of access onto Fallmeadow Street.

The subject property is encumbered by significant existing easements and will be required to add additional easements to encompass existing and proposed utility and drainage infrastructure, as well as providing clearance areas around required electric transformers. The existing and proposed easements and clearance areas are along the north, east, and south sides of the subject property. The easements and clearance areas have the potential to severely limit parking space and landscape area locations. As discussed below, the applicant worked with city staff on a combination of solutions, including engineering design deviations, an Alternative Landscape Plan (Exhibit 8), and a landscape-related Affordability Incentive as provided for in the Denton Development Code (DDC) Section 2.12. The solutions enabled the proposed development design to protect city infrastructure with easements and clearance areas while still providing security fencing and sufficient parking for residents, meeting or exceeding city standards for landscape area and tree

canopy. This also furthered the City's interest in increased tree canopy and reduction of the heat island effect in parking lots.

SURROUNDING ZONING AND LAND USES:

Northwest: • Zoning: Planned Development (PD) • Use: PD-Designated Open Space	**North:** • Zoning: PD • Use: PD-Designated Open Space and Regional Detention Pond	**Northeast:** • Zoning: PD • Use: Regional Detention Pond
West: • Zoning: R7 • Use: Duplex Residential across Fallmeadow Street	**SUBJECT PROPERTY**	**East:** • Zoning: R7 • Use: Multifamily Residential
Southwest: • Zoning: R7 • Use: Duplex Residential across Fallmeadow Street	**South:** • Zoning: R7 • Multifamily Residential	**Southeast:** • Zoning: R7 • Use: Multifamily Residential



CONSIDERATIONS:

A. Subsection 2.4.5E of the 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.*

      Subsection 2.5.2D of the DDC applies to 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 120 multifamily residential units proposed is consistent with the number of units listed by the developer in their request to City Council for a resolution of support (approved February 18, 2025) for the developer's affordable housing tax credit application to the Texas Department of Housing and Community Affairs for construction of the Palladium Denton West Living Apartments on the subject property. This approved resolution of support enabled the developer to pursue tax credits as part of the project's financing but does not constitute any form of land use approval nor obligate the Planning and Zoning Commission or City Council to approve the requested SUP.

3. *Consistent with the Comprehensive Plan and Other Applicable Plans*

The decision–making authority:

a. Shall weigh competing goals, policies, and strategies.

The proposed SUP is consistent with the goals, policies, and actions of the Comprehensive Plan and with the Future Land Use Designation of Moderate Density Residential (see inset map below and in Exhibit 4), including the goals and actions listed below:

GOAL LU-1: Grow Compactly: Achieve sound, sustainable growth in compact development patterns with balanced land uses planned in coordination with transportation and infrastructure systems.

GOAL LU-3: Grow our Assets: Maintain and Strengthen Neighborhoods, Commercial and Employment Areas.

GOAL FEV-5: Design a fiscally advantageous land use pattern paired with fiscally responsible infrastructure management and investment.

GOAL HN-1: Develop and maintain a housing stock that meets the needs of all residents with a diverse array of choices in type, cost, and location.

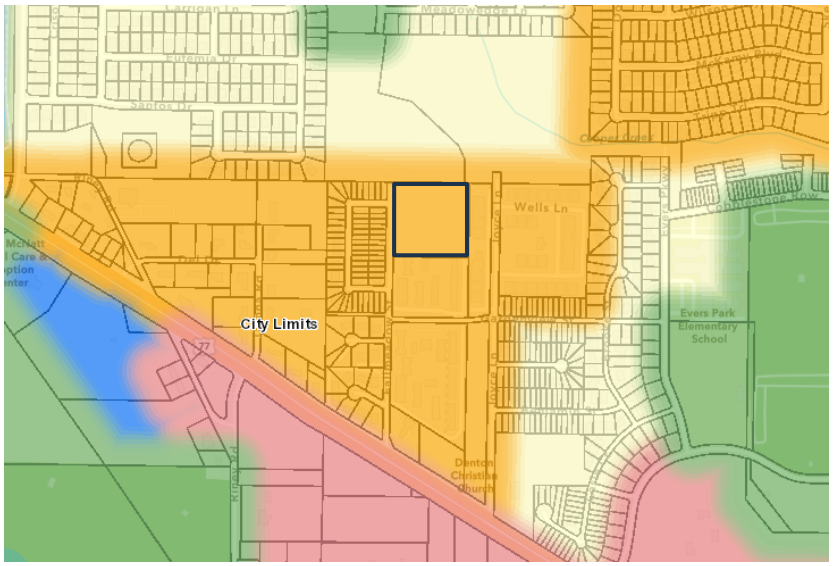
The applicant's requested use is consistent with the overall goals of the Denton 2040 Comprehensive Plan to provide sustainable growth in compact development patterns and in a fiscally advantageous land use pattern. The proposed multifamily development is on an infill lot and continues an existing multifamily development pattern on the east side of Fallmeadow Drive, and therefore the infrastructure is already in place to support the project. The proposed development and its future residents will have access to existing transportation infrastructure, including a sidewalk network that connects to a range of community resources such as schools, a park, and a library all located within less than a mile of the subject property. This means that, without any additional infrastructure investment by the City, the proposed development will enhance overall walkability, a key priority that informed the Preferred Growth Concept in Denton Comprehensive Plan 2040.

The location of the proposed development also aligns with the affordable housing goals and recommended policies of Denton Comprehensive Plan 2040, Subchapters 7.1-7.2,

by helping to "expand the availability of affordable housing choices for community members most in need of housing, including those with low incomes." The proposed development will provide affordable housing in an area identified by the City of Denton Affordable Housing Needs & Market Value Analysis as a desirable "Middle Market" "Opportunity Area" characterized by strong overall neighborhood stability, higher median income, and strong reinvestment by existing property owners, where affordable housing is often rare or nonexistent. The Affordable Housing Needs & Market Value Analysis recommends that incentives be targeted to these "Middle Market" areas, like the area around this subject property, to create more affordable housing in these "desirable" areas to live and thereby help prevent affordable housing from being clustered in what the Denton 2040 Comprehensive Plan calls "socioeconomic segregation and pockets of poverty."

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 Multifamily 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 is designated as Moderate Density Residential (see image above and the map provided as Exhibit 4). The description for the Moderate Density Residential Future Land Use designation is excerpted below:

> This category accommodates single-family detached housing on small lots, typical of Denton's more compact, established single-family neighborhoods and low-rise multi-family dwellings and townhomes. This land use applies to areas within the central areas of Denton and transition areas between established single-family neighborhoods and mixed-use or commercial areas that can accommodate greater density, or adjacent to key corridors. Dwellings in this future land use category vary in scale and style and may contain a great deal of diversity by each street and block.

Most areas are characterized by rectilinear lots with modest front yards. Most streets are lined by sidewalks, but this is not prevailing throughout. Development is linked by local streets and is most commonly accessed by multiple intersections and points of access. While the land use primarily includes single-family dwellings, multi-family dwellings, and townhomes may be located in this land use as well. While the quality of multi-family dwellings and townhomes currently varies, in the case of future infill development, they should maintain a scale, style, and building orientation in order to complement the prevailing character of its surroundings. This category may also include land uses that support residential neighborhoods, such as neighborhood scaled commercial at arterial and collector street corners, and appropriately scaled public and quasi-public uses, such as religious and educational institutions. Density: (5-12 dwelling units per acre)

The proposed three-story Multifamily use is consistent with the Moderate Density Future Land Use designation, which is intended for a diverse mix of compatible dwelling types and densities, including low-rise multifamily. The area around the subject property currently includes a mix of multi-unit housing types, including fourplexes, duplexes, and extensive multifamily developments. The proposed Multifamily use would be compatible with these existing uses, and the proposed multifamily building is designed to fit in well with the neighborhood. The scale, style, and orientation are appropriate, featuring street-facing entrances and multiple pedestrian connections to the sidewalk. The pitched roofs echo those of nearby duplexes, and the architecture incorporates elements that break up long facades, reducing their visual impact. Although the building is about 7 feet taller than the maximum height allowed on surrounding properties, this is offset by setting the building back 70 feet from the street. Finally, even with the 120 new units proposed by this development, the overall density of the Moderate Density area that includes the subject property will still only be at an approximate density of 9.64 units per acre, which is well within the target range of 5-12 units per acre.

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.*

      If the subject Specific Use Permit request is approved, all subsequent development on the subject property will comply with applicable standards in the DDC, including, but not limited to, minimum lot size and dimensions, building coverage, access, parking, tree preservation, and landscaping. As noted below, the applicant did seek administrative deviations from certain code requirements, as allowed for in the DDC.

   b. *Compliance with these standards is applied at the level of detail required for the subject submittal.*

      The proposed Site Plan, Building Elevations, and Landscape Plans were reviewed to ensure compliance with the DDC. If the proposed SUP request is approved, prior to development, a detailed plan review will accompany all required civil engineering plans, final plat, and building permit submittals. The applicant did seek administrative deviations from certain code requirements, as allowed for in the DDC. These deviations are reflected on the Site Plan (Exhibit 7) and Landscape Plan (Exhibit 8) and summarized below.

      Parking

Based on the DDC's standard multifamily parking ratio, the total parking required for the proposed development is 261 parking spaces. During the site plan review process, the applicant proposed two parking reductions. First, as one of the DDC Subchapter 2.12 Affordability Incentives, discussed in the conditions of approval above, the applicant proposed to reduce the parking ratio for the 81 proposed affordable housing units to 1 vehicle parking space per unit. Second, as permitted by DDC 7.9.5G, the applicant submitted a basic parking demand study to staff for review which supported the applicant's request for a ratio of 2 vehicle parking spaces per unit for the remaining 29 market rate units. Staff reviewed and approved the parking demand study and, subsequently, the Planning Director authorized the requested reduction in required parking. Overall, the two authorized reductions resulted in total required minimum parking for the development of 159 vehicle spaces, a ratio of ~1.32 spaces per unit. The applicant chose to provide 169 spaces on the SUP site plan, in order to have flexibility to meet the minimum parking requirement if some proposed parking spaces had to be eliminated due to Civil Engineering Plan review.

Landscaping

The applicant requested to utilize two alternative landscaping provisions due to site constraints limiting where landscaping can be located on the site, including several Denton Municipal Electric utility easements, drainage easements, and the need to construct a 10-foot-wide sidewalk along the Fallmeadow Street right-of-way. First, as discussed in more detail in the conditions above, the applicant is utilizing one of their three DDC Subchapter 2.12 Affordability Incentives to reduce the required landscape points from 30 to 25, enabling them to provide only one 5-point parking lot landscape element instead of two. Second, the applicant submitted an Alternative Landscape Plan for staff consideration, which, per DDC Subsection 7.7.3C, can be used to authorize a reduction in the count, configuration, or location of required landscaping materials, if justified by site or development conditions. Conditions justifying approval of an alternative landscape plan include the presence of existing utility or other easements and unique lot size or configuration. Staff approved the requested alternatives, as they allow right-of-way screening to be provided without over-crowding the front landscape area, ensure that the front landscape area will be entirely free of turf grass, and allow more than the required number of parking lot trees to be provided while still keeping trees outside of Denton Municipal Electric easements.

Encroachments into Existing Easements

DDC Subsection 7.6.7E does not permit fences or other man-made improvements to encroach within drainage easements. The City Engineer, in consultation with the Deputy Director of Operations for Streets and Drainage, may approve a design deviation authorizing such encroachments. The applicant requested a deviation from this requirement in order to install fencing, parking lot paving, and landscaping in parts of three drainage easements. Staff approved this deviation request, allowing the proposed encroachments within the three aforementioned drainage easements, while adding an SUP condition requiring an encroachment agreement and that language be placed in the final plat which indemnifies the city for any damage to these encroaching improvements due to City work within the easements.

Height:

Partly in order to adapt their building design to a property that slopes almost 10 feet from its northwest corner to its southeast corner, the applicant is utilizing one of their three DDC Subchapter 2.12 Affordability Incentives to increase their permitted height from the R7 maximum height of 40 feet to a total height of 47 feet, 9 inches. As

discussed in more detail below, the building setback distance and architectural design help to mitigate any negative visual impact of the increased height.

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 property. As noted in the conditions of approval above, due to the use of affordability incentives offered in DDC Section 2.12, an Affordability Incentives Agreement must be approved and executed for the development prior to the issuance of any building permit.

Commented [FT1]: See my comment in the AIS, SUP condition 7

7. *Minimizes Adverse Environmental Impacts*

   There is no FEMA floodplain or floodway located on the property. There are no designated ESAs on the property. A Tree Preservation Plan has been reviewed for the development, and drainage plans for the development will be reviewed with the Civil Engineering Plans.

   All developments shall comply with applicable standards in the DDC, Criteria Manual, Municipal Code of Ordinances, and other state and federal standards. Development of the subject property will require a full review of all site conditions.

8. Minimizes Adverse Impacts on surrounding Property

   Generally, the proposal is not anticipated to negatively impact the surrounding properties. Development standards within the DDC are designed to ensure that as development within the City occurs, compatibility between uses is taken into consideration and adverse impacts are appropriately mitigated. The following aspects of the proposed site design will help to minimize adverse impacts and ensure compatibility as surrounding properties continue to develop or redevelop:

   - **Building design**: While the proposed multifamily building will be permitted to exceed the normal R7 height maximum and build to a maximum height of 47 feet, 9 inches as part of the previously discussed Subchapter 2.12 Affordability Incentives Agreement, the building is designed to include architectural features and separated roof sections intended to break up long facades and mitigate the visual impact of the size of the building. The building is also designed to increase compatibility with the surrounding neighborhood by using peaked roofs, similar in design to the duplexes across the street, rather than the flat roofs more common in urban core multifamily buildings.
   - **Setback from less intensive residential uses:** Potential impacts from the building's height on nearby duplex residential uses located to the west are mitigated by the building being set back 70 feet from Fallmeadow Street. This means that the proposed building will be over 200 feet from the nearest duplex residential use.
   - **Land Use Compatibility**: A three-story multifamily development on the east side of Fallmeadow Street is compatible with the surrounding area, which includes multiple two-story multifamily residential developments to both the east and south and a moderate density, mostly rental, duplex residential neighborhood to the west across Fallmeadow Street.

- **Overall minimum tree canopy and landscape area**: The R7 District requires a minimum 40% tree canopy (estimated at maturity based on tree species) and 20% landscape area in accordance with DDC Table 7.D. Per the proposed landscape plan, this development provides approximately 21% landscape coverage and 40.6% tree canopy coverage, meeting or exceeding the minimum requirements.
- **Interior landscaping:** Per DDC Subsection 7.7.5F, all new developments are required to provide a variety of landscaping elements, chosen from Table 7.E. The subject property has been permitted a 5-point reduction in required landscape points, as an incentive for providing affordable housing, in accordance with the provisions of DDC Subsection 2.12.1.F.2 Affordability Incentives. While this has given the applicant the flexibility to not provide a second landscape parking element, the applicant has only partially taken advantage, choosing to still provide 6 parking endcaps containing large canopy trees, which were not required by the DDC. In addition, to meet the remaining minimum requirements of Table 7.E, the applicant is providing a three-foot high continuous hedge of evergreen shrubs, which are interspersed with larger shrubs to be maintained at a minimum height of 6 feet, non-turf landscaping for the entirety of the planting area along the street frontage, landscape islands interspersed throughout the parking lot containing large canopy trees (when located outside of an easement), 4-inch caliper trees at time of planting, and a minimum of 75% drought-tolerant species. The 14 required street trees the applicant is planting will provide shade for the 10-foot-wide sidewalk the applicant will construct along Fallmeadow Street. The increased size at planting and diversity of landscaping proposed will help screen the parking and buildings, soften the impact of the development along the street frontage, and provide visual interest to the development.

9. *Minimizes Adverse Fiscal Impacts*

   A Fiscal Impact Summary has been completed and it is provided as Exhibit 10. This summary report indicates that the multifamily use would have a positive net impact of $689,300 on the City's General Fund.

10. *Compliance with Utility, Service, and Improvement Standards*

    Water and sewer are available along Fallmeadow Street. A full review of their capacity level will be conducted as part of the Civil Engineering Plan review.

    No negative drainage impact is permitted onto adjacent properties upon development. Detention requirements will be assessed as part of the Civil Engineering Plan review prior to final platting. Drainage facilities required on the subject property will need to comply with the DDC prior to any building permit being issued.

11. *Provides Adequate Road Systems*

    The subject property has approximately 422 feet of frontage on Fallmeadow Street. Fallmeadow Street is an existing collector street on the current Mobility Plan. Access in and out of the development will be through two full-access entrances located off Fallmeadow Street. See Exhibit 7 – Proposed Site Plan.

Due to the number of trips expected to be generated by the development (shown in table below), the applicant was required to submit a Traffic Impact Analysis (TIA).

Land Use	Weekday Trips	AM/PM Peak
Multifamily Housing – Low Rise	846	60/72

Based on the results of the TIA, the proposed development is predicted to have minimal impact on roadway operations within the study area and no recommendations for roadway improvements are identified to be necessary to accommodate the traffic generated by the development. However, as part of developing the property in accordance with the DDC, the following roadway improvements are proposed as part of this project and will be fully reviewed as part of the Civil Engineering Plans:

- Dedicate right-of-way (ROW) for the ultimate cross-section of Fallmeadow Street (65 feet) and widen it to meet the half cross-section of a Collector roadway for the portion of Fallmeadow Street adjacent to the development.
- Construct the 10-foot sidewalk adjacent to Fallmeadow Street along the frontage of the property.

12. *Provides Adequate Public Services and Facilities*

The proposed Multifamily Dwelling use is not anticipated to negatively impact public services and facilities within the area.

This proposed development is required to comply with utility, service, and improvement standards. If the SUP is approved, future applications will be reviewed to ensure compliance with all applicable standards.

Pedestrian Facilities
Internal pedestrian connectivity allows for circulation throughout the development, connecting the entrances to the main building with one another and the dog park. The development will also include three pedestrian connections to the 10-foot sidewalk which the development will construct along Fallmeadow Street.

Water and Wastewater
Development of the subject property will require connection to the existing water and wastewater facilities located adjacent to the subject property in Fallmeadow Street.

Nearest Fire Station
The subject property is approximately 1.28 miles from Fire Station #5 (2230 W. Windsor Drive), within the eight-minute or less response time boundary.

Parks and Libraries
Evers Park is within a 10-minute walk from the subject property (approximately 10 minutes or .5 mile). The Denton Tennis and Pickleball Center at North Lakes Park is an approximately 16-minute walk (.7 mile), and the other amenities at North Lakes Park are within an approximately 30-minute walk (1.4 miles). The North Branch Library is within an approximately 18-minute walk (0.9) miles.

Schools
Per the Denton Independent School District's student generation formula, the proposal would generate approximately 29 elementary students, 11 middle school students, and 16

high school students. The proposed development is located within the attendance zones of Evers Park Elementary School, Calhoun Middle School, and Denton High School.

The proposed development is within a 9-minute walk from Evers Park Elementary School, and a 20-minute walk from Strickland Middle School, although at this time the property is not part of the Strickland Middle School attendance zone.

13. *Rational Phasing Plan*

The project does not have a phasing plan.

B. Subsection 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 Multifamily use is compatible with the surrounding area, which consists of multifamily residential uses, moderate-density duplex residential uses, and undeveloped land designated by a PD for open space and drainage. A number of design elements help to increase the compatibility of this proposed development with the surrounding developments, including:

- The 70-foot front setback of the proposed multifamily building, which is slightly less than twice the average 36-foot setback of surrounding, shorter buildings, in order to mitigate the visual impact of the proposed building's height.
- The architecture of the proposed multifamily building, which is designed to reduce the visual difference between this development and the surrounding, smaller, narrower buildings by breaking up the proposed building's larger facades into smaller, distinct sections.
- The frequency of pedestrian pathways connecting the proposed development to the sidewalk. The applicant has provided more pedestrian connections to the sidewalk than are required by the DDC, bringing the frequency of pedestrian connections closer to the existing pattern along Fallmeadow Street to the south of the subject property. This helps the proposed development to better fit in with the neighborhood, both visually and experientially, than it would if there was only one pedestrian connection to the sidewalk for the whole lot.

Overall, the proposed three-story Multifamily use is appropriately scaled and is compatible with the surrounding moderate-to-high density residential land use pattern.

2. *The specific use proposed has negative impacts on future development of the area; and*

The proposed Multifamily use is anticipated to have no negative impacts on future development of the area. The surrounding area is largely developed, with the only adjacent vacant land being the PD-designated Open Space lot and the City of Denton regional detention pond located to the north of the subject property. Moreover, the proposed development will meet all building design, infrastructure design, and easement sizing standards in the DDC, and is, therefore, not expected to inhibit or negatively impact any future redevelopment of area properties.

3. *Any impacts associated with access, traffic, emergency services, utilities, parking, refuse areas, noise, glare, and odor have been adequately mitigated.*

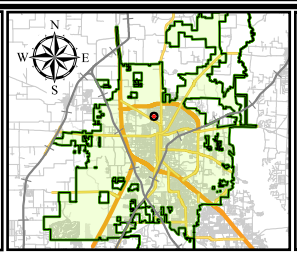
The proposed site plan and landscape plan depict that the development would be in conformance with the requirements of the DDC, including in terms of parking and landscaping -- which have been administratively modified as described in criterion A.4.b above.

- **Access**: Two full access driveways will connect to Fallmeadow Street, providing adequate access to the development. Three sidewalk connections to the perimeter public sidewalk will allow for additional modes of travel.
- **Traffic**: As discussed above, the approved TIA indicates that the proposal is predicted to have minimal impacts to area traffic.
- **Emergency Services**: The site plan allows for adequate emergency access through the two full access points provided. In addition, the development has been designed for an emergency access gate in the southeast corner. However, according to the applicant, the owner of the property to the south did not respond to applicant's request for cross-access (See Exhibit 14). While the applicant will still construct the emergency access exit on the subject property, as shown on the Proposed Site Plan (Exhibit 7), this would only become useable if, in the future, the adjacent property to the south agreed to allow a gate in his fence and a pavement connection to his parking lot from the subject property's parking lot (See Exhibit 7 – Proposed Site Plan).
- **Utilities**: There are utilities available to serve the proposed development, and no negative capacity impacts have been identified. During the Civil Engineering Plan review process, the precise requirements for any public infrastructure improvements, including water, sewer, and drainage, will be determined.
- **Parking**: The majority of onsite parking is located to the sides and rear of the building and, with proposed screening landscaping, is not expected to have a negative visual impact on the right-of-way.
- **Refuse, noise, glare, and odor**: The proposal is not anticipated to create negative impacts related to noise, glare, and odor. Adequate refuse facilities are required to be provided for the development and are reflected on the site plan, and as noted above, the development will be required to follow the DDC's standards for lighting, which are intended to minimize impacts on adjacent properties.

S25-0002
Aerial Site Location



COD
ETJ
ETJ 2
NAA 8/1/20
NAA 8/1/40



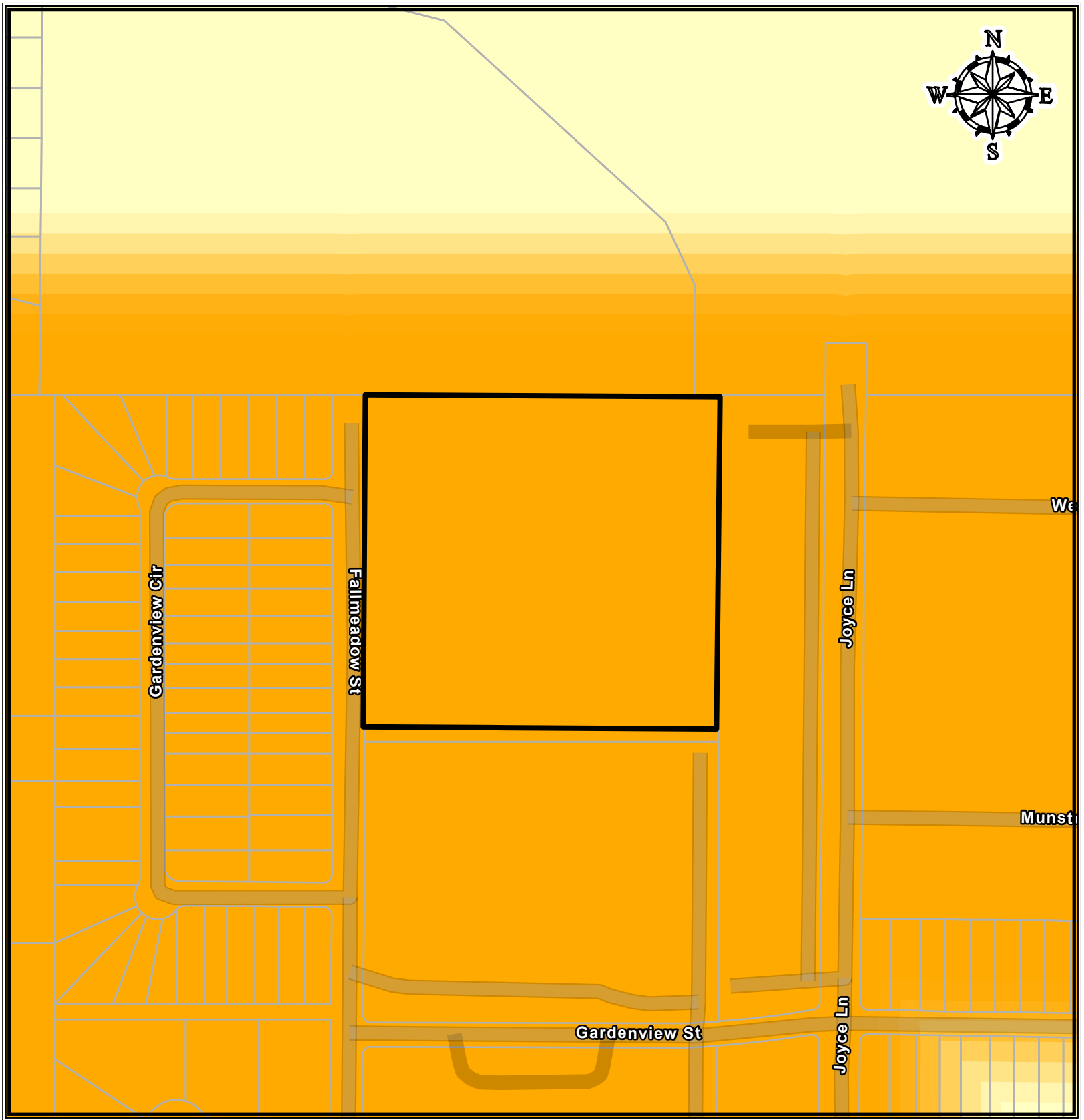
0 25 50 100 Feet

CITY OF DENTON
Development Services · GIS
Date: 5/20/2025

1167

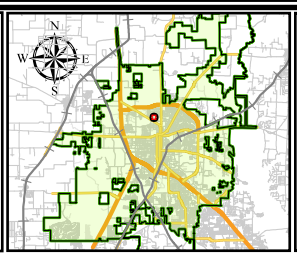
"This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate re of property boundaries. Although every effort was made to ensure the accuracy 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."

S25-0002
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



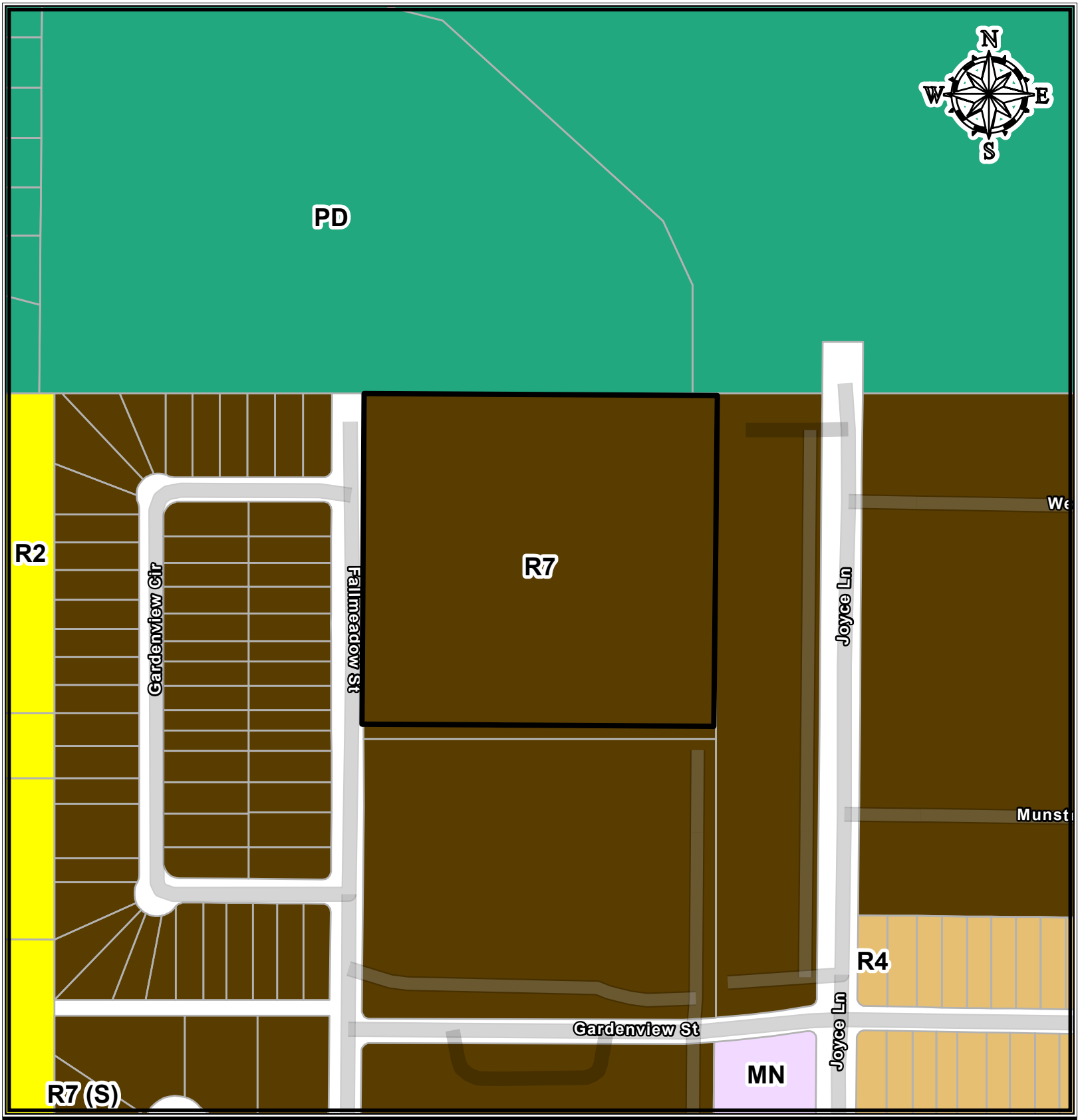
0 45 90 180 Feet

CITY OF DENTON
Development Services · GIS
Date: 5/20/2025

1168

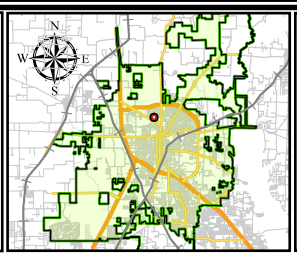
"This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate re of property boundaries. Although every effort was made to ensure the accuracy 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."

S25-0002
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



0 45 90 180 Feet

CITY OF DENTON
Development Services · GIS
Date: 5/20/2025

1169

"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 re 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."

Project Narrative
Palladium Denton West – SUP Request

Overview: On behalf of Palladium USA International, Inc. "Palladium", Maxwell Fisher of ZoneDev requests approval of a Specific Use Permit for a 120-unit multi-family proposal on the approximate 4.11-acre property northeast of Fallmeadow Street and Gardenview Circle. The development will consist of a single, 3-story building surrounding an outdoor amenity courtyard. The residential community will be comprised of 36, 1-bedroom units, 60, 2-bedroom units, and 24, 3-bedroom units. The residential development will provide affordable housing and qualifies for the city's affordable housing program with respect to administrative approval of certain deviations from city code.

Site Conditions and Surrounding Properties: The subject property is undeveloped. The property is primarily flat with a few small hills. There are a limited number of trees on the property. The property has reasonable access to connect to water and sewer, and the property can be designed to drain stormwater without negative impact to surrounding properties. The subject property is embedded in a higher density residential area with existing multi-family zoning to the west, south and east of the property. There are multi-family zoned properties to the east and south developed with 2-story multi-family developments. The property to the west is zoned multi-family but was developed into single story duplexes. Fallmeadow Street separates the subject property from the neighborhood to the west, providing an appropriate transition. The property to the north is undeveloped except for drainage infrastructure to the northeast.

Proposed Community: Palladium, as a developer of high-quality residential communities, has an excellent reputation for delivering best in class living communities. Palladium's developments bring a range of both interior and exterior amenities, as well as several programs designed to enhance the lives of their residents. Palladium is a leader in residential facility management. Unlike most developers, Palladium is a long-term owner and true fixture in the communities they occupy. Palladium is an active partner in the community, regularly providing services and participating in meaningful activities that enrich the lives of their residents and others in the community.

The main building entrance will face Fallmeadow Street. The single building will aid in creating an aesthetically pleasing streetscape. The design team placed the building as close to Fallmeadow as possible to best engage the street, connect residents to the public realm, and to create a neighborhood feel along Fallmeadow Street. There would be street trees, a 10-foot wide sidewalk along Fallmeadow Street followed by additional trees and plant material as part of an Alternate Landscape Plan. Trees will be preserved in certain peripheral locations to provide shade and immediate enhanced value to the community. There will be an interior amenity courtyard with a recreation area that includes a pool.

Affordable Housing: Palladium requests administrative approval of certain deviations from code or alternative compliance allowed under the city's housing affordability incentive program, Section 2.12 Affordability Incentive Procedures. Palladium requests the Affordability Incentive Qualifications apply to the following requests:

1) **Building Height in Transition Areas: Increase the building height to 3 stories not to exceed 48 feet in height. Section 2.12.F.2.f** The proposed building height ranges from approximately 43 feet on the west side to 48 feet near the northeast corner because of grade change. The third story and additional height will allow a steeper gable roof and taller ceilings between floors. A steeper roof will create a more aesthetically pleasing building design, and a higher quality

development. The proposed height is generally compatible with the adjacent zoning districts and properties, allowing a maximum of 40 feet in height. The multi-family properties to the east and south are multi-stories in height. Fallmeadow will provide adequate spacing from the duplexes to the west. *Section 7.10.6*

2) **Off-street Parking: Decrease the parking requirement to 1 parking space for each of the 81 affordable housing units, or 81 parking spaces. Section 2.12.F.2.i** Palladium is taking advantage of the City of Denton's affordable housing ordinance. The requested reduction will better align with actual parking demand. Strict compliance with the parking requirement would leave inadequate space for the building, less open space/landscape area and disruption to existing protected trees, decreasing quality of life for future residents. *Section DDC 7.9.4 & Table 7.9-I*

3) **Parking Lot Landscaping: Exemption from Section B of the parking lot landscaping requirement. Section 2.12.F.2.h** Request to re-located parking lot landscaping islands with trees required along the eastern perimeter to avoid conflict with a required utility easement. The affordable housing incentive program allows a reduction in required landscaping points. *DDC 7.7.5 F.4.b.ii & Table 7.E*

Modification of Minimum Parking Requirement by Director: In accordance with DDC 7.9.5G, decrease the parking requirement to 2 parking spaces per each of the 39 market-rate multi-family units, or 78 required parking spaces. The requested reduction will better align with actual parking demand. Palladium requests to decrease the parking requirement for the 39 market-rate units to 2 parking spaces per unit. The requested reduction is warranted based on the demand data below taken from Palladium properties. The overall parking requirement would be 159 parking spaces. Palladium will provide approximately 169 on-site parking spaces while yielding approximately 155 vehicles parked at peak hour. - *Section 7.9.4, Table 7.9-I*

Property	Date	Time of Count	Number of Cars	Total Bedrooms	Total Units	Cars/ Bedroom	Proposed Parking Spaces
Palladium Farmersville	3/30/2023	2:00 AM	104	152	80	0.68	
Dallas Stemmons	3/30/2023	2:00 AM	92	142	87	0.64	
Palladium Fain Street	3/30/2023	2:00 AM	87	134	90	0.64	
Palladium Farmersville	4/4/2023	2:00 AM	86	152	80	0.56	
Dallas Stemmons	4/4/2023	2:00 AM	90	142	87	0.63	
Palladium Fain Street	4/4/2023	2:00 AM	89	134	90	0.66	
Denton West Projected	-	-	155	228	120	0.68	169

Project Narrative
Palladium Denton West – SUP Request

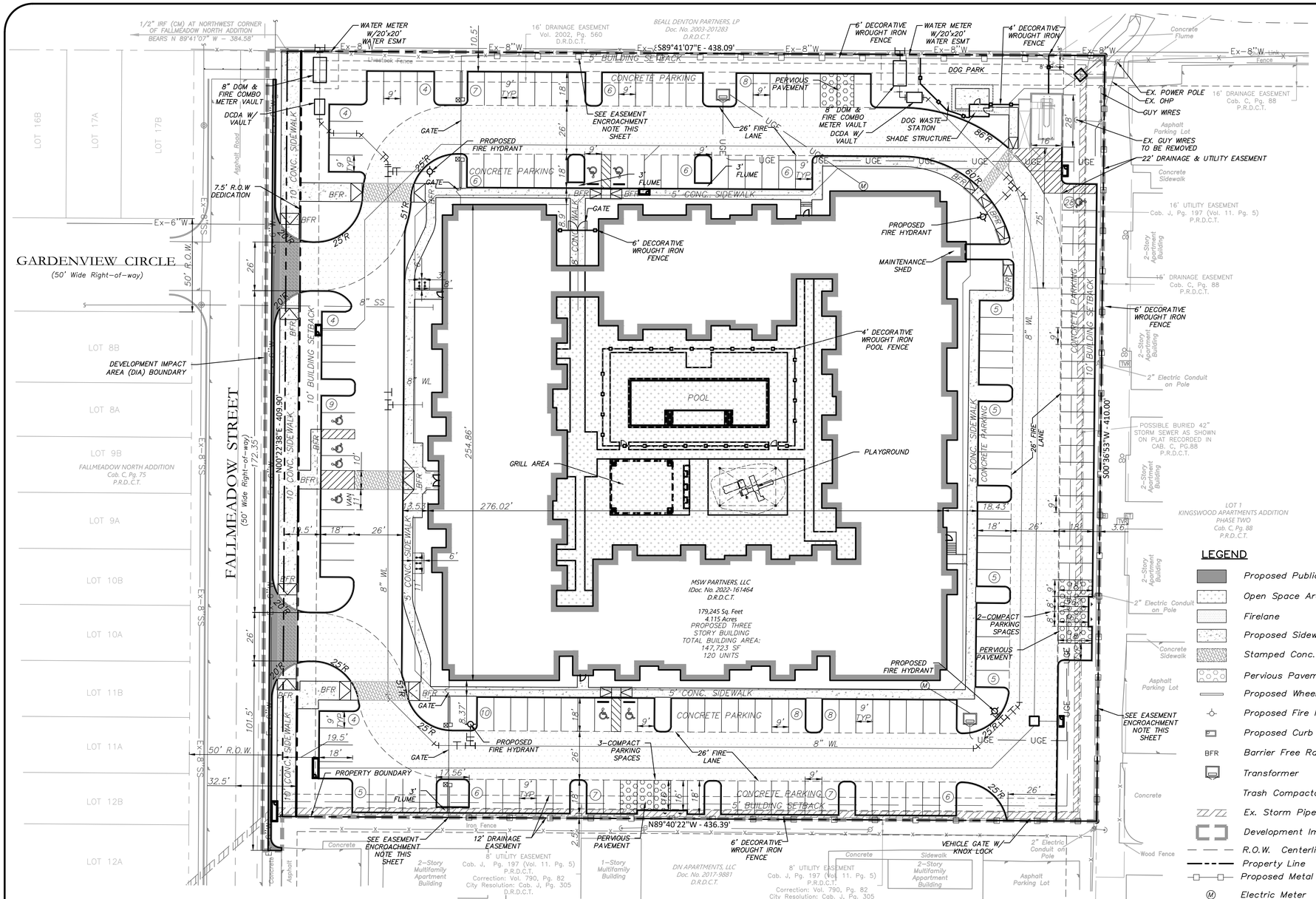
Conformance with the Denton 2040 Comprehensive Plan: The subject property and most of the surrounding properties are designated as "Moderate Residential" on the Future Land Use Map of the Denton 2040 Comprehensive Plan. "Moderate Residential" includes development with densities of 5 to 10 units per acre. This density would be infeasible on the property of this size. Moreover, the three adjacent multi-family properties have densities ranging from 21 to 31 units per acre. The proposed density of 26 units per acre is necessary to construct a high quality fully amenitized multi-family development. This density would be generally consistent with the adjacent multi-family properties.

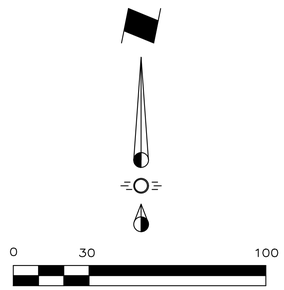
The Fiscal and Economic Vitality section of the Plan called for a "…broad array of housing choices…" and "re-investment and infill" in underutilized areas of the city." The proposal would provide a high-quality residential development on an infill property. The proposal is in general conformance with the Denton Plan.

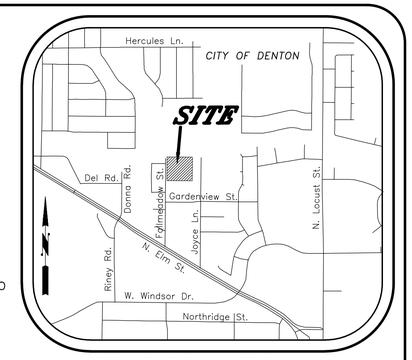
Infrastructure: Please refer to the enclosed summary on utility infrastructure and stormwater management.

Specific Use Permit Criteria:

- The proposal will be compatible with the surrounding residential uses.
- The development will have appropriate building setbacks and landscaping to minimize impacts to adjacent properties.
- The development will comply with the DDC and other applicable codes with exception of the aforementioned items.
- There will be two points of vehicular access including a looped two-way driveway through the property to provide excellent access. Parking will be screened from the street and the refuse container will be screened.
- The proposal will be in general conformance with the Denton 2040 Comprehensive Plan
- The proposed use will not adversely impact the health, safety, and welfare of the residents of the area and the City of Denton







Vicinity Map
NTS

SITE DATA TABLE

B.B.B. & C.R.R. SURVEY, ABST. NO. 186

ZONING: R-7 DISTRICT
PROPOSED USE: MULTI-FAMILY

ITEM	REQUIRED	PROVIDED
GENERAL SITE DATA		
LOT AREA: GROSS	-	179,245 SF
	-	4.115 AC
LOT AREA: POST R.O.W. DEDICATION	-	176,171 SF
	-	4.044 AC
BUILDING AREA - FOOTPRINT	-	49,811 SF
BUILDING AREA - TOTAL	-	147,723 SF
BUILDING HEIGHT: Max	-	47'-9"
BUILDING HEIGHT: Min	-	41'-9"
BUILDING STORIES	-	3 STORY
BUILDING COVERAGE	-	28%
DEVELOPMENT IMPACT AREA	-	183,764 SF
MULTIFAMILY UNITS		
STUDIO	-	0 UNITS
1 BEDROOM	-	36 UNITS
2 BEDROOM	-	60 UNITS
3 BEDROOM	-	24 UNITS
4 BEDROOM	-	0 UNITS
TOTAL UNIT COUNT	-	120 UNITS
MARKET RATE UNITS		39 UNITS
AFFORDABLE UNITS		81 UNITS
MINIMUM UNIT SIZE:	-	680 SF
PARKING		
PARKING RATIO - AFFORDABLE UNITS	1 PER UNIT[1] *81 UNITS = 81	
PARKING RATIO - MARKET RATE UNITS	2 PER UNIT[2] * 39 UNITS = 78	
PARKING SPACES	159	169
ACCESSIBLE PARKING PROVIDED	5	9
COVERED PARKING PROVIDED	-	0
COMPACT PARKING SPACES PROVIDED	0	4
BICYCLE SPACES PROVIDED	8	10
PARKING IN EXCESS OF 125% OF REQUIRED	0	0
LANDSCAPE AREA		
OPEN SPACE	8% - 14,702 SQFT	18,487 SQFT
LANDSCAPED AREA	20% - 36,753 SQFT	38,724 SQFT
TREE CANOPY	40% - 50,544 SQFT	51,342 SQFT
PERMEABLE AREA		49,375 SQFT
IMPERVIOUS AREA		
BUILDING FOOTPRINT AREA	-	49,811 SQFT
PAVEMENT AND OTHER FLATWORK	-	76,985 SQFT
TOTAL IMPERVIOUS AREA	-	126,796 SQFT
WATER UTILITIES		
WATER DEMAND - DOMESTIC (GPD)		96,000 GPD
WATER DEMAND - DOMESTIC (GPM)		66.67 GPM
WATER DEMAND - FIRE (GPM)		3,000 GPM
WATER DEMAND - IRRIGATION (GPM)		120 GPM
Preliminary Water-Supply Fixture-Unit (WSFU) Value		1,912 WSFU's
WATER DEMAND - PEAK HOURS (GPD)		144,000 GPD
WASTEWATER LOADING (GPD)		30,000 GPD
WASTEWATER LOADING (GPM)		20.83 GPM
WASTEWATER LOADING PEAK FLOW (GPD)		120,000 GPD
WASTEWATER LOADING PEAK FLOW (GPM)		83 GPM

1 PARKING REDUCTION PER AFFORDABLE INCENTIVE, SECTION B, ITEM #9
2 PARKING REDUCTION FOR MARKET RATE UNITS PER APPROVED PARKING STUDY.

LEGEND

- Proposed Public Asphalt
- Open Space Area
- Firelane
- Proposed Sidewalk
- Stamped Conc. Crosswalk
- Pervious Pavement
- Proposed Wheel Stop Typical
- Proposed Fire Hydrant
- Proposed Curb Inlet
- BFR Barrier Free Ramp
- Transformer
- Trash Compactor
- Ex. Storm Pipe
- Development Impact Area
- R.O.W. Centerline
- Property Line
- Proposed Metal Fence
- (M) Electric Meter
- UGE Electric Route

DEVELOPER:
MSW Partners
3000 Race Street
Suite 100
Fort Worth, TX. 76111
Phone (817) 726-8586
Contact: Wayne Burgdorf

ARCHITECT:
RDL Architects
21111 Chagrin Blvd.
Suite 110
Beachwood, OH 44122
Phone (216) 752-4300

ENGINEER:
Cross Engineering Consultants, Inc.
1720 W. Virginia Street
McKinney, TX. 75069
Phone (972) 562-4409
Fax (972) 562-4471
Contact: Jonathan Hake

SURVEYOR:
Ringley & Associates
701 S. Tennessee St.
McKinney, TX. 75069
Phone (972) 542-1266
Fax (972) 542-8682
Contact: Lawrence Ringley

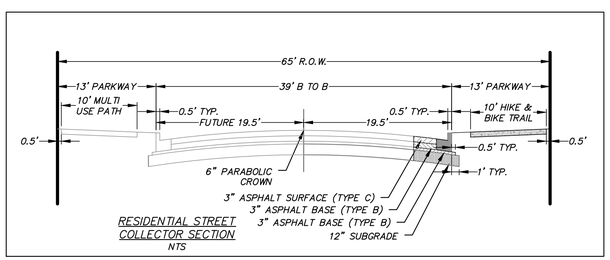
SITE BENCHMARKS

BM-1 = City of Denton Survey Benchmark #12-76-2 at the southwest corner of property. Elev.=679.81

BM-2 = "X" in top of concrete curb on the east side of Joyce Lane at the north end of street, 125'± south of the gate to a concrete flume to the north of the street. Elev.=676.61

CITY BENCHMARK USED FOR CONTROL

#12-76-2 = Standard City of Denton Bronze Cap in concrete at the southwest corner of the inlet on Fallmeadow Street approximately 1,000 feet north of 377 on east side of street. Elev.=679.81



RESIDENTIAL STREET COLLECTOR SECTION
NTS

EASEMENT ENCROACHMENT NOTE:
AS A CONDITION OF THE ALLOWING THE ENCROACHMENTS IN THE EXISTING EASEMENTS, OWNER ACKNOWLEDGES THAT THE CITY OF DENTON HAS THE RIGHTS OF CONSTRUCTING PUBLIC DRAINAGE IMPROVEMENTS, DRAINAGE MAINTENANCE, INSPECTION, OR OTHER RELATED PUBLIC DRAINAGE WORK WITHIN THE EXISTING DRAINAGE EASEMENT. OWNER ACKNOWLEDGES THE CITY'S RIGHT TO REMOVE THE FENCE AND ANY OTHER PRIVATE IMPROVEMENTS ENCROACHING WITHIN THE EASEMENT. CITY OF DENTON IS NOT LIABLE FOR ANY REIMBURSEMENT, REPLACEMENT, OR DAMAGES INCURRED BY THE ENCROACHMENT OF PRIVATE IMPROVEMENTS, INCLUDING PAVING, LANDSCAPING, OR STRUCTURES.

TRIP GENERATION TABLE

Land Use	ITE Code	Rates								
		Average Weekday			AM Peak Hour			PM Peak Hour		
Multi-Family Housing (Mid-Rise)	220	T=6.41(x)+75.31			T = 0.31(x) + 22.85			T = 0.43(x) + 20.55		
		Direction Split								
		Average Weekday			AM Peak Hour			PM Peak Hour		
		50/50			24/76			63/37		
		Average Weekday			AM Peak Hour			PM Peak Hour		
	Units	Total	In	Out	Total	In	Out	Total	In	Out
Multi-Family Housing	120	845	422	422	60	14	46	72	44	28

Date of Preparation: May 16, 2025

Existing Zoning: R-7 District

Proposed Land Use: Multi-Family

Issue Date	Description
1 2/11/2025	
2 3/25/2025	
3 4/22/2025	
4 5/16/2025	
5 5/29/2025	
6	

CROSS ENGINEERING CONSULTANTS
1720 W. Virginia Street • McKinney, Texas 75069
972.562.4409 • Texas P.E. Firm No. F-5935

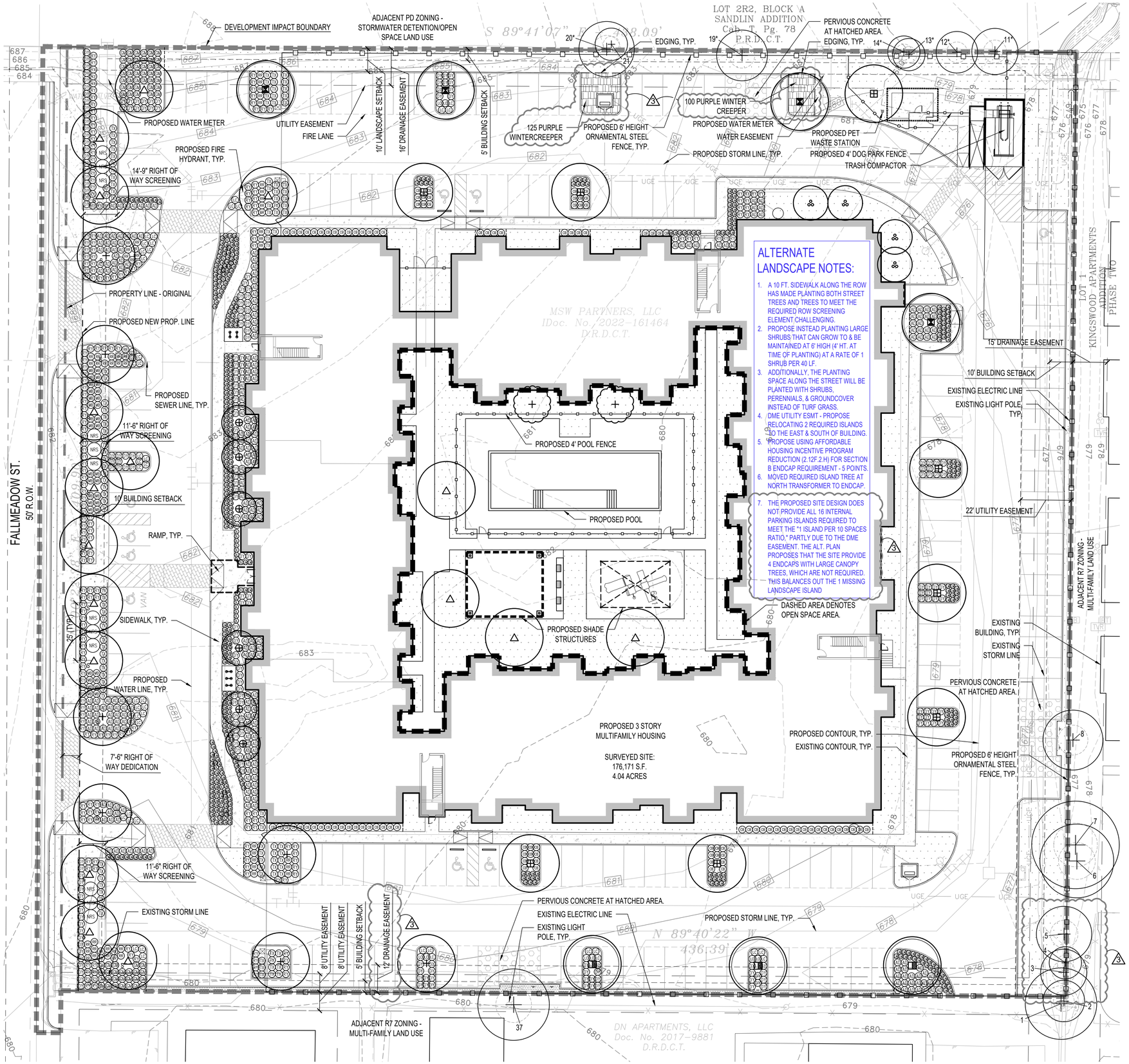
THIS DOCUMENT IS RELEASED FOR THE PURPOSE OF INTERIM REVIEW UNDER THE AUTHORITY OF JONATHAN D. HAKE, P.E. NO. 94738 ON 5/29/2025. IT IS NOT TO BE USED FOR CONSTRUCTION PURPOSES.

SUP SITE PLAN

PALLADIUM DENTON WEST
4.115 ACRES - 179,245 SF
B.B.B. & C.R.R. SURVEY, ABST. NO. 186
CITY OF DENTON, DENTON COUNTY, TEXAS

Sheet No.
SP
SUP25-0002
Project No.
24084

PALLADIUM DENTON WEST



ALTERNATE LANDSCAPE NOTES:

1. A 10 FT. SIDEWALK ALONG THE ROW HAS MADE PLANTING BOTH STREET TREES AND TREES TO MEET THE REQUIRED ROW SCREENING ELEMENT CHALLENGING.
2. PROPOSE INSTEAD PLANTING LARGE SHRUBS THAT CAN GROW TO & BE MAINTAINED AT 6' HIGH (4' HT. AT TIME OF PLANTING) AT A RATE OF 1 SHRUB PER 40 LF.
3. ADDITIONALLY, THE PLANTING SPACE ALONG THE STREET WILL BE PLANTED WITH SHRUBS, PERENNIALS, & GROUNDCOVER INSTEAD OF TURF GRASS.
4. DME UTILITY ESMT - PROPOSE RELOCATING 2 REQUIRED ISLANDS TO THE EAST & SOUTH OF BUILDING.
5. PROPOSE USING AFFORDABLE HOUSING INCENTIVE PROGRAM REDUCTION (2.12F.2.H) FOR SECTION B ENDCAP REQUIREMENT - 5 POINTS.
6. MOVED REQUIRED ISLAND TREE AT NORTH TRANSFORMER TO ENDCAP.
7. THE PROPOSED SITE DESIGN DOES NOT PROVIDE ALL 16 INTERNAL PARKING ISLANDS REQUIRED TO MEET THE "1 ISLAND PER 10 SPACES RATIO," PARTLY DUE TO THE DME EASEMENT. THE ALT. PLAN PROPOSES THAT THE SITE PROVIDE 4 ENDCAPS WITH LARGE CANOPY TREES, WHICH ARE NOT REQUIRED. THIS BALANCES OUT THE 1 MISSING LANDSCAPE ISLAND

LANDSCAPE PLANTING NOTES:

1. ALL WEEDS WITHIN THE LIMITS OF CONSTRUCTION ARE TO BE REMOVED AND TAKEN OFF SITE BY THE CONTRACTOR. ROOT SYSTEMS SHOULD BE ERADICATED.
2. FINISH GRADES OF PLANT BED AREAS (TOP OF MULCH), SOD (TOP OF SOD), HYDROMULCH (TOP OF TOPSOIL), SHALL BE FLUSH WITH ADJACENT PAVING.
3. TRENCHING AND SITE WORK PERFORMED WITHIN THE PROMINENT ROOT ZONES OF EXISTING TREES SHALL BE DONE BY HAND OR AIR SPADE UNLESS OTHERWISE SPECIFIED BY THE LANDSCAPE ARCHITECT. NO ROOTS OVER 1" DIA. SHALL BE CUT.
4. VERIFY PLANT COUNTS AND SQUARE FOOTAGES: IF QUANTITIES ON PLANT SCHEDULE DIFFER FROM GRAPHIC INDICATIONS, THEN GRAPHICS SHALL PREVAIL.
5. LANDSCAPE ARCHITECT TO REVIEW PLANT MATERIALS AT SOURCE OR BY PHOTOGRAPHS OF ACTUAL MATERIAL TO BE PLANTED PRIOR TO PURCHASE, DIGGING, OR SHIPPING OF PLANT MATERIALS.
6. PROVIDE MATCHING FORMS AND SIZES FOR PLANT MATERIALS WITHIN EACH SPECIES AND SIZE DESIGNATED ON THE DRAWINGS.
7. PLANT NAMES USED ON THE PLANS COMPLY WITH STANDARD HORTICULTURAL NOMENCLATURE, AND NAMES GENERALLY ACCEPTED IN THE NURSERY TRADE. THE LANDSCAPE ARCHITECT, OR OWNERS REPRESENTATIVE SHALL REVIEW ALL PLANTS AT THE TIME OF DELIVERY TO THE SITE. IF THE CONTRACTOR FAILS TO NOTIFY THE LANDSCAPE ARCHITECT, OR OWNERS REPRESENTATIVE FORTY-EIGHT (48) HOURS IN ADVANCE OF THE DELIVERY TIME, AND/OR DOES NOT CALL FOR OBSERVATION OF THE MATERIAL, THE CONTRACTOR SHALL BE LIABLE FOR ALL REMOVAL AND REPLACEMENT COSTS OF THE PLANT MATERIAL. THE PLANT MATERIAL WILL BE JUDGED AND ACCEPTED OR REJECTED ON BASIS OF THE FOLLOWING CRITERIA:
   a. PROVIDE PLANTS OF QUALITY, SIZE, GENUS, SPECIES, AND VARIETY AS INDICATED ON THE PLANS AND AS COORDINATED WITH THE LANDSCAPE ARCHITECT.
   b. PLANTS SHALL BE FREE OF DISEASE, INSECTS, EGGS, LARVAE, AND DEFECTS, CONFORMING TO ANSI Z60.1
   c. TREE CANOPIES SHALL HAVE AN INTACT AND UNDAMAGED CENTRAL LEADER.
   d. TREES ARE REQUIRED TO STAND UPRIGHT WITH NO SUPPORT AND HAVE PROPER TRUNK CALIPER AND TAPER. TREES HAVING "BROOM STICK" TRUNKS WITH "POODLE" TOPS WILL NOT BE ACCEPTED.
   e. BARK SHALL BE DAMAGE FREE WITH ALL MINOR CUTS AND ABRASIONS SHOWING HEALING TISSUE. FOLIAGE, ROOTS AND STEMS OF ALL PLANTS SHALL BE OF VIGOROUS HEALTH AND NORMAL HABIT OF GROWTH FOR ITS SPECIES. ALL PLANTS SHALL BE FREE OF INSECT INFESTATIONS AND DISEASES. TOP GROWTH SHALL BE PROPORTIONATE TO BOTTOM GROWTH.
   f. SHRUBS TRANSPLANTED IN AN UP-SIZED CONTAINER LARGER THAN SPECIFIED SIZE, SHALL HAVE BEEN GROWN IN THAT CONTAINER FOR A SUFFICIENT LENGTH OF TIME TO DEVELOP NEW FIBROUS ROOTS, SO THAT ROOT MASS WILL FILL THE CONTAINER.
   g. AREAS DISTURBED BY CONSTRUCTION AND ARE NOT SCHEDULED TO BE IMPROVED SHALL BE REPAIRED TO THE STATE THAT IT WAS PRIOR TO THE START OF CONSTRUCTION.
8. ALIGN AND EQUALLY SPACE IN ALL DIRECTIONS PLANTS SO DESIGNATED PER THESE NOTES AND DRAWINGS.
9. EXACT LOCATIONS OF PLANT MATERIALS TO BE APPROVED BY THE LANDSCAPE ARCHITECT IN THE FIELD PRIOR TO INSTALLATION. LANDSCAPE ARCHITECT RESERVES THE RIGHT TO DIRECT THE ADJUSTMENT OF PLANTS TO EXACT LOCATION IN FIELD.
10. IF PLANT MATERIAL IS BALL AND BURLAP, CUT AND REMOVE BURLAP FROM TOP 1/3 OF BALL. CONTAINER GROWN STOCK WILL HAVE THE OUTSIDE EDGE OF THE ROOTBALL LOOSENED BY HAND AFTER REMOVING FROM THE CONTAINER.
11. PRUNE NEWLY PLANTED TREES ONLY AS DIRECTED BY LANDSCAPE ARCHITECT.
12. PROVIDE SPECIFIED EDGING AS DIVIDER BETWEEN PLANTING BEDS AND LAWN AREAS.
13. PLANT SPACING LISTED IN PLANT SCHEDULE IS A MAXIMUM TYPICAL SPACING. IF PLANTS ARE SHOWN CLOSER ON THE PLAN THEY SHOULD BE INSTALLED PER THE PLAN.
14. ALL PROPOSED TURF GRASS AREAS SHALL HAVE 6" DEPTH OF CLEAN (NO WEEDS, ROOTS, DEBRIS, VEGETATION) TOPSOIL, UNLESS A LESSOR DEPTH IS REQUIRED BY THE LOCAL JURISDICTION. TOP SOIL SHOULD BE ATTAINED FROM A REPUTABLE SOURCE LOCATED WITHIN 50 MILES OF THE PROJECT SITE.
15. ALL SOD INSTALLED ON SLOPES 4:1 OR STEEPER SHALL HAVE BIODEGRADABLE STAKES / STAPLES INSTALLED.
16. ALL PLANTING BED SOIL MIX SHALL BE AMENDED TOPSOIL. CONTRACTOR TO PROVIDE A SOIL TEST RESULTS TO THE LANDSCAPE ARCHITECT FOR REVIEW AND APPROVAL OF TOPSOIL TO BE USED, AND THE APPROPRIATE AMENDMENTS TO BE ADDED TO THE TOPSOIL TO PROVIDE OPTIMUM GROWING CONDITIONS. ALL TOPSOIL SHALL BE FREE OF ROCKS LARGER THAN 3/4" DIAMETER, DELETERIOUS MATERIAL AND ANY DEBRIS.
17. NO TREE SHALL BE PLANTED CLOSER THAN 9 FEET FROM ANY UNDERGROUND WATER OR WASTEWATER UTILITY CONNECTION OR MAIN.

LEGEND:

34 — EXISTING TREE TO REMAIN

BLU FISH COLLABORATIVE
Landscape Architecture
107 Leland Street, Suite 2
Austin, TX 78704
P.O. BOX 40792
Austin, TX 78704
Phone: (512) 388-4115

PROFESSIONAL SEAL:

REGISTERED LANDSCAPE ARCHITECT MICHAEL R. FISHBAUGH 2453 STATE OF TEXAS

DATE SEALED: 05/19/2025

PROJECT NAME:
PALLADIUM DENTON WEST

OWNER:
PALLADIUM USA

PROJECT LOCATION:
FALLMEADOW ST.
DENTON, TEXAS 76207

REVISIONS:
1 03-25-2025 CITY COMMENTS
2 04-22-2025 CITY COMMENTS
3 05-19-2025 CITY COMMENTS

CALL BEFORE YOU DIG - TEXAS811.ORG

NORTH
SCALE IN FEET (1"=20'-0")
0 10 20 50

PROJECT #: 121-24-01
DATE PRINTED: 02/11/2025
DRAWING TITLE:
ALTERNATE LANDSCAPE PLAN

SHEET NO.: 2 1
L200

CITY OF DENTON - # TPP25-0006
S25-0002

LANDSCAPE LEGEND: 2

NOTES:
1. THE CONTRACTORS (GENERAL AND SUBCONTRACTORS) SHALL PROVIDE UNIT COSTS FOR ALL SOFTSCAPE AND HARDSCAPE MATERIAL SPECIFIED ON THE DRAWINGS AND SPECIFICATIONS. UNIT COSTS SHALL BE PROVIDED FOR MATERIALS AND INSTALLATION SEPARATELY. UNIT COSTS SHALL BE: 'EACH' FOR PLANT MATERIAL, 'SQUARE FOOT' OR 'SQUARE YARD' FOR PAVEMENTS, LINEAR FOOT FOR WALL AND FENCE, 'EACH' FOR SITE FURNISHINGS AND SITE AMENITIES, 'CUBIC YARD' OR 'CUBIC FOOT' FOR SOIL, MULCH AND OTHER BULK PRODUCTS AND 'EACH' OR 'LUMP SUM' FOR MISCELLANEOUS ITEMS. THE UNIT COST SHALL BE FORMATTED TO HAVE COLUMNS FOR; ITEMS, UNIT, UNIT COST, TOTAL ITEM COST.
2. PLANT QUANTITIES ARE PROVIDED FOR OWNER CONVENIENCE ONLY. CONTRACTOR IS RESPONSIBLE FOR VERIFYING AND PROVIDING PLANT QUANTITIES SHOWN ON THE LANDSCAPE PLAN.
3. CONTRACTOR IS RESPONSIBLE FOR LOCATING AND SECURING TREE AND PLANT MATERIAL IN ADVANCE. BECAUSE OF THE LONG LEAD TIME ON THIS INSTALLATION AND THE RECENT SHORTAGE ON TREE CROP, CONTRACTOR SHALL RESERVE OR CONTRACT GROW TREES WITH A GROWER.

SHADE TREES

SYM.	QTY.	COMMON NAME, *BOTANICAL NAME*	SPEC.	CANOPY
	4	LACEBARK ELM, *U. PARVIFOLIA SEMPERVIRENS*	100 GAL., 4" CAL., 14' - 16' HT. MINIMUM, CONTAINER GROWN	1,256 S.F.
	7	CHINQUAPIN OAK, *QUERCUS MUHLENBERGII*	100 GAL., 4" CAL., 14' - 16' HT. MINIMUM, CONTAINER GROWN	1,256 S.F.
	3	BALD CYPRESS, *TAXODIUM DISTICHUM*	100 GAL., 4" CAL., 14' HT. MINIMUM, CONTAINER GROWN	1,256 S.F.
	8	SHUMARD RED OAK, *QUERCUS SHUMARDII*	100 GAL., 4" CAL., 14' - 16' HT. MINIMUM, CONTAINER GROWN	1,256 S.F.
	3	LIVE OAK, *QUERCUS VIRGINIANA*	100 GAL., 4" CAL., 14' - 16' HT. MINIMUM, CONTAINER GROWN	1,256 S.F.
S	4	LIVE OAK, *QUERCUS VIRGINIANA* (STREET TREE)	100 GAL., 4" CAL., 14' - 16' HT. MINIMUM, CONTAINER GROWN	1,256 S.F.
S	10	CHINQUAPIN OAK, *QUERCUS MUHLENBERGII* (STREET TREE)	100 GAL., 4" CAL., 14' - 16' HT. MINIMUM, CONTAINER GROWN	1,256 S.F.

ORNAMENTAL TREES

SYM.	QTY.	COMMON NAME, *BOTANICAL NAME*	SPEC.	CANOPY
	4	TEXAS REDBUD, *CERCIS CANADENSIS VAR. TEXENSIS*	30 GAL., 6' HT. MINIMUM, CONTAINER GROWN, SINGLE	314 S.F.
	2	DESERT WILLOW, *CHILOPSIS LINEARIS 'BUBBA'*	30 GAL., 6' HT., CONTAINER GROWN, MULTI	314 S.F.
	6	TUSCARORA CRAPEMYRTLE, *LAGERSTROEMIA INDICA X FAURIEI 'TUSCARORA'*	30 GAL., 7' HT., CONTAINER GROWN, MULTI	79 S.F.

SHRUBS, PERENNIALS, GROUNDCOVERS

SYM.	QTY.	COMMON NAME, *BOTANICAL NAME*	CONTAINER	SPACING
CB	101	CRIMSON PYGMY DWARF BARBERRY, *BERBERIS THUNBERGII 'CRIMSON PYGMY'*	3 GALLON	3' O.C.
D	32	DAYLILY, *HEMEROCALLIS* 'STELLA D' ORO'	1 GALLON	2' O.C.
RY	210	RED YUCCA, *HESPERALOE PARVIFLORA*	3 GALLON	3' O.C.
NRS	12	NELLIE R. STEVENS HOLLY, *ILEX X 'NELLIE R. STEVENS'*	10 GALLON, 4' HT. MIN.	6' O.C.
DY	205	DWARF YAUPON HOLLY, *ILEX VOMITORIA* 'STOKES DWARF'	3 GALLON	3' O.C.
LC	54	NEW GOLD LANTANA, *LANTANA CAMARA 'NEW GOLD'*	1 GALLON	3' O.C.
TX	113	TEXAS SAGE, *LEUCOPHYLLUM FRUTESCENS* 'GREEN CLOUD'	5 GALLON	3' O.C.
M	426	BIG BLUE LIRIOPE, *LIRIOPE MUSCARI* 'BIG BLUE'	1 GALLON	2' O.C.
RR	54	ROCK ROSE, PAVONIA LASIOPETALA	3 GALLON	3' O.C.
MB	34	MEALY BLUE SAGE, *SALVIA FARINACEA 'HENRY DUELBERG'*	3 GALLON	3' O.C.

NATIVE AND ORNAMENTAL GRASSES

SYM.	QTY.	COMMON NAME, *BOTANICAL NAME*	CONTAINER	SPACING
AG	235	ADAGIO MAIDEN GRASS, *MISCANTHUS SINENSIS* 'ADAGIO'	1 GALLON	3' O.C.
GM	66	GULF MUHLY GRASS, *MUHLENBERGIA CAPILLARIS*	1 GALLON	3' O.C.
	225	PURPLE WINTERCREEPER, EUONYMUS FORTUNEI, 'COLORATUS'	1 GALLON	2' O.C.

TURF GRASS

SYM.	QTY.	COMMON NAME, *BOTANICAL NAME*	TYPE
	SEE PLAN	TIFTUF BERMUDAGRASS, *CYNODON DACTYLON 'TIFTUF'*	SOD

CITY OF DENTON LANDSCAPE REQUIREMENTS:

TREE CANOPY REQUIREMENTS:

METHOD OF TREE CANOPY CALCULATION:
ENTIRE LOT BEING DEVELOPED, MINUS THE FOOTPRINT AREA OF PROPOSED BUILDING.

1 TREE CANOPY:
LOT SIZE - 176,171 SF
BUILDING FOOTPRINT - 49,811 SF
LOT SIZE MINUS BUILDING FOOTPRINT = 126,360 SF
TREE CANOPY REQUIRED (40%) - 50,544 SF
2 TREE CANOPY PROPOSED - 51,342 SF (40.6%)

PROPOSED NEW TREES:

LARGE CANOPY - 1,256 SF
39 TREES X 1,256 = 48,984 TOTAL SF

LARGE ORNAMENTAL - 314 SF
6 TREES X 314 = 1,884 TOTAL SF

SMALL ORNAMENTAL TREE - 79 SF
6 TREES X 79 = 474 SF TOTAL SF

TOTAL CANOPY PROVIDED:
48,984 + 1,884 + 474 = 51,342 SF

LANDSCAPE REQUIREMENTS:

ZONING - R7 - 20% LANDSCAPE AREA & 40% TREE CANOPY COVER REQUIRED

REQUIRED LANDSCAPE AREAS:
DEVELOPMENT IMPACT AREA - 183,764 SF
REQUIRED 20% - 36,753 SF
PROPOSED - 38,724 SF (21%)

REQUIRED OPEN SPACE:
DEVELOPMENT IMPACT AREA - 183,764 SF
REQUIRED 8% - 14,702 SF
PROPOSED - 18,487 SF (10%)

LANDSCAPE POINTS - 25 POINTS PROVIDED
USING AFFORDABLE HOUSING INCENTIVE PROGRAM REDUCTION (2.12F.2.H) FOR 5 POINTS

STREET TREE REQUIREMENTS:

STREET FRONTAGE - 410 LF
TREES REQUIRED - 410 LF / 30 = 14 TREES
TREES PROVIDED - 14 TREES

IRRIGATION NOTES:

1. THE IRRIGATION SYSTEM WILL BE AN AUTOMATIC UNDERGROUND IRRIGATION SYSTEM.
2. TURF AREAS WILL BE IRRIGATED USING SPRAY IRRIGATION.
3. PLANTING BED AREAS WILL BE IRRIGATED USING DRIP IRRIGATION.
4. NEW TREES WILL BE IRRIGATED USING TREE BUBBLERS.
5. IRRIGATION DESIGN SHALL COMPLY WITH ALL STANDARDS LISTED UNDER CHAPTER 28, ARTICLE XI. - IRRIGATION SYSTEMS IN THE LAND DEVELOPMENT CODE.

1

OVERALL SITE DATA TABLE		
	REQUIRED	PROPOSED
DEVELOPMENT IMPACT AREA (DIA.)	-	183,764 SF
LOT SIZE IN SQUARE FEET	-	176,171 SF
ZONING DISTRICT	-	R7
FOOTPRINT OF PROPOSED BUILDING IN SQUARE FEET	-	49,811 SF
2 LANDSCAPE AREA (IN SQUARE FEET AND PERCENTAGE)	36,753 SF (20%)	38,724 SF (21%)
TREE CANOPY AT MATURITY (INCLUDES PRESERVED TREE CANOPY AS APPROVED BY THE TREE PRESERVATION PLAN)	50,544 SF	51,342 SF
NUMBER OF STREET TREES	14	14

LANDSCAPE POINT DATA TABLE		
	POINTS	PROVIDED
SECTION A. RIGHT-OF-WAY ELEMENTS (MINIMUM 2)		
A MINIMUM THREE-FOOT HIGH CONTINUOUS HEDGE OF EVERGREEN SHRUBS	5	5
ALTERNATE ELEMENT PROPOSED AND SUBJECT TO APPROVAL BY THE PLANNING DEPT. REFER TO ALTERNATE LANDSCAPE PLAN AND MEMO.	5	5
SECTION B. PARKING LOT LANDSCAPING ELEMENTS (MINIMUM 2)		
INTERNAL LANDSCAPE ISLANDS WITH AN AREA OF AT LEAST 9 FEET BY 18 FEET CONTAINING AT LEAST ONE LARGE CANOPY TREE PLACED EVENLY AT AN AVERAGE OF ONE FOR EVERY TEN SPACES (OR PORTION THEREOF). FOR LOTS OF TEN SPACES OR LESS, AT LEAST ONE INTERNAL LANDSCAPE ISLAND IS REQUIRED BUT DOES NOT HAVE TO BE CENTRALLY LOCATED WITHIN A ROW OF PARKING SPACES.	5	5
2 END CAPS WITH AN AREA OF AT LEAST 9 FEET BY 18 FEET CONTAINING AT LEAST ONE LARGE CANOPY TREE - USING AFFORDABLE HOUSING INCENTIVE PROGRAM REDUCTION (2.12F.2.h)	5	-
SECTION C. OTHER SITE LANDSCAPING ELEMENTS		
EACH PLANTED TREE MEETS OR EXCEEDS FOUR CALIPER INCHES AT THE TIME OF PLANTING	5	5
AT LEAST 75 PERCENT OF PLANTS PROPOSED ARE DROUGHT-TOLERANT AS INDICATED IN THE APPROVED LANDSCAPE PLANT LIST OR ADAPTIVE TO DENTON'S PLANT HARDINESS ZONE AS DETERMINED BY THE US DEPARTMENT OF AGRICULTURE	5	5

BUFFER DATA TABLE			
	REQUIRED BUFFER POINTS	PROPOSED BUFFER ELEMENTS	PROPOSED BUFFER POINTS
NORTH PROPERTY BOUNDARY	0	-	-
EAST PROPERTY BOUNDARY	0	-	-
SOUTH PROPERTY BOUNDARY	0	-	-
WEST PROPERTY BOUNDARY	0	-	-

BLU FISH COLLABORATIVE
Landscape Architecture
107 Leland Street, Suite 2
Austin, TX 78704
P.O. BOX 40792
Austin, TX 78704
Phone: (512) 388-4115

PROFESSIONAL SEAL:
REGISTERED LANDSCAPE ARCHITECT
MICHAEL R. FISHBAUGH
2453
STATE OF TEXAS
DATE SEALED: 05/19/2025

PROJECT NAME:
PALLADIUM DENTON WEST

OWNER:
PALLADIUM USA

PROJECT LOCATION:
FALLMEADOW ST.
DENTON, TEXAS 76207

REVISIONS:
1 03-25-2025 CITY COMMENTS
2 04-22-2025 CITY COMMENTS
3 05-19-2025 CITY COMMENTS

PROJECT #: 121-24-01
DATE PRINTED: 02/11/2025
DRAWING TITLE:
LANDSCAPE NOTES & CITY CALCULATIONS

SHEET NO.:
L201

CITY OF DENTON - # TPP25-0006
S25-0002

(PROJECT NUMBER: TPP25-0006 / S25-0002)

PALLADIUM DENTON WEST – FALLMEADOW ST.
Alternate Landscape Plan Memo

TO: City of Denton
FROM: Blu Fish Collaborative
DATE: 04/22/2025
CC: -
SUBJECT: Palladium Denton West – Alternate Landscape Plan Memo

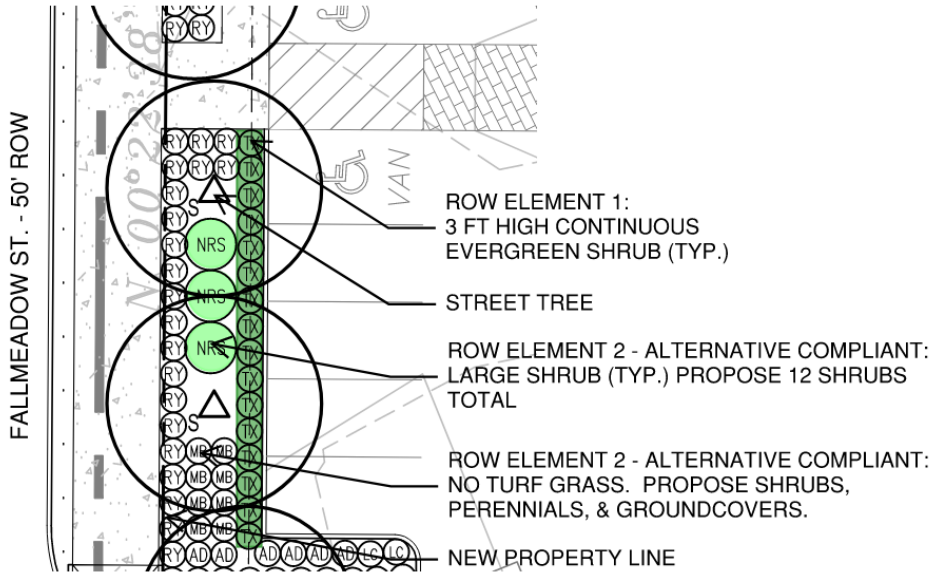
An alternate landscape plan is proposed for the project.

Section A – Right of Way Elements
The addition of a 10' wide sidewalk in a limited ROW area makes it challenging to plant both street trees and provide 2 screening elements per DDC 7.7.5 F.4.b.i & Table 7.E Section A ROW Elements requirement.

For the first required element per Section A, a minimum three-foot high continuous hedge of evergreen shrubs is proposed. For the second required element, the project proposes the following alternatives to comply with the second required element in Section A.

Alternatives include:
1. Providing large shrubs which can grow to and be maintained at a minimum height of 6' and planted at 4' high at time of planting. Large shrubs shall be calculated at a rate of 1 shrub / 40 linear feet of street frontage. Twelve large shrubs will be provided.
2. In addition, there will be no turf grass planted along the street. All planting areas along the street frontage will be in the form of shrubs, perennials, or ground covers.

See exhibit below for information:



Section B – Parking Lot Landscaping Elements
In addition, the limited ROW area and the DME utility easement along the east side of the property line make it difficult to provide 2 parking lot requirements under DDC 7.7.5 F.4.b.ii & Table 7.E Section B Parking Lot Landscaping Elements. The project elects to use the affordable housing incentive program reduction (2.12F.2.h) to be exempt from the second Section B requirement (endcap requirement), thus only providing 25 points instead of the required 30 landscape points.

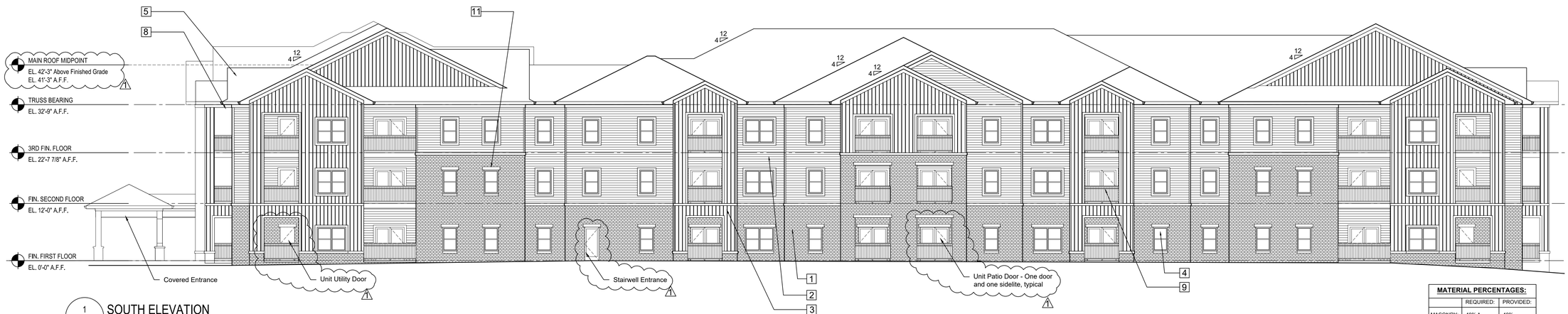
DME Utility Easement
The required DME Utility Easement along the east property line does not allow trees to be planted within the easement. The project proposes to relocate the 2 required trees and islands to parking rows along the east and south sides of the building.

Tree and Transformer Conflict
The parking island where the north transformer is located does not allow a tree to be planted in that island because of the transformer clearances and the drainage easement. Tree will be planted at the endcap to the east.

Proposed Alternative
The proposed site design also does not provide all 16 internal parking islands required to meet the "1 island per 10 spaces" ratio in DDC Table 7.E, partly due to the DME easement. The alternative plan proposes that the site provide 4 endcaps with large canopy trees, which are not required. This balances out the one missing landscape island.

MATERIALS:

1. BRICK VENEER, TYP.
2. HORIZONTAL VINYL SIDING
3. VERTICAL VINYL SIDING
4. SINGLE HUNG VINYL WINDOWS
5. ASPHALT SHINGLE ROOFING, ANTI-FUNGAL, 30-YR. MIN. WARRANTY
7. ALUMINUM AUTOMATIC ENTRANCE DOOR
8. PVC TRIM
9. ALUMINUM RAILING
10. FASCIA BOARD
11. PRECAST CONCRETE HEADER



1 / A3.10 SOUTH ELEVATION

SCALE: 3/32" = 1'-0"

MATERIAL PERCENTAGES:

	REQUIRED:	PROVIDED:
MASONRY:	40% *	40%
GLAZING:	15%	19%
VINYL SIDING/TRIM:		41%



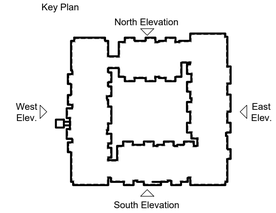
2 / A3.10 WEST ELEVATION (FALLMEADOW STREET)

SCALE: 3/32" = 1'-0"

MATERIAL PERCENTAGES:

	REQUIRED:	PROVIDED:
MASONRY:	40% *	41%
GLAZING:	25%	28%
VINYL SIDING/TRIM:		31%

Key Plan



RDL ARCHITECTS

21111 CHAGRIN BLVD, SUITE 110
BEACHWOOD, OHIO 44122
P:(216) 752-4300

WWW.RDLARCHITECTS.COM

PRELIMINARY DRAWINGS
NOT FOR CONSTRUCTION

PALLADIUM USA

PALLADIUM USA
13455 Noel Road, Suite 400
Dallas, Texas 75240-6602
T: 972-774-4455

PALLADIUM DENTON WEST

DENTON, TEXAS

RDLA PROJECT #: 24146

THE DRAWINGS, SPECIFICATIONS, IDEAS, DESIGNS AND ARRANGEMENTS REPRESENTED THEREBY ARE AND SHALL REMAIN THE PROPERTY OF THE ARCHITECT. NO PART OF SHALL BE COPIED, DISCLOSED TO OTHERS OR USED IN CONJUNCTION WITH ANY WORK OR PROJECT OTHER THAN THE SPECIFIC PROJECT FOR WHICH THEY HAVE BEEN PREPARED AND DEVELOPED WITHOUT THE WRITTEN CONSENT OF THE ARCHITECT. VISUAL CONTACT WITH THESE DRAWINGS OR SPECIFICATIONS SHALL CONSTITUTE CONCLUSIVE EVIDENCE OF ACCEPTANCE OF THESE RESTRICTIONS. WRITTEN DIMENSIONS ON THESE DRAWINGS SHALL HAVE PRECEDENCE OVER SCALED DIMENSIONS. CONTRACTORS SHALL VERIFY AND BE RESPONSIBLE FOR ALL DIMENSIONS AND CONDITIONS ON THE JOB SITE, AND THIS OFFICE MUST BE NOTIFIED OF ANY VARIATIONS FROM THE DIMENSIONS AND CONDITIONS SHOWN BY THESE DRAWINGS.
© 2024 ALL RIGHTS RESERVED

ISSUE

- 2025-01-28 Drawing Review Pkg
- 2025-03-25 SUP Resubmittal
- 2025-04-22 SUP Resubmittal

SOUTH & WEST EXTERIOR ELEVATIONS

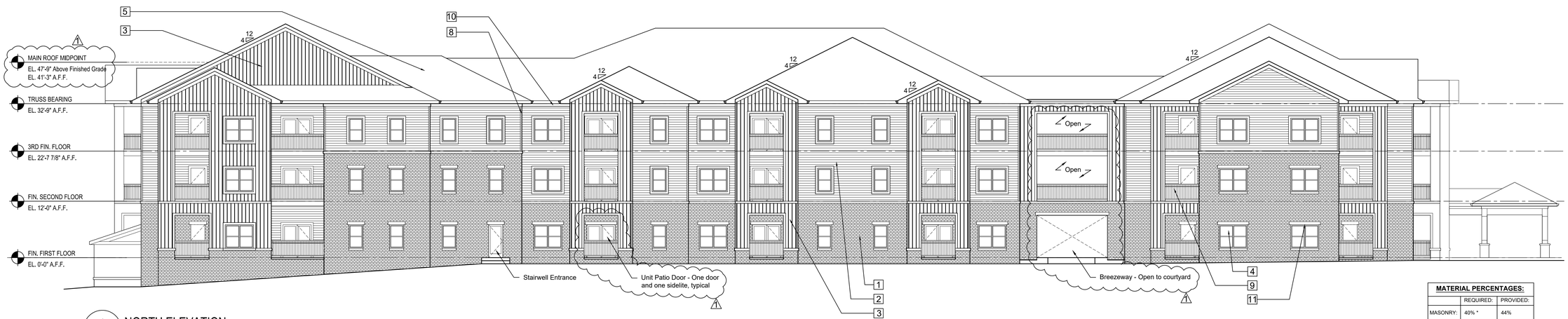
SCALE: 3/32" = 1'-0"

0' 4' 8' 16'

A3.10

MATERIALS:

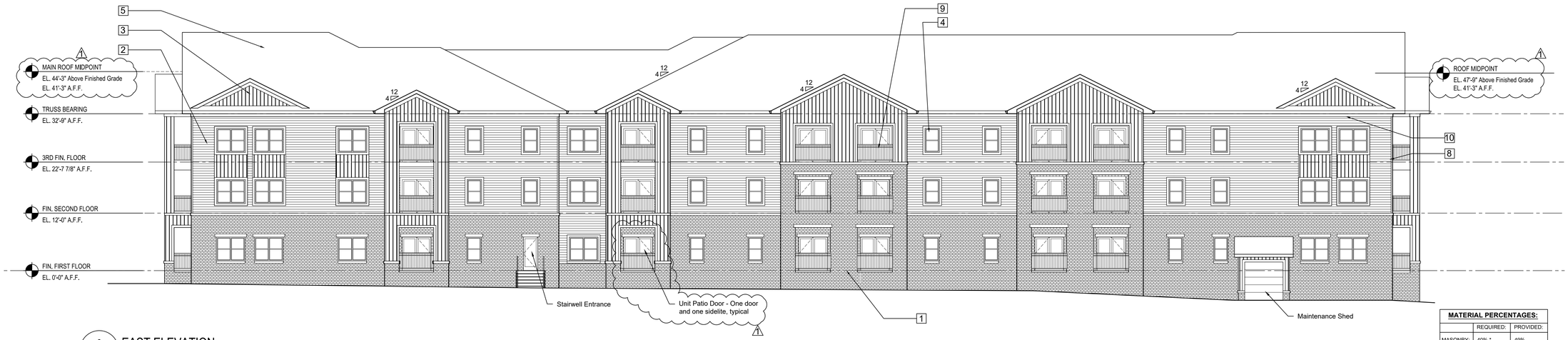
1. BRICK VENEER, TYP.
2. HORIZONTAL VINYL SIDING
3. VERTICAL VINYL SIDING
4. SINGLE HUNG VINYL WINDOWS
5. ASPHALT SHINGLE ROOFING, ANTI-FUNGAL, 30-YR. MIN. WARRANTY
7. ALUMINUM AUTOMATIC ENTRANCE DOOR
8. PVC TRIM
9. ALUMINUM RAILING
10. FASCIA BOARD
11. PRECAST CONCRETE HEADER



1 A3.11 NORTH ELEVATION

SCALE: 3/32" = 1'-0"

MATERIAL PERCENTAGES:		
	REQUIRED:	PROVIDED:
MASONRY:	40% *	44%
GLAZING:	15%	17%
VINYL SIDING/TRIM:		39%

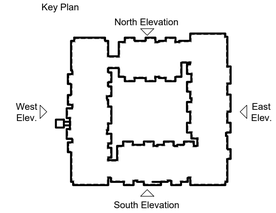


2 A3.11 EAST ELEVATION

SCALE: 3/32" = 1'-0"

MATERIAL PERCENTAGES:		
	REQUIRED:	PROVIDED:
MASONRY:	40% *	49%
GLAZING:	15%	21%
VINYL SIDING/TRIM:		30%

Key Plan



RDL ARCHITECTS
21111 CHAGRIN BLVD, SUITE 110
BEACHWOOD, OHIO 44122
P:(216) 752-4300
WWW.RDLARCHITECTS.COM

PRELIMINARY DRAWINGS
NOT FOR CONSTRUCTION

PALLADIUM USA

PALLADIUM USA
13455 Noel Road, Suite 400
Dallas, Texas 75240-6602
T: 972-774-4455

PALLADIUM DENTON WEST

DENTON, TEXAS

RDLA PROJECT #: 24146

THE DRAWINGS, SPECIFICATIONS, IDEAS, DESIGNS AND ARRANGEMENTS REPRESENTED THEREBY ARE AND SHALL REMAIN THE PROPERTY OF THE ARCHITECT. NO PART OF SHALL BE COPIED, DISCLOSED TO OTHERS OR USED IN CONJUNCTION WITH ANY WORK OR PROJECT OTHER THAN THE SPECIFIC PROJECT FOR WHICH THEY HAVE BEEN PREPARED AND DEVELOPED WITHOUT THE WRITTEN CONSENT OF THE ARCHITECT. VISUAL CONTACT WITH THESE DRAWINGS OR SPECIFICATIONS SHALL CONSTITUTE CONCLUSIVE EVIDENCE OF ACCEPTANCE OF THESE RESTRICTIONS. WRITTEN DIMENSIONS ON THESE DRAWINGS SHALL HAVE PRECEDENCE OVER SCALED DIMENSIONS. CONTRACTORS SHALL VERIFY AND BE RESPONSIBLE FOR ALL DIMENSIONS AND CONDITIONS ON THE JOB SITE, AND THIS OFFICE MUST BE NOTIFIED OF ANY VARIATIONS FROM THE DIMENSIONS AND CONDITIONS SHOWN BY THESE DRAWINGS.
© 2024 ALL RIGHTS RESERVED

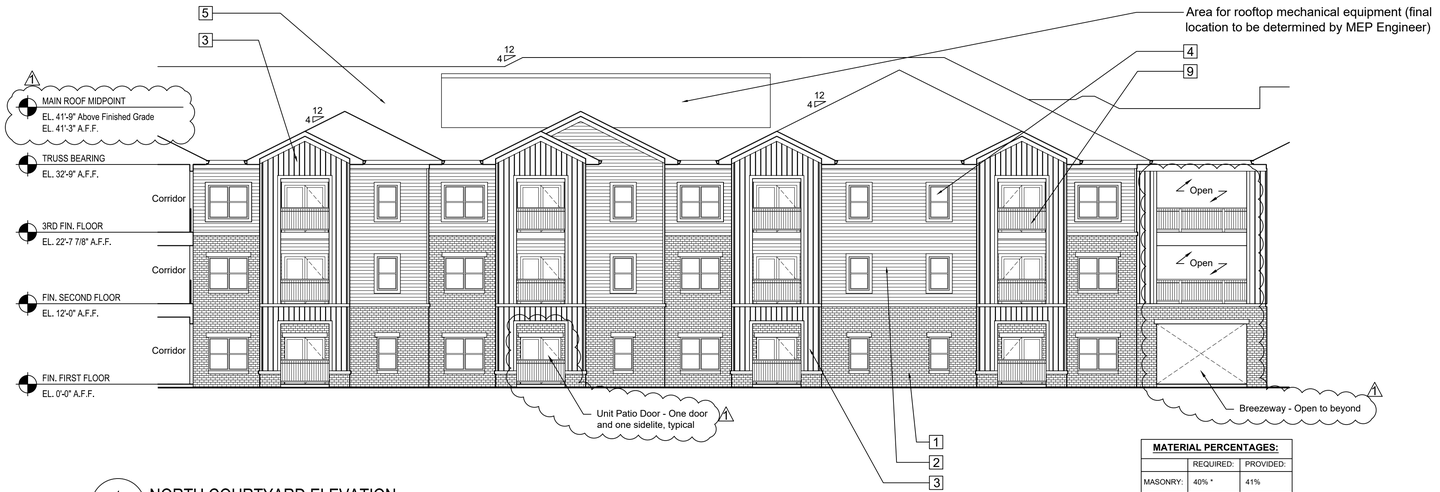
ISSUE

- 2025-01-28 Drawing Review Pkg
- 2025-03-25 SUP Resubmittal
- 2025-04-22 SUP Resubmittal

NORTH & EAST EXTERIOR ELEVATIONS

SCALE: 3/32" = 1'-0"
0' 4' 8' 16'

A3.11



1 A3.12 NORTH COURTYARD ELEVATION

SCALE: 3/32" = 1'-0"

MATERIAL PERCENTAGES:		
	REQUIRED:	PROVIDED:
MASONRY:	40% *	41%
GLAZING:	15%	26%
VINYL SIDING/TRIM:		33%



2 A3.12 EAST COURTYARD ELEVATION

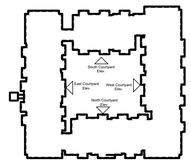
SCALE: 3/32" = 1'-0"

MATERIAL PERCENTAGES:		
	REQUIRED:	PROVIDED:
MASONRY:	40% *	44%
GLAZING:	15%	25%
VINYL SIDING/TRIM:		31%

MATERIALS:

1. BRICK VENEER, TYP.
2. HORIZONTAL VINYL SIDING
3. VERTICAL VINYL SIDING
4. SINGLE HUNG VINYL WINDOWS
5. ASPHALT SHINGLE ROOFING, ANTI-FUNGAL, 30-YR. MIN. WARRANTY
7. ALUMINUM AUTOMATIC ENTRANCE DOOR
8. PVC TRIM
9. ALUMINUM RAILING
10. FASCIA BOARD
11. PRECAST CONCRETE HEADER

Key Plan



RDL ARCHITECTS

21111 CHAGRIN BLVD, SUITE 110
BEACHWOOD, OHIO 44122
P:(216) 752-4300

WWW.RDLARCHITECTS.COM

PRELIMINARY DRAWINGS
NOT FOR CONSTRUCTION

PALLADIUM USA

PALLADIUM USA
13455 Noel Road, Suite 400
Dallas, Texas 75240-6602
T: 972-774-4455

PALLADIUM DENTON WEST

DENTON, TEXAS

RDLA PROJECT #: 24146

THE DRAWINGS, SPECIFICATIONS, IDEAS, DESIGNS AND ARRANGEMENTS REPRESENTED THEREBY ARE AND SHALL REMAIN THE PROPERTY OF THE ARCHITECT. NO PART OF SHALL BE COPIED, DISCLOSED TO OTHERS OR USED IN CONJUNCTION WITH ANY WORK OR PROJECT OTHER THAN THE SPECIFIC PROJECT FOR WHICH THEY HAVE BEEN PREPARED AND DEVELOPED WITHOUT THE WRITTEN CONSENT OF THE ARCHITECT. VISUAL CONTACT WITH THESE DRAWINGS OR SPECIFICATIONS SHALL CONSTITUTE CONCLUSIVE EVIDENCE OF ACCEPTANCE OF THESE RESTRICTIONS. WRITTEN DIMENSIONS ON THESE DRAWINGS SHALL HAVE PRECEDENCE OVER SCALED DIMENSIONS. CONTRACTORS SHALL VERIFY AND BE RESPONSIBLE FOR ALL DIMENSIONS AND CONDITIONS ON THE JOB SITE, AND THIS OFFICE MUST BE NOTIFIED OF ANY VARIATIONS FROM THE DIMENSIONS AND CONDITIONS SHOWN BY THESE DRAWINGS.
© 2024 ALL RIGHTS RESERVED

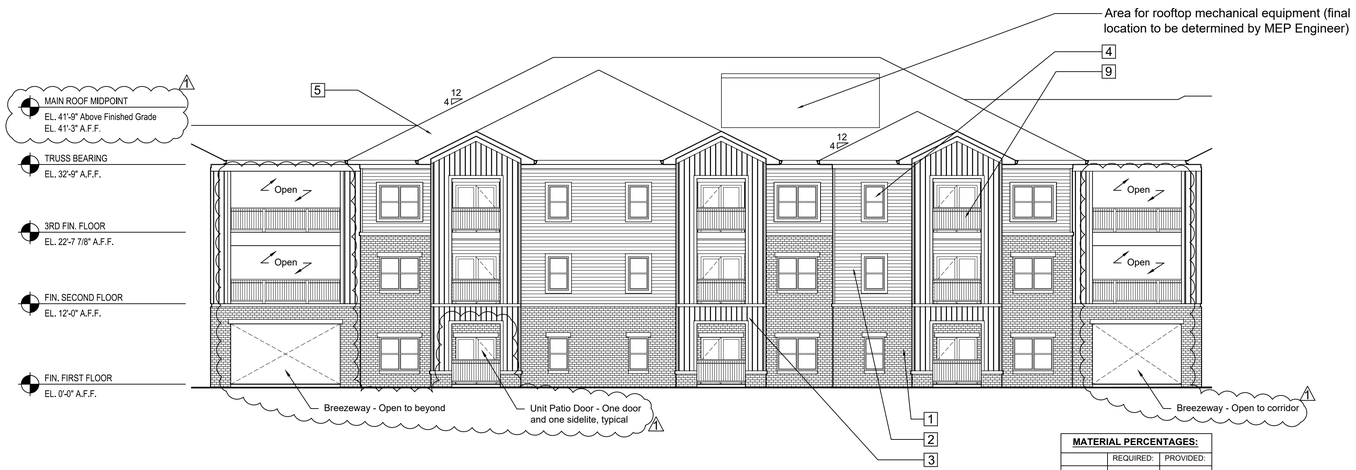
ISSUE

1	2025-01-28 Drawing Review Pkg
2	2025-03-25 SUP Resubmittal
3	2025-04-22 SUP Resubmittal

NORTH & EAST COURTYARD ELEVATIONS

SCALE: 3/32" = 1'-0"
0' 4' 8' 16'

A3.12

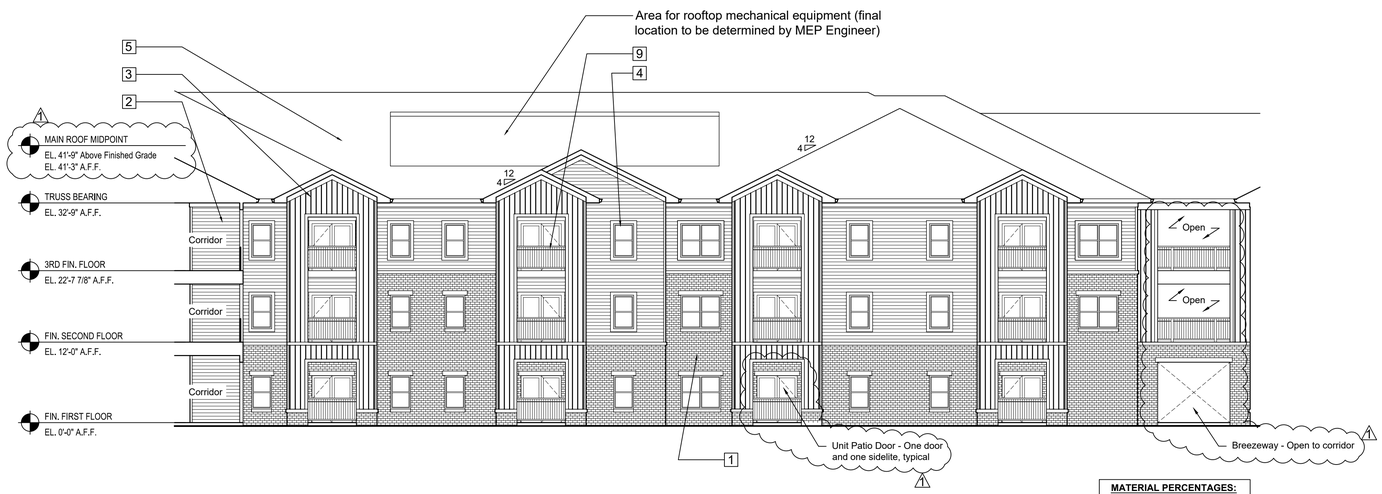


1 / A3.13 SOUTH COURTYARD ELEVATION

SCALE: 3/32" = 1'-0"

MATERIAL PERCENTAGES:

	REQUIRED:	PROVIDED:
MASONRY:	40% *	42%
GLAZING:	15%	23%
VINYL SIDING/TRIM:		35%



2 / A3.13 WEST COURTYARD ELEVATION

SCALE: 3/32" = 1'-0"

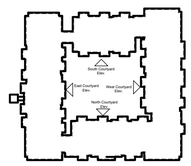
MATERIAL PERCENTAGES:

	REQUIRED:	PROVIDED:
MASONRY:	40% *	40%
GLAZING:	15%	23%
VINYL SIDING/TRIM:		37%

MATERIALS:

1. BRICK VENEER, TYP.
2. HORIZONTAL VINYL SIDING
3. VERTICAL VINYL SIDING
4. SINGLE HUNG VINYL WINDOWS
5. ASPHALT SHINGLE ROOFING, ANTI-FUNGAL, 30-YR. MIN. WARRANTY
7. ALUMINUM AUTOMATIC ENTRANCE DOOR
8. PVC TRIM
9. ALUMINUM RAILING
10. FASCIA BOARD
11. PRECAST CONCRETE HEADER

Key Plan



RDL ARCHITECTS

21111 CHAGRIN BLVD, SUITE 110
BEACHWOOD, OHIO 44122
P:(216) 752-4300

WWW.RDLARCHITECTS.COM

PRELIMINARY DRAWINGS
NOT FOR CONSTRUCTION

PALLADIUM USA

PALLADIUM USA
13455 Noel Road, Suite 400
Dallas, Texas 75240-6602
T: 972-774-4455

PALLADIUM DENTON WEST

DENTON, TEXAS

RDLA PROJECT #: 24146

THE DRAWINGS, SPECIFICATIONS, IDEAS, DESIGNS AND ARRANGEMENTS REPRESENTED THEREBY ARE AND SHALL REMAIN THE PROPERTY OF THE ARCHITECT. NO PART OF SHALL BE COPIED, DISCLOSED TO OTHERS OR USED IN CONJUNCTION WITH ANY WORK OR PROJECT OTHER THAN THE SPECIFIC PROJECT FOR WHICH THEY HAVE BEEN PREPARED AND DEVELOPED WITHOUT THE WRITTEN CONSENT OF THE ARCHITECT. VISUAL CONTACT WITH THESE DRAWINGS OR SPECIFICATIONS SHALL CONSTITUTE CONCLUSIVE EVIDENCE OF ACCEPTANCE OF THESE RESTRICTIONS. WRITTEN DIMENSIONS ON THESE DRAWINGS SHALL HAVE PRECEDENCE OVER SCALED DIMENSIONS. CONTRACTORS SHALL VERIFY AND BE RESPONSIBLE FOR ALL DIMENSIONS AND CONDITIONS ON THE JOB SITE, AND THIS OFFICE MUST BE NOTIFIED OF ANY VARIATIONS FROM THE DIMENSIONS AND CONDITIONS SHOWN BY THESE DRAWINGS.
© 2024 ALL RIGHTS RESERVED

ISSUE

1	2025-01-28 Drawing Review Pkg
2	2025-03-25 SUP Resubmittal
3	2025-04-22 SUP Resubmittal

SOUTH & WEST COURTYARD ELEVATIONS

SCALE: 3/32" = 1'-0"
0' 4' 8' 16'

A3.13

GENERAL FUND IMPACTS

Revenues	40 Year Total
AD VALOREM TAXES	$8,516,500
RETAIL SALES TAX	
Direct Project Retail Sales Tax Revenue	$0
Net New Resident + New Commuters Retail Sales Tax Revenue	$2,195,300
OTHER TAXES (Mixed Beverage)	$0
LICENSE & PERMITS	
Zoning Fees	$8,500
Building Permits	$62,400
Certificate of Occupancy	$100
Beer & Wine Permits	$0
SERVICE FEES	
Restaurant Inspections	$0
Grocery Store Inspections	$0
Swimming Pool Inspections	$400
Electrical Inspections	$13,600
Plumbing Inspections	$14,200
Development Fees	$23,800
Plan Review Fees	$32,200

Expenses	40 Year Total
Neighborhood	($1,684,200)
Public Safety	($6,355,300)
Transportation	($227,600)
Admin & Community Services	($1,728,700)

OTHER FUND REVENUES

TOURISM & CONVENTION SALES TAX	$0
ENTERPRISE UTILITY FUNDS	
Electric Charge	$11,318,600
Water Charge	$3,856,600
Wastewater Charge	$2,570,100
Drainage Charge	$26,200
Solidwaste Charge	$2,797,800
WATER IMPACT FEE	$476,600
WASTEWATER IMPACT FEE	$294,300
TOTAL ROADWAY IMPACT FEE	$404,600
TOTAL PARKS LAND DEDICATION & DEV. TRUST	$22,400
TREE MITIGATION	$0

ROADWAY MAINTENANCE

ROADWAY MAINTENANCE	($182,252)

New Residents From Residential



296

New Workers From Non-Residential *

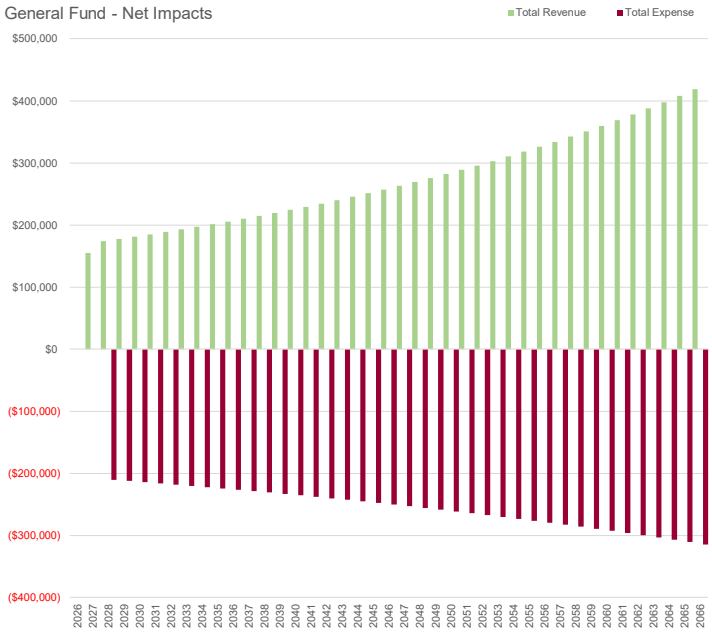


0

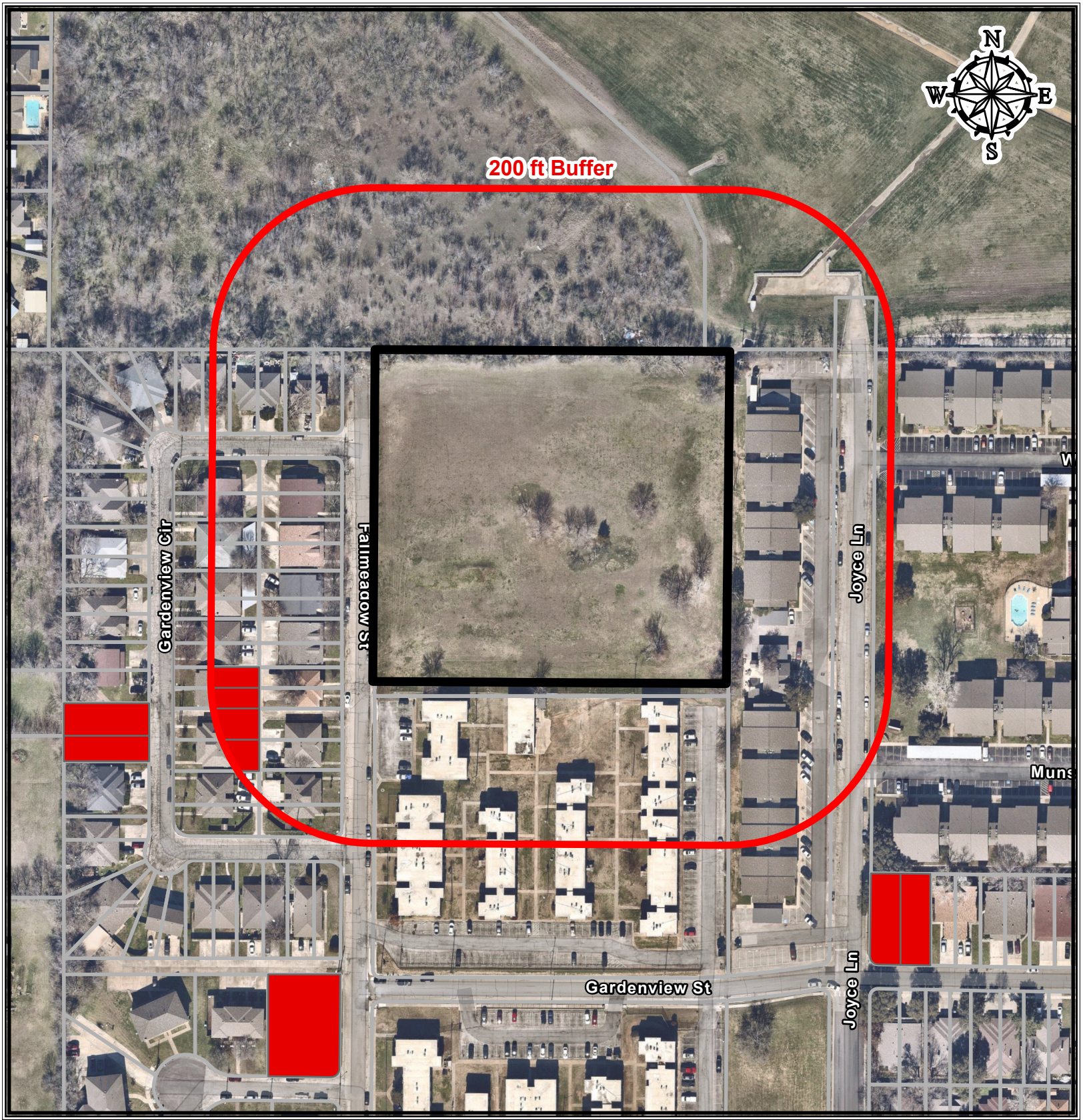
* Calculations based on new commuters not total new workers in order to not double count with new residents

General Fund Impact Summary

General Fund - Total Revenue	General Fund - Total Expenses	General Fund - Net Impact
$10,867,400	-$10,178,100	$689,300



S25-0002
Notification Response Map



Opposed (9)

Percent in Opposition: 1.39%

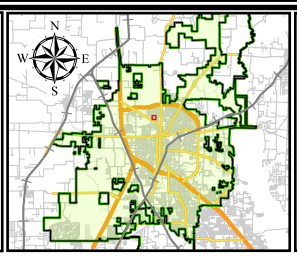
COD

ETJ

ETJ 2

NAA 8/1/20

NAA 8/1/40



0 45 90 180 Feet

CITY OF DENTON
Development Services · GIS
Date: 6/17/2025

1183

"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 re 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

Development Services
401 N. Elm St., Denton, TX 76201 • (940) 349-8600

Response Form

Project Number S25-0002
Palladium Denton West

In order for your opinion to be counted, please complete and mail this form to:

City of Denton Development Services
Attn: Sean Jacobson, Project Manager
401 N. Elm St.
Denton, TX 76201

You may also email to sean.jacobson@cityofdenton.com or call (940) 349-8584. Please note any responses are subject to public information requests including the information provided below.

Project Number: S25-0002

Meeting Date: June 25, 2025

Please circle one:

☐ In favor of request ☒ Opposed to request

Comments:

Signature: Bernie Kay Brown

Printed Name: Bernie Kay Brown; for Positive Structures

Street Address: 3306 Gardenview

City, State and Zip Code: Denton Tx 76207

Phone Number: 940-387-4323

Email Address: bmgnt@jimmybrownrealtor.com

Physical Address of Property within 200 Feet: 3306 Gardenview

CITY OF DENTON

Development Services
401 N. Elm St., Denton, TX 76201 • (940) 349-8600

Response Form

Project Number S25-0002
Palladium Denton West

In order for your opinion to be counted, please complete and mail this form to:

City of Denton Development Services
Attn: Sean Jacobson, Project Manager
401 N. Elm St.
Denton, TX 76201

You may also email to sean.jacobson@cityofdenton.com or call (940) 349-8584. Please note any responses are subject to public information requests including the information provided below.

Project Number: S25-0002

Meeting Date: June 25, 2025

Please circle one:

☐ In favor of request ☒ Opposed to request

Comments:

Signature:

Printed Name: Bernie Kay Brown for Positive Structures

Street Address: 3304 Gardenview

City, State and Zip Code: Denton, TX 76207

Phone Number: 940-387-4323

Email Address: pmgmt@jimmybrownrealtor.com

Physical Address of Property within 200 Feet: 3304 Gardenview

CITY OF DENTON

Development Services
401 N. Elm St., Denton, TX 76201 • (940) 349-8600

Response Form

Project Number S25-0002
Palladium Denton West

In order for your opinion to be counted, please complete and mail this form to:

City of Denton Development Services
Attn: Sean Jacobson, Project Manager
401 N. Elm St.
Denton, TX 76201

You may also email to sean.jacobson@cityofdenton.com or call (940) 349-8584. Please note any responses are subject to public information requests including the information provided below.

Project Number: S25-0002

Meeting Date: June 25, 2025

Please circle one:

☐ In favor of request ☒ Opposed to request

Comments:

Signature: Bernie Kay Brown

Printed Name: Bernie Kay Brown, for B-Quest DFS

Street Address: 428 Gardenview

City, State and Zip Code: Denton, TX 76207

Phone Number: 940-387-4383

Email Address: pmgmt@jimmybrownrealtor.com

Physical Address of Property within 200 Feet: 428 Gardenview

CITY OF DENTON

Development Services
401 N. Elm St., Denton, TX 76201 • (940) 349-8600

Response Form

Project Number S25-0002
Palladium Denton West

In order for your opinion to be counted, please complete and mail this form to:

City of Denton Development Services
Attn: Sean Jacobson, Project Manager
401 N. Elm St.
Denton, TX 76201

You may also email to sean.jacobson@cityofdenton.com or call (940) 349-8584. Please note any responses are subject to public information requests including the information provided below.

Project Number: S25-0002

Meeting Date: June 25, 2025

Please circle one:

☐ In favor of request ☒ Opposed to request

Comments:

Signature: Bernie Kay Brown

Printed Name: Bernie Kay Brown, for B-Quest #5

Street Address: 424 Gardenview

City, State and Zip Code: Denton, Tx 76207

Phone Number: 940-387-4323

Email Address: pmgmt@jimmybrownrealtor.com

Physical Address of Property within 200 Feet: 424 Gardenview

CITY OF DENTON

Development Services
401 N. Elm St., Denton, TX 76201 • (940) 349-8600

Response Form

Project Number S25-0002
Palladium Denton West

In order for your opinion to be counted, please complete and mail this form to:

City of Denton Development Services
Attn: Sean Jacobson, Project Manager
401 N. Elm St.
Denton, TX 76201

You may also email to sean.jacobson@cityofdenton.com or call (940) 349-8584. Please note any responses are subject to public information requests including the information provided below.

Project Number: S25-0002

Meeting Date: June 25, 2025

Please circle one:

☐ In favor of request ☒ Opposed to request

Comments:

Signature: Bernie Kay Brown

Printed Name: Bernie Kay Brown, for B-Quest FFS

Street Address: 3219 Fallmeadow

City, State and Zip Code: Denton, TX 76207

Phone Number: 940-387-4323

Email Address: pmgmt@jimmybrownrealtor.com

Physical Address of Property within 200 Feet: 3219 Fallmeadow

CITY OF DENTON

Development Services
401 N. Elm St., Denton, TX 76201 • (940) 349-8600

Response Form

Project Number S25-0002
Palladium Denton West

In order for your opinion to be counted, please complete and mail this form to:

City of Denton Development Services
Attn: Sean Jacobson, Project Manager
401 N. Elm St.
Denton, TX 76201

You may also email to sean.jacobson@cityofdenton.com or call (940) 349-8584. Please note any responses are subject to public information requests including the information provided below.

Project Number: S25-0002

Meeting Date: June 25, 2025

Please circle one:

☐ In favor of request ☒ Opposed to request

Comments:

Signature: Bernie Kay Brown

Printed Name: Bernie Kay Brown for B-Quest FFS

Street Address: 3311 Gardenview

City, State and Zip Code: Denton, Tx 76207

Phone Number: 940-387-4323

Email Address: pmgmt@jimmybrownrealtor.com

Physical Address of Property within 200 Feet: 3311 Gardenview

CITY OF DENTON

Development Services
401 N. Elm St., Denton, TX 76201 • (940) 349-8600

Response Form

Project Number S25-0002
Palladium Denton West

In order for your opinion to be counted, please complete and mail this form to:

City of Denton Development Services
Attn: Sean Jacobson, Project Manager
401 N. Elm St.
Denton, TX 76201

You may also email to sean.jacobson@cityofdenton.com or call (940) 349-8584. Please note any responses are subject to public information requests including the information provided below.

Project Number: S25-0002

Meeting Date: June 25, 2025

Please circle one:

☐ In favor of request ☒ Opposed to request

Comments:

Signature: Bernie Kay Brown

Printed Name: Bernie Kay Brown for B-Quest FFS

Street Address: 3309 Gardenview

City, State and Zip Code: Denton, Tx 76207

Phone Number: 940-387-4323

Email Address: pmgmt@jimmybrownrealtor.com

Physical Address of Property within 200 Feet: 3309 Gardenview

CITY OF DENTON

Development Services
401 N. Elm St., Denton, TX 76201 • (940) 349-8600

Response Form

Project Number S25-0002
Palladium Denton West

In order for your opinion to be counted, please complete and mail this form to:

City of Denton Development Services
Attn: Sean Jacobson, Project Manager
401 N. Elm St.
Denton, TX 76201

You may also email to sean.jacobson@cityofdenton.com or call (940) 349-8584. Please note any responses are subject to public information requests including the information provided below.

Project Number: S25-0002

Meeting Date: June 25, 2025

Please circle one:

☐ In favor of request ☒ Opposed to request

Comments:

Signature: Bernie Kay Brown

Printed Name: Bernie Kay Brown, for Stable Structures

Street Address: 3308 Gardenview

City, State and Zip Code: Denton, TX 76207

Phone Number: 940-387-4323

Email Address: pmgmt@jimmybrownrealtor.com

Physical Address of Property within 200 Feet: 3308 Gardenview

CITY OF DENTON

Development Services
401 N. Elm St., Denton, TX 76201 • (940) 349-8600

Response Form

Project Number S25-0002
Palladium Denton West

In order for your opinion to be counted, please complete and mail this form to:

City of Denton Development Services
Attn: Sean Jacobson, Project Manager
401 N. Elm St.
Denton, TX 76201

You may also email to sean.jacobson@cityofdenton.com or call (940) 349-8584. Please note any responses are subject to public information requests including the information provided below.

Project Number: S25-0002

Meeting Date: June 25, 2025

Please circle one:

☐ In favor of request ☒ Opposed to request

Comments:

Signature: Bernie Kay Brown

Printed Name: ~~Rex~~ Bernie Kay Brown, for Stable Structures

Street Address: 3310 Gardenview

City, State and Zip Code: Denton, TX 76207

Phone Number: 940-387-4323

Email Address: pmgmt@jimmybrownrealtor.com

Physical Address of Property within 200 Feet: ~~3~~3310 Gardenview

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. S25-0002

Date of Planning and Zoning Commission Meeting: JUNE 25, 2025

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 Palladium Denton West - S25-0002,

located at 3300 Block of Fallmeadow Street

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 JUNE 13, 2025 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 Fallmeadow Street.

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 13TH day of 06, 2025

Signature of Applicant or Authorized Representative for Project No.

MATT K. HALL / S25-0002

Printed Name of Applicant or Authorized Representative for Project No.

STATE OF TEXAS COUNTY OF DENTON BEFORE ME, a Notary Public, on this 6/13/25 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 13th day of JUNE, 2025.

Notary Signature (seal)

NOTARY PUBLIC STATE OF TEXAS
COREY L KOGER
Notary ID # 130465520
My Commission Expires
December 05, 2025

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: _____


Jun 12, 2025 at 12:37:11 PM
3352–3398 Fallmeadow St
Denton TX 76207
United States
M
CITY OF DENTON
Notice of Public Hearing
Project Number: S25-0002
Project Name: PALLADIUM DENTON WEST
Request: SPECIFIC USE PERMIT
For more info:
www.cityofdenton.com/projectinfo
Call: (940) 349-8600


Jun 12, 2025 at 12:37:23 PM
3352–3398 Fallmeadow St
Denton TX 76207
United States
M
CITY OF
DENTON
Notice of Public Hearing
Project Number: S25-0002
Project Name: PALLADIUM DENTON WEST
Request: SPECIFIC USE PERMIT
For more info:
www.cityofdenton.com/projectinfo
Call: (940) 349-8600
DAKOTA

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS REGARDING A REQUEST FOR A SPECIFIC USE PERMIT TO ALLOW FOR A MULTI-FAMILY RESIDENTIAL USE ON APPROXIMATELY 4.115 ACRES OF LAND, GENERALLY LOCATED ON THE EAST SIDE OF FALLMEADOW STREET, FIFTEEN FEET EAST OF THE NORTHERN INTERSECTION OF GARDENVIEW CIRCLE AND FALLMEADOW 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 SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE. (S25-0002a)

WHEREAS, Maxwell Fisher with ZoneDev, representing the property owner MSW Partners, LLC, has applied for a new Specific Use Permit ("SUP") to allow for a Multifamily Residential use on an approximately 4.115-acre site, within the Residential 7 (R7) zoning district and use classification, as described in **Exhibit "A"** (hereinafter, "the Property"); and

WHEREAS, on October 15, 2024, City Council passed an ordinance creating the "Affordable Housing Development Incentive Program" in Subchapter 2.12 of the Denton Development Code, which enables developers who execute an Affordability Incentives Agreement with the City agreeing to provide a specific number of affordable housing units to take advantage of certain affordability incentives in the design of their site; and

WHEREAS, A draft Affordability Incentives Agreement has been submitted for the project proposed by this SUP on the Property, and the project has been designed using three of the affordability incentives offered in Subchapter 2.12, and therefore a completed Affordability Incentives Agreement must be fully executed between the City of Denton and the developer of the project prior to issuance of any Building Permit or Certificate of Occupancy for this SUP project; and

WHEREAS, on June 25, 2025, 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 [6 - 0] of the requested SUP, subject to conditions; and

WHEREAS, on July 15, 2025, 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 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 Approval Criteria Applicable to all Applications and 2.5.2D Specific Use Permit Approval Criteria 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 "C",** the landscape plan attached and incorporated herein as **Exhibit "D,"** and the building elevations attached and incorporated herein as **Exhibit "E",** is hereby approved, subject to the use-specific standards of the DDC, as amended, and with the following conditions:

1. The attached Site Plan, Landscape Plan, and Building Elevations 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. City 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, as well as a reduction in provided vehicle parking of no more than 10 spaces, provided all applicable requirements of the DDC are met:

    a. No more than 120 one- and two- and three-bedroom units with a total building footprint not to exceed 49,811 square feet.

    b. A minimum total landscape area of 38,724 square feet. At minimum, on-site amenities shall include a dog park, and an outdoor open space containing a grill area, pool, and playground, as depicted in Exhibit C.

    c. One hundred and sixty-nine (169) vehicle parking spaces required, after approved reductions, and ten (10) bicycle parking spaces required, as depicted in Exhibit C.

    d. Two full points of access onto Fallmeadow 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 and species 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, and 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 Building Elevations (Exhibit E). Minor alterations to the Building Elevations may be approved by City Staff, provided that the final project complies with DDC Section 7.10 Site and Building Design.

6. Encroachment into City of Denton drainage easements, as depicted in Exhibits C and D, are permitted only on the condition that the following language, or similar language to the same effect as approved by City Staff, is included in a note on the final plat for the Property:

   "As a condition of allowing encroachments in existing and proposed drainage easements on this lot, Owner acknowledges that the City of Denton has the rights of constructing public drainage improvements, drainage maintenance, inspection, or other related public drainage work within the drainage easements. Owner acknowledges the city's right to remove the fence and any other private improvements encroaching within the easements. City of Denton is not liable for any reimbursement, replacement, or damages incurred by the encroachment of private improvements, including paving, landscaping, or structures."

   Should the above language, or similar language to the same effect as approved by City Staff, not be included in a note on the Final Plat, the Site Plan and Landscape Plan shall be changed to remove all encroachments from all existing and proposed drainage easements on the Property, while maintaining compliance with all other standards of the Denton Development Code. The aforementioned changes may require a Specific Use Permit amendment in accordance with the Denton Development Code, subject to determination by City Staff.

7. The Multifamily Residential project on the Property is proposed to include a percentage of affordable housing units targeted at specific income levels which is sufficient, in accordance with Denton Development Code Table 2.12-B Affordability Incentive Procedure - Definitions, to allow the project to request 3 or fewer Affordability Incentives from the list in DDC Subsection 2.12.1F.2 Affordability Incentives. The attached Site Plan and Landscape Plan (Exhibits C and D) include designs which take advantage of three incentives from DDC Subsection 2.12.1F.2. Below are the three Affordability Incentives used and the actual designs which those incentives enable:

   a. Affordability Incentive 1: 20% increase in the maximum permitted building height for the R7 zoning district as provided in DDC Subsection 3.2.7 R-7 Residential, provided the development is still in compliance with Subsection 7.10.6 Building Height in Transition Areas.

      i. Actual Design: 19.3% increase in building height above the maximum permitted building height in the R7 zoning district, for a total height of 47 feet, 9 inches.

   b. Affordability Incentive 2: A 10-point reduction in the required number of points from Table 7.E Landscaping Area Point System.

      i. Actual Design: A 5-point reduction in the required number of points from Section B: Parking Lot Landscape Elements of Table 7.E Landscaping Area Point System, as depicted in Exhibit D.

   c. Affordability Incentive 3: A reduction in parking requirements to not less than 1 parking space per affordable dwelling unit irrespective of the number of habitable rooms.

i. Actual Design: A reduction in required parking to 1 vehicle space per affordable housing unit for the 81 units of proposed affordable housing. Vehicle parking for the remaining 39 units shall be in accordance with the parking study submitted to and approved by staff in accordance with DDC 7.9.5G Modification of Minimum Parking Requirement by Director.

In accordance with DDC Subsection 2.12.1D.2.b Affordability Incentives Agreement, prior to issuance of any building permit for this project, the applicant must execute an Affordability Incentives Agreement, including all elements required by DDC Subsection 2.12.1D.2.b, in a form approved by the City Attorney. Should the applicant not execute an approved Affordability Incentives Agreement as required by DDC Subsection 2.12.1D.2.b, then the Site Plan (Exhibit C), (Exhibit D), and Building Elevations (Exhibit E) for this SUP shall be required to be redesigned to remove all deviations from DDC standards which were enabled by Affordability Incentives. Approval of the redesigned SUP plans shall require an SUP amendment in accordance with the DDC.

8. Notwithstanding the limited administrative approvals authorized in conditions 2, 3, 4, and 5, the City reserves the right to require approval by ordinance of any amendments or alterations to the SUP, the attached Site Plan, the attached Landscape Plan, and the attached Building Elevations.

9. 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 Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Hilary McMahon

EXHIBIT A

Legal Description

SITUATED in the City of Denton, in the B.B.B.&C.R.R. Co. Survey, Abstract No. 186, Denton County, Texas and being all of that certain called 4.1149 acre tract of land described in a Special Warranty Deed to MSW Partners, LLC, recorded in Document No. 2022-161464, Deed Records, Denton County, Texas (D.R.D.C.T.) and being more particularly described by metes & bounds as follows:

BEGINNING at a 1/2 inch iron rod, topped with a red plastic cap, stamped "RPLS 4701" (hereinafter referred to as "with cap"), set for the northwest corner of the above described MSW Partners tract at the northeast corner of Fallmeadow Street (50' wide right-of-way) and said point also being on the south line of Block A of Sandlin Addition, an addition to the City of Denton, according to the Conveyance Plat thereof, recorded in Cabinet T, Page 78, Plat Records, Denton County, Texas (P.R.D.C.T.) and said point bears South 89 deg. 41 min. 07 sec. East – 384.58 feet from a 1/2 inch iron rod found for the northwest corner of Fallmeadow North Addition, an addition to the City of Denton, according to the plat thereof, recorded in Cabinet C, Page 75, P.R.D.C.T.;

THENCE: South 89 deg. 41 min. 07 sec. East, along the common line of said MSW Partners tract and said Block A of Sandlin Addition, a distance of 438.09 feet to a 1/2 inch iron rod with cap, set for the northeast corner of said MSW Partners tract and the northwest corner of Kingswood Apartments, Phase Two, Lot One, an addition to the City of Denton, according to the Conveyance Plat thereof, recorded in Cabinet C, Page 88, P.R.D.C.T. and said point bears North 89 deg. 41 min. 07 sec. West – 178.44 feet from a 5/8 inch iron rod found for the northeast corner of Joyce Lane (60' wide right-of-way) and the northwest corner of Kingswood Apartments, an addition to the City of Denton, according to the plat thereof, recorded in Cabinet C, Page 56, P.R.D.C.T.;

THENCE: South 00 deg. 36 min. 53 sec. West, along the common line of said MSW Partners tract and said Kingswood Apartments, a distance of 410.00 feet to a 1/2 inch iron rod with cap, set for the southeast corner of said MSW Partners tract and same being the northeast corner of Unit One, Block Three, Denton North Addition, an addition to the City of Denton, according to the plat thereof, recorded in Cabinet J, Page 197, P.R.D.C.T. and affected by Certificate of Correction, recorded in Volume 790, Page 82, D.R.D.C.T.;

THENCE: North 89 deg. 40 min. 22 sec. West, along the common line of said MSW Partners tract and said Unit One, Block Three, Denton North Addition, a distance of 436.39 feet to a 1/2 inch iron rod with cap, set on the east right-of-way line of the above described Fallmeadow Street for the southwest corner of said MSW Partners tract and the northwest corner of said Unit One, Block Three, Denton North Addition;

THENCE: North 00 deg. 22 min. 38 sec. East, along the common line of said MSW Partners tract and said Fallmeadow Street, a distance of 409.90 feet to the POINT OF BEGINNING and containing 179,245 square feet or 4.115 acres of land.

EXHIBIT B

Site Location Map

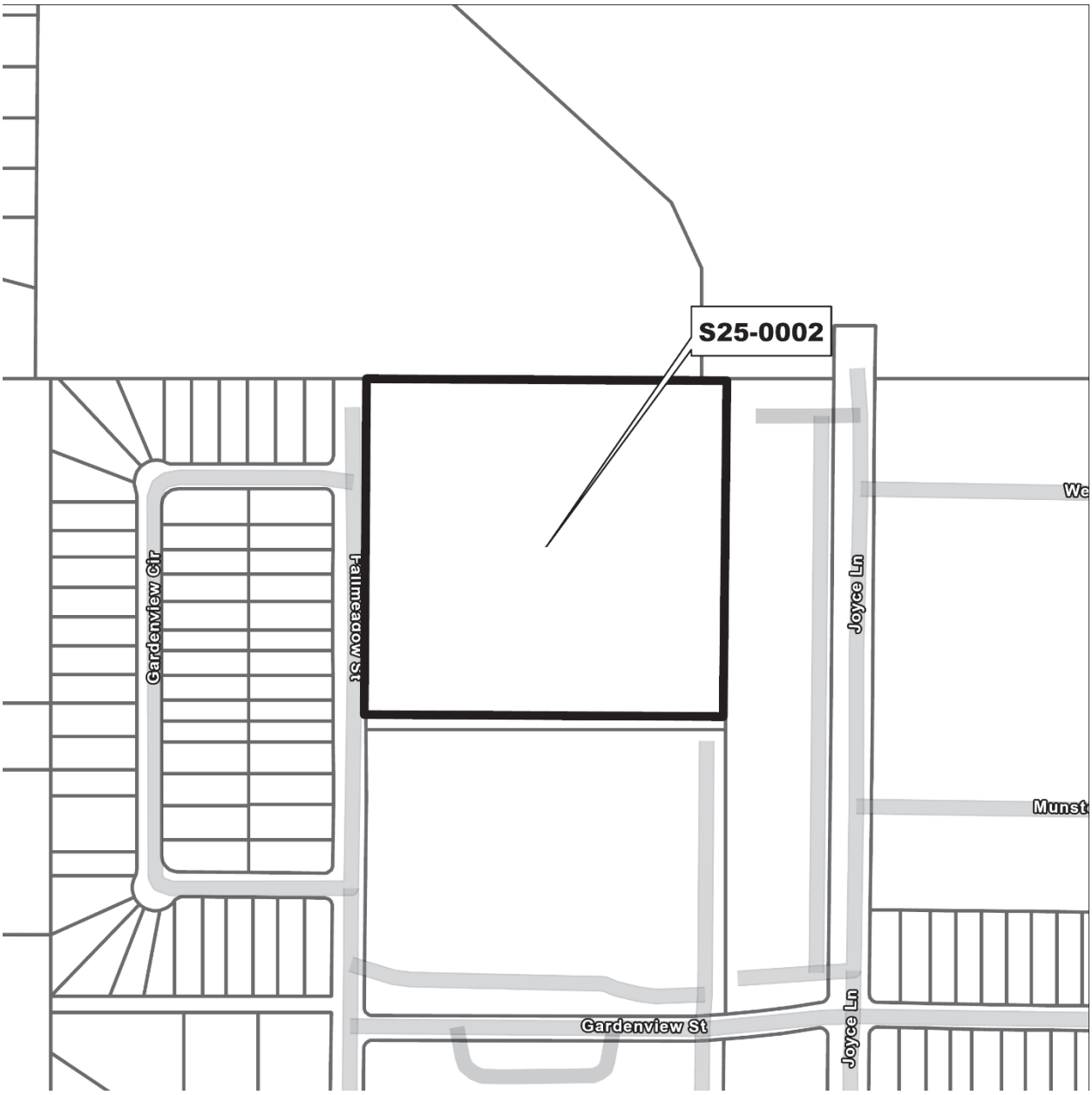
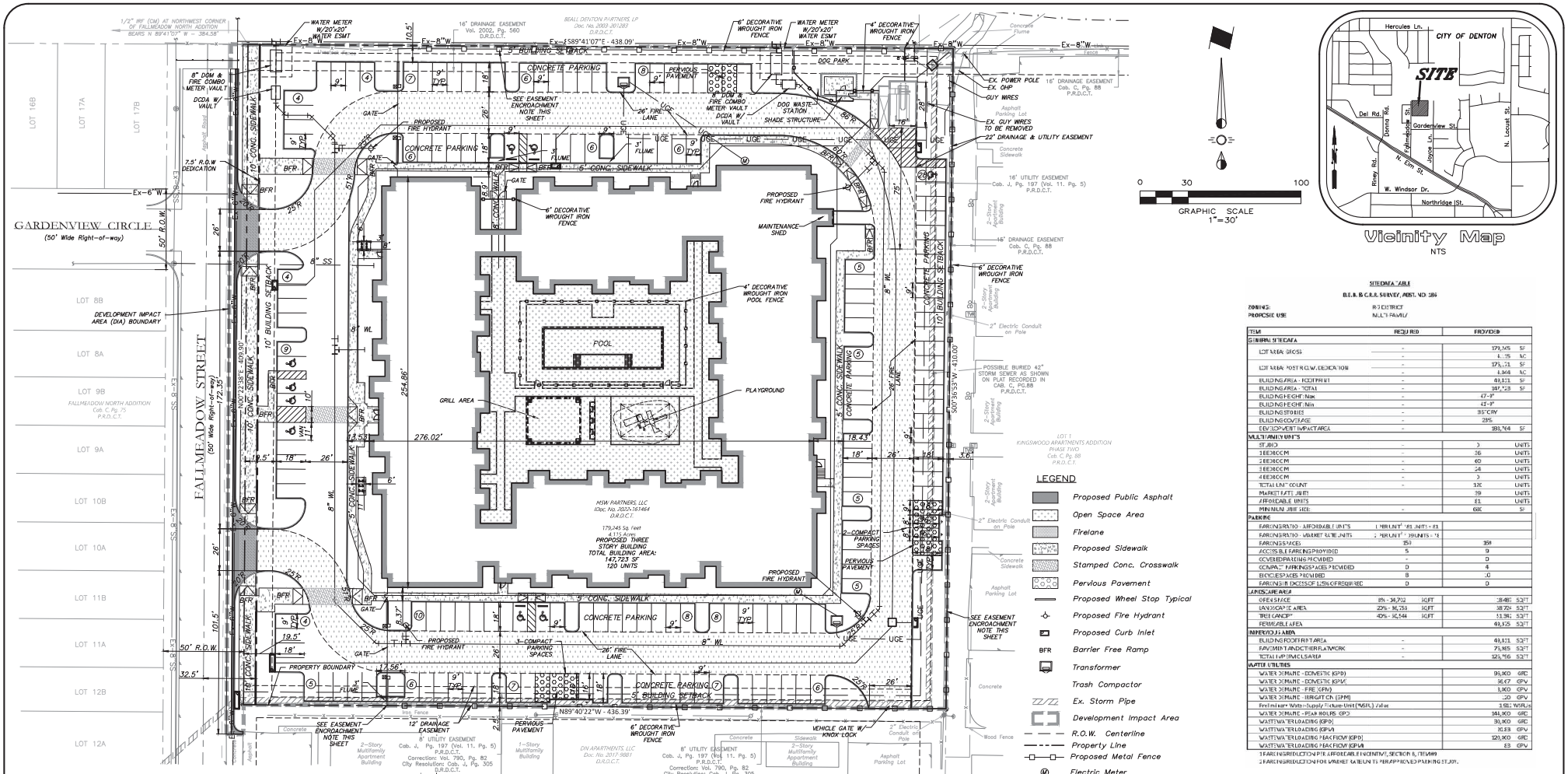


EXHIBIT C

Site Plan



Vicinity Map
NTS

LEGEND

- Proposed Public Asphalt
- Open Space Area
- Firelane
- Proposed Sidewalk
- Stamped Conc. Crosswalk
- Pervious Pavement
- Proposed Wheel Stop Typical
- Proposed Fire Hydrant
- Proposed Curb Inlet
- BFR Barrier Free Ramp
- Transformer
- Trash Compactor
- Ex. Storm Pipe
- Development Impact Area
- R.O.W. Centerline
- Property Line
- Proposed Metal Fence
- (M) Electric Meter
- UGE Electric Route

SITE DATA TABLE

B.B.B. & C.R.R. SURVEY, ABST. NO. 186

ZONING: R-7 DISTRICT
PROPOSED USE: MULTI FAMILY

ITEM	REQUIRED	PROVIDED
GENERAL SITE DATA		
LOT AREA: GROSS	-	179,245 SF
	-	4.115 AC
LOT AREA: POST R.O.W. DEDICATION	-	171,121 SF
	-	3.928 AC
BUILDING AREA - FOOTPRINT	-	49,823 SF
BUILDING AREA - TOTAL	-	147,723 SF
BUILDING HEIGHT: Min	-	47'-9"
BUILDING STORIES	-	3 STORY
BUILDING COVERAGE	-	28%
DEVELOPMENT IMPACT AREA		183,764 SF
MULTI-FAMILY UNITS		
STUDIO	-	3 UNITS
1 BEDROOM	-	36 UNITS
2 BEDROOM	-	60 UNITS
3 BEDROOM	-	18 UNITS
4 BEDROOM	-	3 UNITS
TOTAL UNIT COUNT	-	120 UNITS
MARKET RATE UNITS	-	79 UNITS
AFFORDABLE UNITS	-	41 UNITS
MINIMUM UNIT SIZE:	-	686 SF
PARKING		
PARKING RATIO - AFFORDABLE UNITS	1 PER UNIT (41 UNITS = 41	
PARKING RATIO - MARKET RATE UNITS	2 PER UNIT (79 UNITS = 158	
PARKING SPACES	199	359
ACCESSIBLE PARKING SPACES PROVIDED	5	9
COVERED PARKING PROVIDED	-	0
COMPACT PARKING SPACES PROVIDED	0	4
BICYCLE SPACES PROVIDED	8	20
PARKING REDUCTIONS OF 12.5% OF REQUIRED	0	0
LANDSCAPE AREA		
OPEN SPACE	8% - 34,722 SQFT	38,481 SQFT
LANDSCAPE AREA	22% - 36,753 SQFT	38,724 SQFT
TREE LANDER**	40% - 67,544 SQFT	113,396 SQFT
PERMEABLE AREA		49,325 SQFT
IMPERVIOUS AREA		
BUILDING FOOTPRINT AREA	-	49,823 SQFT
PAVEMENT AND OTHER FLATWORK	-	79,965 SQFT
TOTAL IMPERVIOUS AREA	-	129,788 SQFT
WATER UTILITIES		
WATER DEMAND - DOMESTIC (GPD)		95,900 GPD
WATER DEMAND - DOMESTIC (GPM)		36.67 GPM
WATER DEMAND - FIRE (GPM)		1,400 GPM
WATER DEMAND - IRRIGATION (GPM)		1.20 GPM
Preliminary Water Supply Picture Unit (WSFU) Value		1,981 WSFUs
WATER DEMAND - PEAK HOURS (GPD)		383,600 GPD
WASTEWATER LOADING (GPD)		80,900 GPD
WASTEWATER LOADING (GPM)		36.88 GPM
WASTEWATER LOADING PEAK FLOW (GPM)		120,900 GPD
WASTEWATER LOADING PEAK FLOW (GPM)		83 GPM

1 PARKING REDUCTION PER AFFORDABLE INCENTIVE, SECTION 8, ITEM #9
2 PARKING REDUCTION FOR UNMET RATIO TO PERCENTAGE OF PROVIDED PARKING STALLS.

TRIP GENERATION TABLE

Land Use	ITE Code	Rates								
		Average Weekday			AM Peak Hour			PM Peak Hour		
		T=6.41(x)+75.31			T = 0.31(x) + 22.85			T = 0.43(x) + 20.55		
Multi-Family Housing (Mid-Rise)	220	Direction Split								
		Average Weekday			AM Peak Hour			PM Peak Hour		
		50/50			24/76			63/37		
		Average Weekday			AM Peak Hour			PM Peak Hour		
	Units	Total	In	Out	Total	In	Out	Total	In	Out
Multi-Family Housing	120	845	122	422	60	14	46	72	44	28

DEVELOPER:
MSW Partners
3000 Race Street
Suite 100
Fort Worth, TX. 76111
Phone (817) 726-8586
Contact: Wayne Burgdorf

ARCHITECT:
RDL Architects
21111 Chagrin Blvd.
Suite 110
Beachwood, OH 44122
Phone (216) 752-4300

ENGINEER:
Cross Engineering Consultants, Inc.
1720 W. Virginia Street
McKinney, TX. 75069
Phone (972) 562-4409
Fax (972) 562-4471
Contact: Jonathan Hake

SURVEYOR:
Ringley & Associates
701 S. Tennessee St.
McKinney, TX. 75069
Phone (972) 542-1266
Fax (972) 542-8682
Contact: Lawrence Ringley

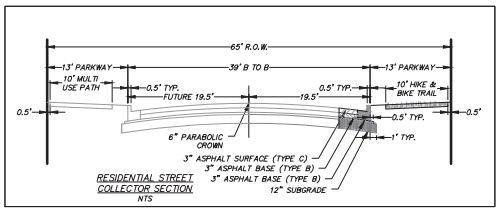
SITE BENCHMARKS

BM-1 = City of Denton Survey Benchmark #12-76-2 at the southwest corner of property. Elev.=679.81

BM-2 = "X" in top of concrete curb on the east side of Joyce Lane at the north end of street, 125'± south of the gate to a concrete flume to the north of the street. Elev.=676.61

CITY BENCHMARK USED FOR CONTROL

#12-76-2 = Standard City of Denton Bronze Cap in concrete at the southwest corner of the inlet on Fallmeadow Street approximately 1,000 feet north of 377 on east side of street. Elev.=679.81



RESIDENTIAL STREET COLLECTOR SECTION
NTS

EASEMENT ENCROACHMENT NOTE:
AS A CONDITION OF THE ALLOWING THE ENCROACHMENTS IN THE EXISTING EASEMENTS, OWNER ACKNOWLEDGES THAT THE CITY OF DENTON HAS THE RIGHTS OF CONSTRUCTING PUBLIC DRAINAGE IMPROVEMENTS, DRAINAGE MAINTENANCE, INSPECTION, OR OTHER RELATED PUBLIC DRAINAGE WORK WITHIN THE EXISTING DRAINAGE EASEMENT. OWNER ACKNOWLEDGES THE CITY'S RIGHT TO REMOVE THE FENCE AND ANY OTHER PRIVATE IMPROVEMENTS ENCROACHING WITHIN THE EASEMENT. CITY OF DENTON IS NOT LIABLE FOR ANY REIMBURSEMENT, REPLACEMENT, OR DAMAGES INCURRED BY THE ENCROACHMENT OF PRIVATE IMPROVEMENTS, INCLUDING PAVING, LANDSCAPING, OR STRUCTURES.

Date of Preparation: May 16, 2025

Existing Zoning: R-7 District

Proposed Land Use: Multi-Family

Issue Date	Description
1 2/11/2025	
2 3/25/2025	
3 4/22/2025	
4 5/16/2025	
5 5/29/2025	
6	

CROSS ENGINEERING CONSULTANTS
1720 W. Virginia Street
972.562.4409
McKinney, Texas 75069
Texas P.E. Firm No. F-5935

THIS DOCUMENT IS RELEASED FOR THE PURPOSE OF INTERIM REVIEW UNDER THE AUTHORITY OF JONATHAN D. HAKE, P.E. NO. 94738 ON 5/29/2025. IT IS NOT TO BE USED FOR CONSTRUCTION PURPOSES.

SUP SITE PLAN

PALLADIUM DENTON WEST
4.115 ACRES - 179,245 SF
B.B.B. & C.R.R. SURVEY, ABST. NO. 186
CITY OF DENTON, DENTON COUNTY, TEXAS

Sheet No. SP

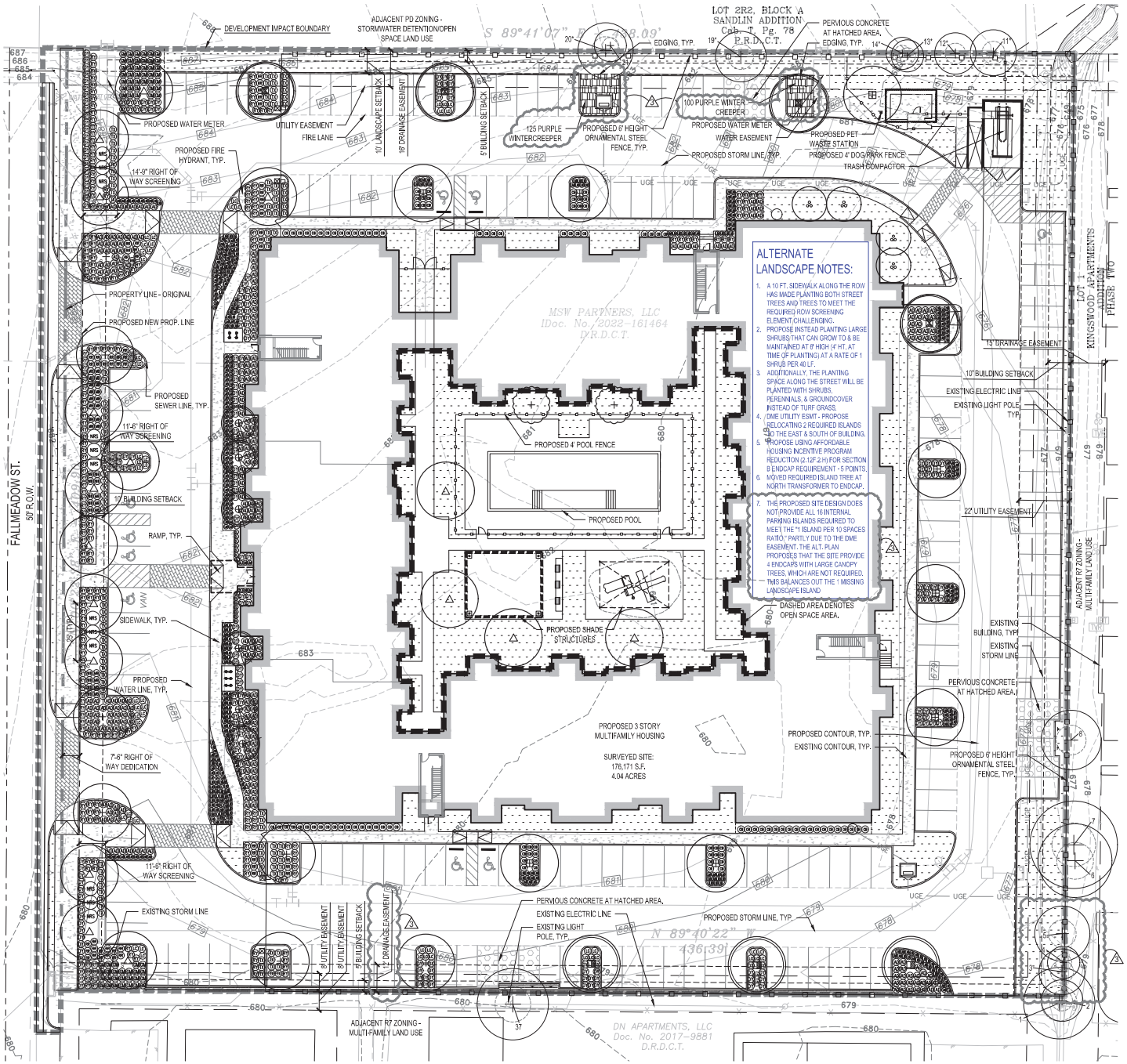
SUP25-0002

Project No. 24084

PALLADIUM DENTON WEST

EXHIBIT D

Landscape Plan



LANDSCAPE PLANTING NOTES:

1. ALL WEEDS WITHIN THE LIMITS OF CONSTRUCTION ARE TO BE REMOVED AND TAKEN OFF SITE BY THE CONTRACTOR. ROOT SYSTEMS SHOULD BE ERADICATED.
2. FINISH GRADES OF PLANT BED AREAS (TOP OF MULCH), SOD (TOP OF SOD), HYDROMULCH (TOP OF TOPSOIL), SHALL BE FLUSH WITH ADJACENT PAVING.
3. TRENCHING AND SITE WORK PERFORMED WITHIN THE PROMINENT ROOT ZONES OF EXISTING TREES SHALL BE DONE BY HAND OR AIR SPADE UNLESS OTHERWISE SPECIFIED BY THE LANDSCAPE ARCHITECT. NO ROOTS OVER 1" DIA. SHALL BE CUT.
4. VERIFY PLANT COUNTS AND SQUARE FOOTAGES. IF QUANTITIES ON PLANT SCHEDULE DIFFER FROM GRAPHIC INDICATIONS, THEN GRAPHICS SHALL PREVAIL.
5. LANDSCAPE ARCHITECT TO REVIEW PLANT MATERIALS AT SOURCE OR BY PHOTOGRAPHS OF ACTUAL MATERIAL TO BE PLANTED PRIOR TO PURCHASE, DIGGING, OR SHIPPING OF PLANT MATERIALS.
6. PROVIDE MATCHING FORMS AND SIZES FOR PLANT MATERIALS WITHIN EACH SPECIES AND SIZE DESIGNATED ON THE DRAWINGS.
7. PLANT NAMES USED ON THE PLANS COMPLY WITH STANDARD HORTICULTURAL NOMENCLATURE, AND NAMES GENERALLY ACCEPTED IN THE NURSERY TRADE. THE LANDSCAPE ARCHITECT, OR OWNERS REPRESENTATIVE SHALL REVIEW ALL PLANTS AT THE TIME OF DELIVERY TO THE SITE. IF THE CONTRACTOR FAILS TO NOTIFY THE LANDSCAPE ARCHITECT, OR OWNERS REPRESENTATIVE FORTY-EIGHT (48) HOURS IN ADVANCE OF THE DELIVERY TIME, AND/OR DOES NOT CALL FOR OBSERVATION OF THE MATERIAL, THE CONTRACTOR SHALL BE LIABLE FOR ALL REMOVAL AND REPLACEMENT COSTS OF THE PLANT MATERIAL. THE PLANT MATERIAL WILL BE JUDGED AND ACCEPTED OR REJECTED ON BASIS OF THE FOLLOWING CRITERIA:
   a. PROVIDE PLANTS OF QUALITY, SIZE, GENUS, SPECIES, AND VARIETY AS INDICATED ON THE PLANS AND AS COORDINATED WITH THE LANDSCAPE ARCHITECT.
   b. PLANTS SHALL BE FREE OF DISEASE, INSECTS, EGGS, LARVAE, AND DEFECTS, CONFORMING TO ANSI Z60.1
   c. TREE CANOPIES SHALL HAVE AN INTACT AND UNDAMAGED CENTRAL LEADER.
   d. TREES ARE REQUIRED TO STAND UPRIGHT WITH NO SUPPORT AND HAVE PROPER TRUNK CALIPER AND TAPER. TREES HAVING "BROOM STICK" TRUNKS WITH "POODLE" TOPS WILL NOT BE ACCEPTED.
   e. BARK SHALL BE DAMAGE FREE WITH ALL MINOR CUTS AND ABRASIONS SHOWING HEALING TISSUE. FOLIAGE, ROOTS AND STEMS OF ALL PLANTS SHALL BE OF VIGOROUS HEALTH AND NORMAL HABIT OF GROWTH FOR ITS SPECIES. ALL PLANTS SHALL BE FREE OF INSECT INFESTATIONS AND DISEASES. TOP GROWTH SHALL BE PROPORTIONATE TO BOTTOM GROWTH.
   f. SHRUBS TRANSPLANTED IN AN UP-SIZED CONTAINER LARGER THAN SPECIFIED SIZE, SHALL HAVE BEEN GROWN IN THAT CONTAINER FOR A SUFFICIENT LENGTH OF TIME TO DEVELOP NEW FIBROUS ROOTS, SO THAT ROOT MASS WILL FILL THE CONTAINER.
   g. AREAS DISTURBED BY CONSTRUCTION AND ARE NOT SCHEDULED TO BE IMPROVED SHALL BE REPAIRED TO THE STATE THAT IT WAS PRIOR TO THE START OF CONSTRUCTION.
8. ALIGN AND EQUALLY SPACE IN ALL DIRECTIONS PLANTS SO DESIGNATED PER THESE NOTES AND DRAWINGS.
9. EXACT LOCATIONS OF PLANT MATERIALS TO BE APPROVED BY THE LANDSCAPE ARCHITECT IN THE FIELD PRIOR TO INSTALLATION. LANDSCAPE ARCHITECT RESERVES THE RIGHT TO DIRECT THE ADJUSTMENT OF PLANTS TO EXACT LOCATION IN FIELD.
10. IF PLANT MATERIAL IS BALL AND BURLAP, CUT AND REMOVE BURLAP FROM TOP 1/3 OF BALL. CONTAINER GROWN STOCK WILL HAVE THE OUTSIDE EDGE OF THE ROOTBALL LOOSENED BY HAND AFTER REMOVING FROM THE CONTAINER.
11. PRUNE NEWLY PLANTED TREES ONLY AS DIRECTED BY LANDSCAPE ARCHITECT.
12. PROVIDE SPECIFIED EDGING AS DIVIDER BETWEEN PLANTING BEDS AND LAWN AREAS.
13. PLANT SPACING LISTED IN PLANT SCHEDULE IS A MAXIMUM TYPICAL SPACING. IF PLANTS ARE SHOWN CLOSER ON THE PLAN THEY SHOULD BE INSTALLED PER THE PLAN.
14. ALL PROPOSED TURF GRASS AREAS SHALL HAVE 6" DEPTH OF CLEAN (NO WEEDS, ROOTS, DEBRIS, VEGETATION) TOPSOIL. UNLESS A LESSOR DEPTH IS REQUIRED BY THE LOCAL JURISDICTION. TOP SOIL SHOULD BE ATTAINED FROM A REPUTABLE SOURCE LOCATED WITHIN 50 MILES OF THE PROJECT SITE.
15. ALL SOD INSTALLED ON SLOPES 4:1 OR STEEPER SHALL HAVE BIODEGRADABLE STAKES / STAPLES INSTALLED.
16. ALL PLANTING BED SOIL MIX SHALL BE AMENDED TOPSOIL. CONTRACTOR TO PROVIDE A SOIL TEST RESULTS TO THE LANDSCAPE ARCHITECT FOR REVIEW AND APPROVAL OF TOPSOIL TO BE USED, AND THE APPROPRIATE AMENDMENTS TO BE ADDED TO THE TOPSOIL TO PROVIDE OPTIMUM GROWING CONDITIONS. ALL TOPSOIL SHALL BE FREE OF ROCKS LARGER THAN 3/4" DIAMETER, DELETERIOUS MATERIAL AND ANY DEBRIS.
17. NO TREE SHALL BE PLANTED CLOSER THAN 9 FEET FROM ANY UNDERGROUND WATER OR WASTEWATER UTILITY CONNECTION OR MAIN.

LEGEND:

34 EXISTING TREE TO REMAIN

CALL BEFORE YOU DIG - TEXAS811.ORG

NORTH SCALE IN FEET (1"=20'-0")

0 10 20 50

CITY OF DENTON - # TPP25-0006
S25-0002

BLU FISH COLLABORATIVE
107 Leland Street, Suite 2
Austin, TX 78704
P.O. BOX 40792
Austin, TX 78704
Phone: (512) 388-4115

PROFESSIONAL SEAL:

DATE SEALED: 05/19/2025

PROJECT NAME:
PALLADIUM DENTON WEST

OWNER:
PALLADIUM USA

PROJECT LOCATION:
FALLMEADOW ST.
DENTON, TEXAS 76207

REVISIONS:
1 03-25-2025 CITY COMMENTS
2 04-22-2025 CITY COMMENTS
3 05-19-2025 CITY COMMENTS

PROJECT #: 121-24-01
DATE PRINTED: 02/11/2025
DRAWING TITLE:
ALTERNATE LANDSCAPE PLAN

SHEET NO.: L200

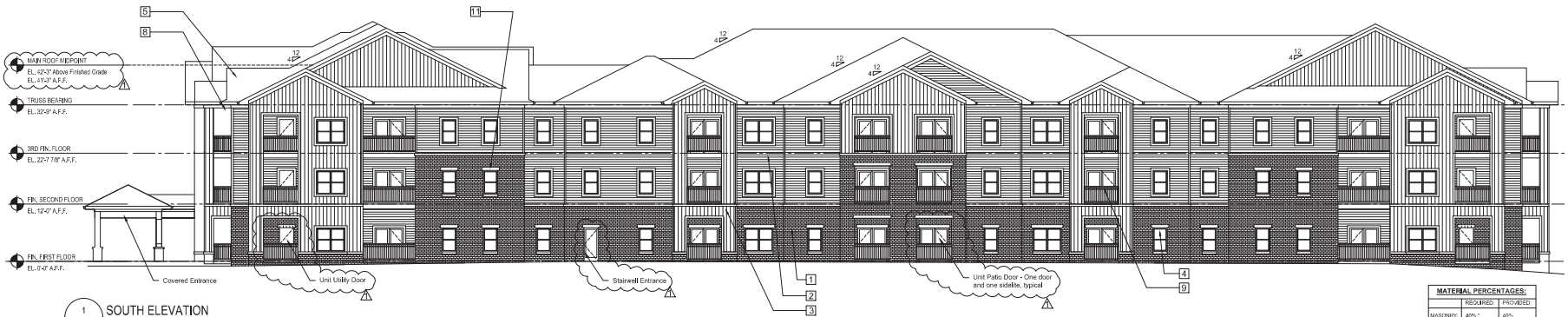
EXHIBIT E

Building Elevations

1209

MATERIALS:

1. BRICK VENEER, TYP.
2. HORIZONTAL VINYL SIDING
3. VERTICAL VINYL SIDING
4. SINGLE HUNG VINYL WINDOWS
5. ASPHALT SHINGLE ROOFING, ANTI-FUNGAL, 30-YR, MIN. WARRANTY
7. ALUMINUM AUTOMATIC ENTRANCE DOOR
8. PVC TRIM
9. ALUMINUM RAILING
10. FASCIA BOARD
11. PRECAST CONCRETE HEADER



1 A3.10 SOUTH ELEVATION
SCALE: 3/32" = 1'-0"

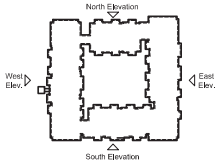
MATERIAL PERCENTAGES:		
	REQUIRED:	PROVIDED:
MASONRY:	40% *	40%
GLAZING:	15%	19%
VINYL SIDING/TRIM		41%



2 A3.10 WEST ELEVATION (FALLMEADOW STREET)
SCALE: 3/32" = 1'-0"

MATERIAL PERCENTAGES:		
	REQUIRED:	PROVIDED:
MASONRY:	40% *	41%
GLAZING:	25%	28%
VINYL SIDING/TRIM		31%

Key Plan



RDL ARCHITECTS
21111 CHAGRIN BLVD, SUITE 110
BEACHWOOD, OHIO 44122
P:(216) 753-4100
WWW.RDLARCHITECTS.COM

PRELIMINARY DRAWINGS
NOT FOR CONSTRUCTION

PALLADIUM USA
PALLADIUM USA
13455 Noel Road, Suite 400
Dallas, Texas 75240-6602
T: 972-774-4455

PALLADIUM DENTON WEST
DENTON, TEXAS

RDLA PROJECT #: 24146

THE DRAWINGS, SPECIFICATIONS, IDEAS, DESIGNS AND ARRANGEMENTS REPRESENTED THEREBY ARE AND SHALL REMAIN THE PROPERTY OF THE ARCHITECT. NO PART OF SHALL BE COPIED, DISCLOSED TO OTHERS OR USED IN CONJUNCTION WITH ANY WORK OR PROJECT OTHER THAN THE SPECIFIC PROJECT FOR WHICH THEY HAVE BEEN PREPARED AND DEVELOPED WITHOUT THE WRITTEN PERMISSION OF THE ARCHITECT. VISUAL CONTACT WITH THESE DRAWINGS OR SPECIFICATIONS SHALL CONSTITUTE CONCLUSIVE EVIDENCE OF ACCEPTANCE OF THESE RESTRICTIONS. WRITTEN DIMENSIONS ON THESE DRAWINGS SHALL HAVE PRECEDENCE OVER SCALED DIMENSIONS. CONTRACTORS SHALL VERIFY AND BE RESPONSIBLE FOR ALL DIMENSIONS AND CONDITIONS ON THE JOB SITE. AND THE ARCHITECT MUST BE NOTIFIED OF ANY VARIATIONS FROM THE DIMENSIONS AND CONDITIONS SHOWN ON THESE DRAWINGS.
© 2024 ALL RIGHTS RESERVED

ISSUE

2025-01-28 Drawing Review Pkg.
2025-03-28 SUP Resubmittal
2025-04-22 SUP Resubmittal

SOUTH & WEST EXTERIOR ELEVATIONS

SCALE: 3/32" = 1'-0"
0' 4' 8' 16'

A3.10

1210

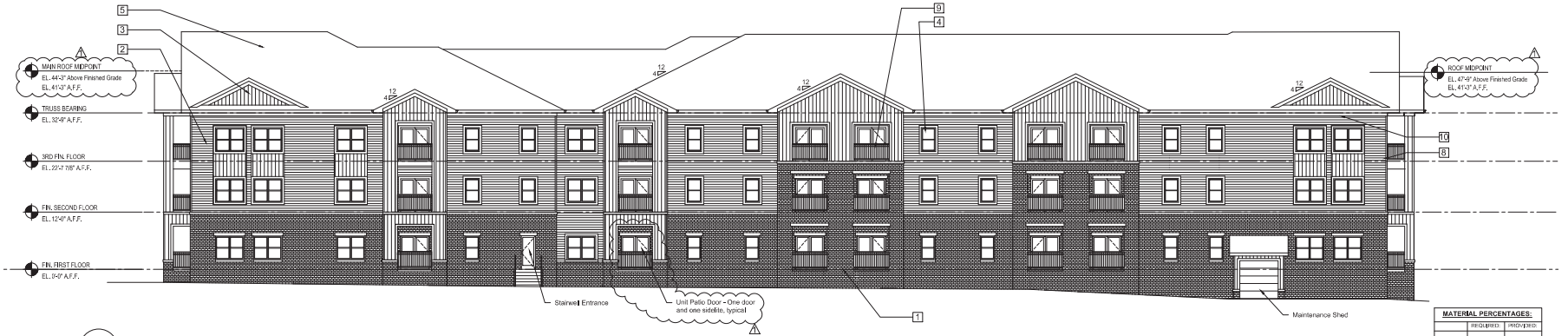
MATERIALS:

1. BRICK VENEER, TYP.
2. HORIZONTAL VINYL SIDING
3. VERTICAL VINYL SIDING
4. SINGLE HUNG VINYL WINDOWS
5. ASPHALT SHINGLE ROOFING, ANTI-FUNGAL, 30-YR, MIN. WARRANTY
7. ALUMINUM AUTOMATIC ENTRANCE DOOR
8. PVC TRIM
9. ALUMINUM RAILING
10. FASCIA BOARD
11. PRECAST CONCRETE HEADER



1 A3.11 NORTH ELEVATION
SCALE: 3/32" = 1'-0"

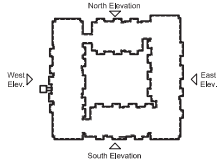
MATERIAL PERCENTAGES:		
	REQUIRED:	PROVIDED:
MASONRY:	40% *	44%
GLAZING:	15%	17%
VINYL SIDING/TRIM	30%	39%



2 A3.11 EAST ELEVATION
SCALE: 3/32" = 1'-0"

MATERIAL PERCENTAGES:		
	REQUIRED:	PROVIDED:
MASONRY:	40% *	49%
GLAZING:	15%	21%
VINYL SIDING/TRIM:	30%	30%

Key Plan



RDL ARCHITECTS
21111 CHAGRIN BLVD, SUITE 110
BEACHWOOD, OHIO 44122
P:(216) 753-4300
WWW.RDLARCHITECTS.COM

PRELIMINARY DRAWINGS
NOT FOR CONSTRUCTION

PALLADIUM USA
13455 Noel Road, Suite 400
Dallas, Texas 75240-6602
T: 972-774-4455

PALLADIUM DENTON WEST

DENTON, TEXAS

RDLA PROJECT #: 24146

THE DRAWINGS, SPECIFICATIONS, IDEAS, DESIGNS AND ARRANGEMENTS REPRESENTED THEREBY ARE AND SHALL REMAIN THE PROPERTY OF THE ARCHITECT. NO PART OF SHALL BE COPIED, DISCLOSED TO OTHERS OR USED IN CONNECTION WITH ANY WORK OR PROJECT OTHER THAN THE SPECIFIC PROJECT FOR WHICH THEY HAVE BEEN PREPARED AND DEVELOPED WITHOUT THE WRITTEN PERMISSION OF THE ARCHITECT. VISUAL CONTACT WITH THESE DRAWINGS OR SPECIFICATIONS SHALL CONSTITUTE CONCLUSIVE EVIDENCE OF ACCEPTANCE OF THESE RESTRICTIONS. WRITTEN DIMENSIONS ON THESE DRAWINGS SHALL HAVE PRECEDENCE OVER SCALED DIMENSIONS. CONTRACTORS SHALL VERIFY AND BE RESPONSIBLE FOR ALL DIMENSIONS AND CONDITIONS ON THE JOB SITE. AND THE ARCHITECT SHALL BE NOTIFIED OF ANY VARIATION FROM THE DIMENSIONS AND CONDITIONS SHOWN IN THESE DRAWINGS.
© 2025 ALL RIGHTS RESERVED

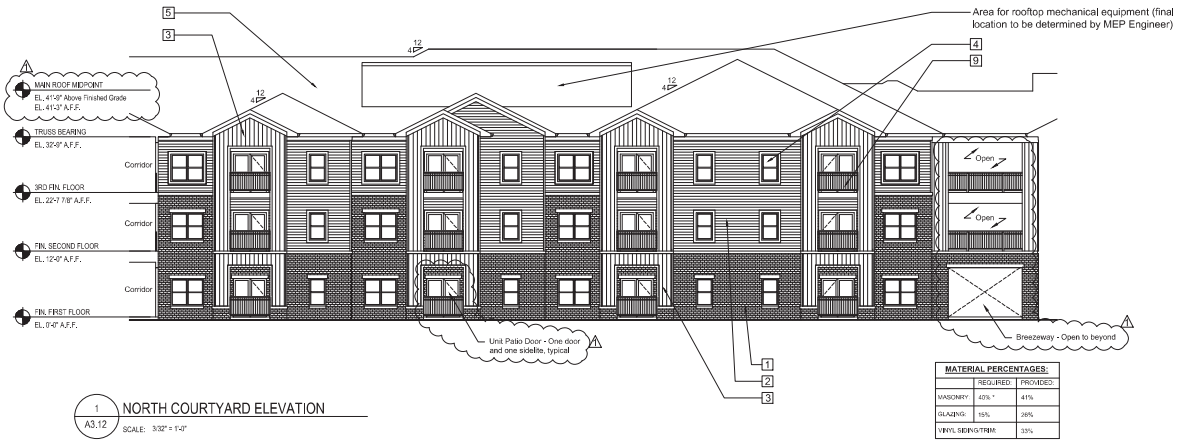
ISSUE

- 2025-03-28 Drawing Review Pkg
- 2025-04-25 SUP Resubmittal
- 2025-04-27 SUP Resubmittal

NORTH & EAST EXTERIOR ELEVATIONS

SCALE: 3/32" = 1'-0"
0' 4' 8' 16'

A3.11



1 A3.12 NORTH COURTYARD ELEVATION

SCALE: 3/32" = 1'-0"

MATERIAL PERCENTAGES:		
	REQUIRED:	PROVIDED:
MASONRY:	40% *	41%
GLAZING:	15%	26%
VINYL SIDING/TRIM:		33%



2 A3.12 EAST COURTYARD ELEVATION

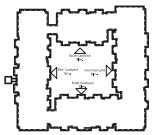
SCALE: 3/32" = 1'-0"

MATERIAL PERCENTAGES:		
	REQUIRED:	PROVIDED:
MASONRY:	40% *	44%
GLAZING:	15%	25%
VINYL SIDING/TRIM:		31%

MATERIALS:

1. BRICK VENEER, TYP.
2. HORIZONTAL VINYL SIDING
3. VERTICAL VINYL SIDING
4. SINGLE HUNG VINYL WINDOWS
5. ASPHALT SHINGLE ROOFING, ANTI-FUNGAL, 30-YR, MIN. WARRANTY
7. ALUMINUM AUTOMATIC ENTRANCE DOOR
8. PVC TRIM
9. ALUMINUM RAILING
10. FASCIA BOARD
11. PRECAST CONCRETE HEADER

Key Plan



1211

RDL ARCHITECTS
21111 CHAGRIN BLVD, SUITE 110
BEACHWOOD, OHIO 44122
P:(216) 753-4300
WWW.RDLARCHITECTS.COM

PRELIMINARY DRAWINGS
NOT FOR CONSTRUCTION

PALLADIUM USA
PALLADIUM USA
13455 Noel Road, Suite 400
Dallas, Texas 75240-6602
T: 972-774-4455

PALLADIUM DENTON WEST

DENTON, TEXAS

RDLA PROJECT #: 24146

THE DRAWINGS, SPECIFICATIONS, IDEAS, DESIGNS AND ARRANGEMENTS REPRESENTED THEREBY ARE AND SHALL REMAIN THE PROPERTY OF THE ARCHITECT. NO PART OF SHALL BE COPIED, DISCLOSED TO OTHERS OR USED IN CONJUNCTION WITH ANY WORK OR PROJECT OTHER THAN THE SPECIFIC PROJECT FOR WHICH THEY HAVE BEEN PREPARED AND DEVELOPED WITHOUT THE WRITTEN PERMISSION OF THE ARCHITECT. SUBMISSION OR DISTRIBUTION OF THESE DRAWINGS TO MEET OFFICIAL REGULATORY REQUIREMENTS OR FOR OTHER PURPOSES IN CONNECTION WITH THE PUBLISHED PROJECT DOES NOT CONSTITUTE A WAIVER OF THE FOREGOING RESERVED RIGHTS. IN THE EVENT OF CONFLICTING INFORMATION, WRITTEN DIMENSIONS ON THESE DRAWINGS SHALL HAVE PRECEDENCE OVER SCALED DIMENSIONS. CONTRACTORS SHALL VERIFY AND BE RESPONSIBLE FOR ALL DIMENSIONS AND CONDITIONS ON THE JOB SITE. NO THE OMISSION AND/OR VARIATIONS FROM THE DIMENSIONS AND CONDITIONS SHOWN IN THESE DRAWINGS.
© 2024 ALL RIGHTS RESERVED

ISSUE

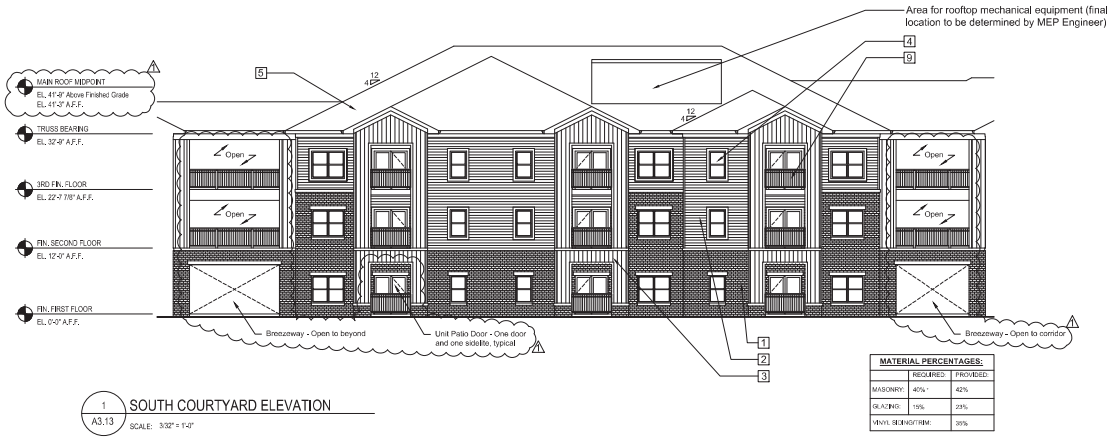
- 2025-01-28 Drawing Review Pkg
- 2025-02-25 SUP Resubmittal
- 2025-04-22 SUP Resubmittal

NORTH & EAST COURTYARD ELEVATIONS

SCALE: 3/32" = 1'-0"

0' 4' 8' 16'

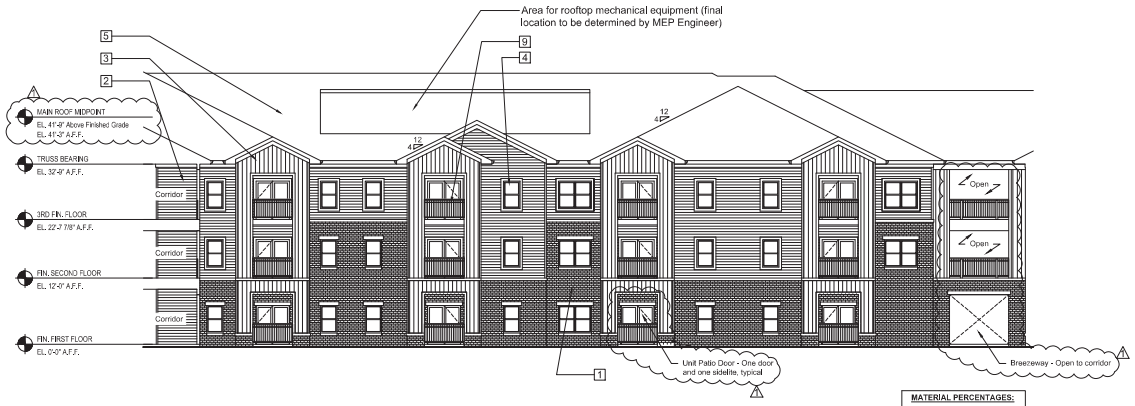
A3.12



1 A3.13 SOUTH COURTYARD ELEVATION

SCALE: 3/32" = 1'-0"

MATERIAL PERCENTAGES:		
	REQUIRED:	PROVIDED:
MASONRY:	40% *	42%
GLAZING:	15%	23%
VINYL SIDING/TRIM:	35%	



2 A3.13 WEST COURTYARD ELEVATION

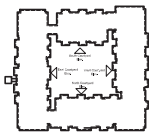
SCALE: 3/32" = 1'-0"

MATERIAL PERCENTAGES:		
	REQUIRED:	PROVIDED:
MASONRY:	40% *	40%
GLAZING:	15%	23%
VINYL SIDING/TRIM:	35%	37%

MATERIALS:

1. BRICK VENEER, TYP.
2. HORIZONTAL VINYL SIDING
3. VERTICAL VINYL SIDING
4. SINGLE HUNG VINYL WINDOWS
5. ASPHALT SHINGLE ROOFING, ANTI-FUNGAL, 30-YR, MIN. WARRANTY
7. ALUMINUM AUTOMATIC ENTRANCE DOOR
8. PVC TRIM
9. ALUMINUM RAILING
10. FASCIA BOARD
11. PRECAST CONCRETE HEADER

Key Plan



1212

RDL ARCHITECTS
21111 CHAGRIN BLVD, SUITE 110
BEACHWOOD, OHIO 44122
P:(216) 753-4300
WWW.RDLARCHITECTS.COM

PRELIMINARY DRAWINGS
NOT FOR CONSTRUCTION

PALLADIUM USA
13455 Noel Road, Suite 400
Dallas, Texas 75240-6602
T: 972-774-4455

PALLADIUM DENTON WEST

DENTON, TEXAS

RDLA PROJECT #: 24146

THE DRAWINGS, SPECIFICATIONS, IDEAS, DESIGNS AND ARRANGEMENTS REPRESENTED THEREBY ARE AND SHALL REMAIN THE PROPERTY OF THE ARCHITECT. NO PART OF SHALL BE COPIED, DISCLOSED TO OTHERS OR USED IN CONJUNCTION WITH ANY WORK OR PROJECT OTHER THAN THE SPECIFIC PROJECT FOR WHICH THEY HAVE BEEN PREPARED AND DEVELOPED WITHOUT THE WRITTEN PERMISSION OF THE ARCHITECT. SUBMISSION OR DISTRIBUTION OF DRAWINGS TO MEET OFFICIAL REGULATORY REQUIREMENTS OR FOR OTHER PURPOSES IN CONNECTION WITH THE PUBLISHING OF THE PROJECT IS NOT CONSIDERED A WAIVER OF THE CONCLUSIVE EVIDENCE OF ACCEPTANCE OF THESE RESTRICTIONS. WRITTEN DIMENSIONS ON THESE DRAWINGS SHALL HAVE PRECEDENCE OVER SCALED DIMENSIONS. CONTRACTORS SHALL VERIFY AND BE RESPONSIBLE FOR ALL DIMENSIONS AND CONDITIONS ON THE JOB SITE. NO THE OWNER SHALL BE NOTIFIED OF ANY VARIATIONS FROM THE DIMENSIONS AND CONDITIONS SHOWN ON THESE DRAWINGS.
© 2024 ALL RIGHTS RESERVED

ISSUE

1	2025-01-28 Drawing Review Pkg
2	2025-03-26 SUP Resubmittal
3	2025-04-22 SUP Resubmittal

SOUTH & WEST COURTYARD ELEVATIONS

SCALE: 3/32" = 1'-0"

0' 4' 8' 16'

A3.13

Texas Secretary of State
Jane Nelson

UCC | Business Organizations | Trademarks | Account | Help/Fees | Briefcase | Logout

BUSINESS ORGANIZ

Filing Number:	804793387	**Entity Type:**	Domestic Limited Liability Company (LLC)
Original Date of Filing:	November 2, 2022	**Entity Status:**	In existence
Formation Date:	N/A		
Tax ID:	32087033521	**FEIN:**	
Duration:	Perpetual		

Name: MSW Partners, LLC

Address: PO BOX 3007
THOUSAND OAKS, CA 91359-0007 USA

REGISTERED AGENT | FILING HISTORY | NAMES

Last Update	Name	Title
August 31, 2023	Matthew Baumueller	Manager

Order | Return to Search

ATIONS INQUIRY - VIEW ENTITY

MANAGEMENT	ASSUMED NAMES	ASSOCIATED ENTITIES	INITIAL ADDRESS

	Address
	P.O. Box 3007 Thousand Oaks, Cali 91359 USA



March 20, 2025

Peter Spennato
DN Apartments LLC
28441 Highridge Rd Ste 502
Rolling Hills Estates, CA 90274-4809

RE: 4 acres of land on Fallmeadow Street, Denton

Dear Peter,

Palladium USA, a global development company headquartered in Dallas, Texas, is in the process of developing the site to your north on Fallmeadow Street (see aerial attached). It is very important that we discuss a shared access agreement with your property that the city requires for our development. This could be a win/win for both parties. Please contact me at your earliest convenience to discuss the details.

Kindly,

Kim Parker

Kim Parker
Executive Director, Development
Palladium USA International, Inc.
KParker@PalladiumUSA.com
214-405-3507

4.11 Acres at 3300 Fallmeadow Street, Denton Texas



April 3, 2025

Peter Spennato
DN Apartments LLC
28441 Highridge Rd Ste 502
Rolling Hills Estates, CA 90274-4809

RE: 4 acres of land on Fallmeadow Street, Denton

Dear Peter,

I have been trying to reach you to discuss a proposed development on Fallmeadow Street in Denton. The City of Denton requests that we work out a shared access easement with you. Please reach out to me at your earliest opportunity.

Sincerely,

Kim Parker

Kim Parker
Executive Director, Development
Palladium USA International, Inc.
KParker@PalladiumUSA.com
214-405-3507

4.11 Acres at 3300 Fallmeadow Street, Denton Texas



S25-0002a
Palladium Denton West

Sean Jacobson

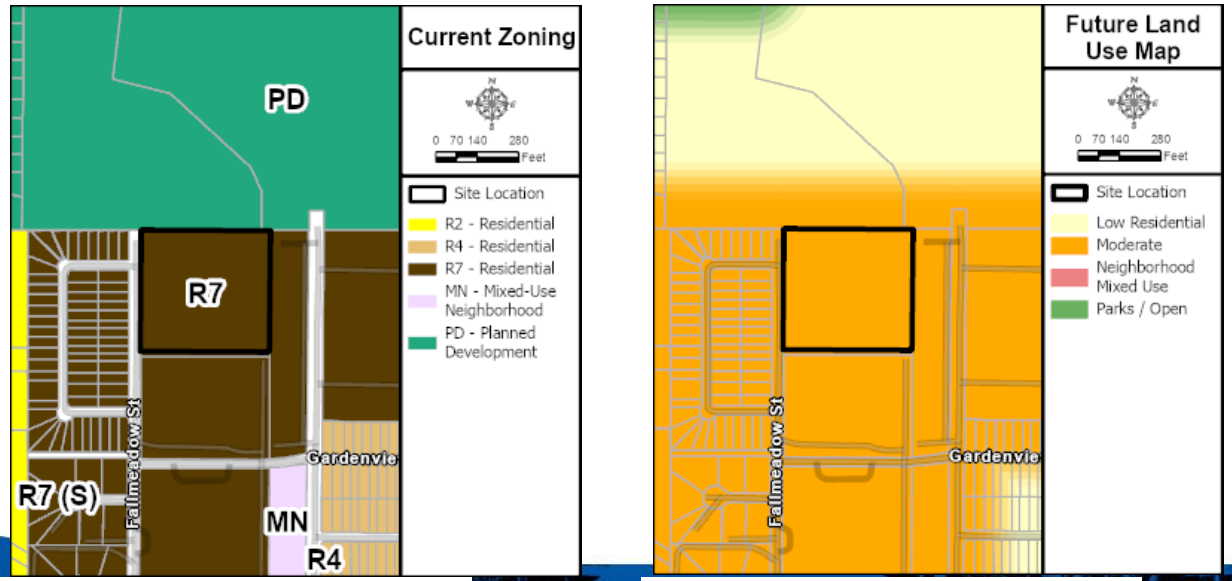
Associate Planner

July 15, 2025

CITY OF DENTON

Request

- **Request**: Specific Use Permit (SUP) to allow a **Multifamily** use on approximately 4.1 acres of land, generally located on the east side of Fallmeadow Street, 15 feet east of the northern intersection of Gardenview Circle and Fallmeadow street
- **Zoning:** Residential 7 (R7)
- **Recommendation**: Complies with criteria for approval



Existing Zoning - Residential 7 (R7)

Future Land Use Map – Neighborhood Mixed Use

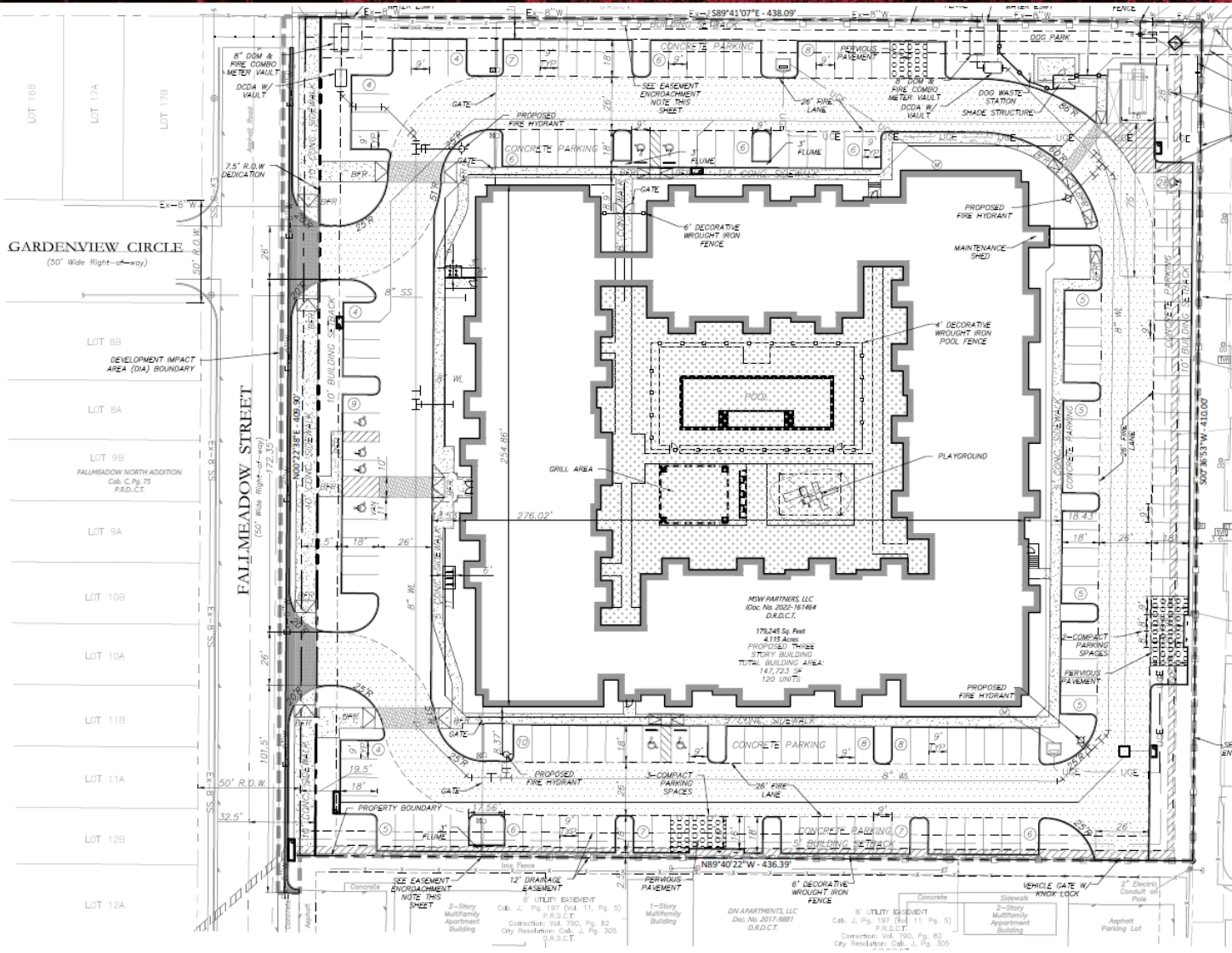


Proposed Site Plan

- Multifamily building containing 120 residences
  - 3 stories (approximately 47 feet)
- 169 parking spaces – only one row of front parking
- 18,147sf (10%) Open Space with playground, pool, grill area, and dog park
- Two full access drives
- Applicant will construct 10’-foot wide sidewalk

DDC Section 2.12 Incentives
Site Plan and Landscape Plan reflect the 3 incentives utilized:

1. Height Increase - ~7’
2. Parking Reduction – 1 space/unit
3. Landscape Point Reduction – 5 point reduction



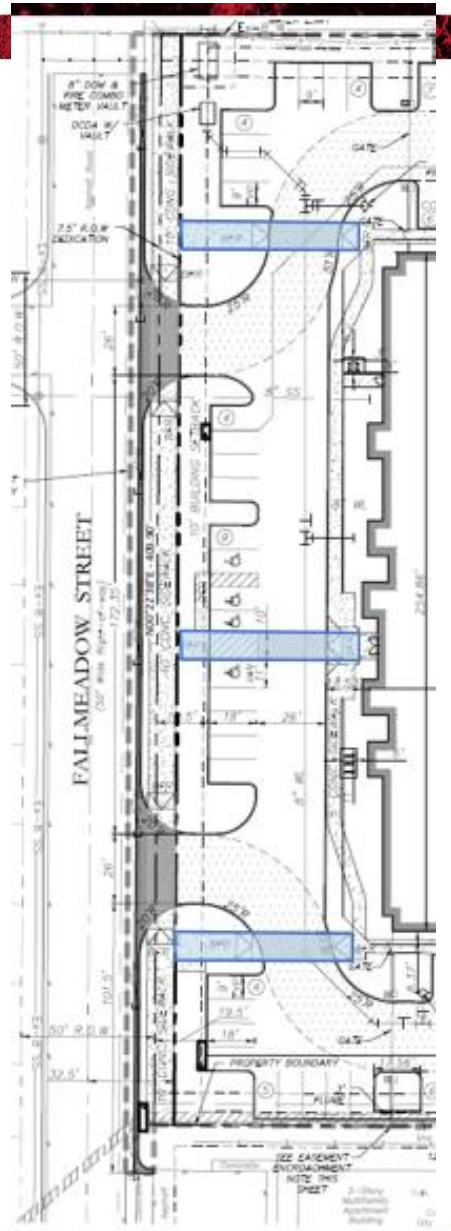
Proposed Site Plan

- Context-sensitive 70’ setback
- Sidewalk connections
- Building design



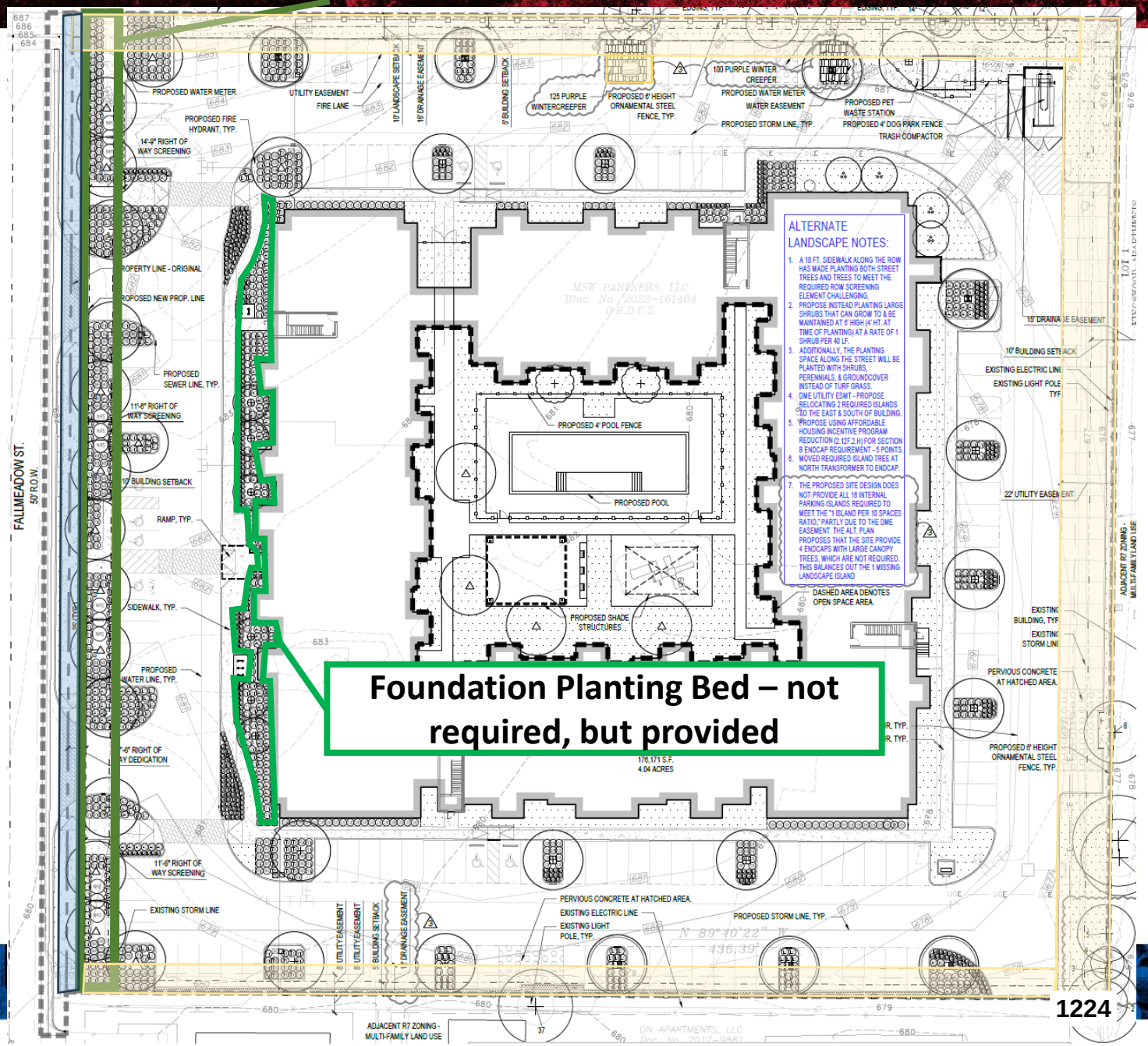






Proposed Landscape Plan

- Landscape area: approximately 21%
- Tree Canopy Cover: approximately 40.6%
- 14 Street trees placed along Fallmeadow Street
- 2.12 Affordability Incentive – reduced required parking lot elements from 2 to 1
- Alternative Landscape Plan:
  - Right-of-way landscaping – non-turf plantings in addition to 2 screening elements
  - Parking Lot islands – relocated out of electric easement, replaced 2 islands with 4 endcaps
- Foundation planting bed – non-turf with shrubs and decorative grasses – not required



Criteria for Approval – Development Code



mitigated.

Summary:

- ✓ Proposal is consistent with the goals and policies of the Denton 2040 Comprehensive Plan, Future Land Use Map, and other applicable plans.
  - ✓ Aligns with affordable housing goals and recommended policies in Subchapters 7.1-7.2
- ✓ Proposal is compatible with the surrounding area – multifamily and moderate-density duplex and quadplex residential.
- ✓ Supports walkability by connecting residents to strong existing sidewalk network
- ✓ Approval of the Specific Use Permit is not expected to generate significant adverse impacts.
- ✓ Utilities and infrastructure are available to serve the subject property.

Public Outreach

- Newspaper Ad: June 7 and June 28, 2025
- Website: June 5 and June 25, 2025
- Property Posted: June 12, 2025
- Mailed Notices:

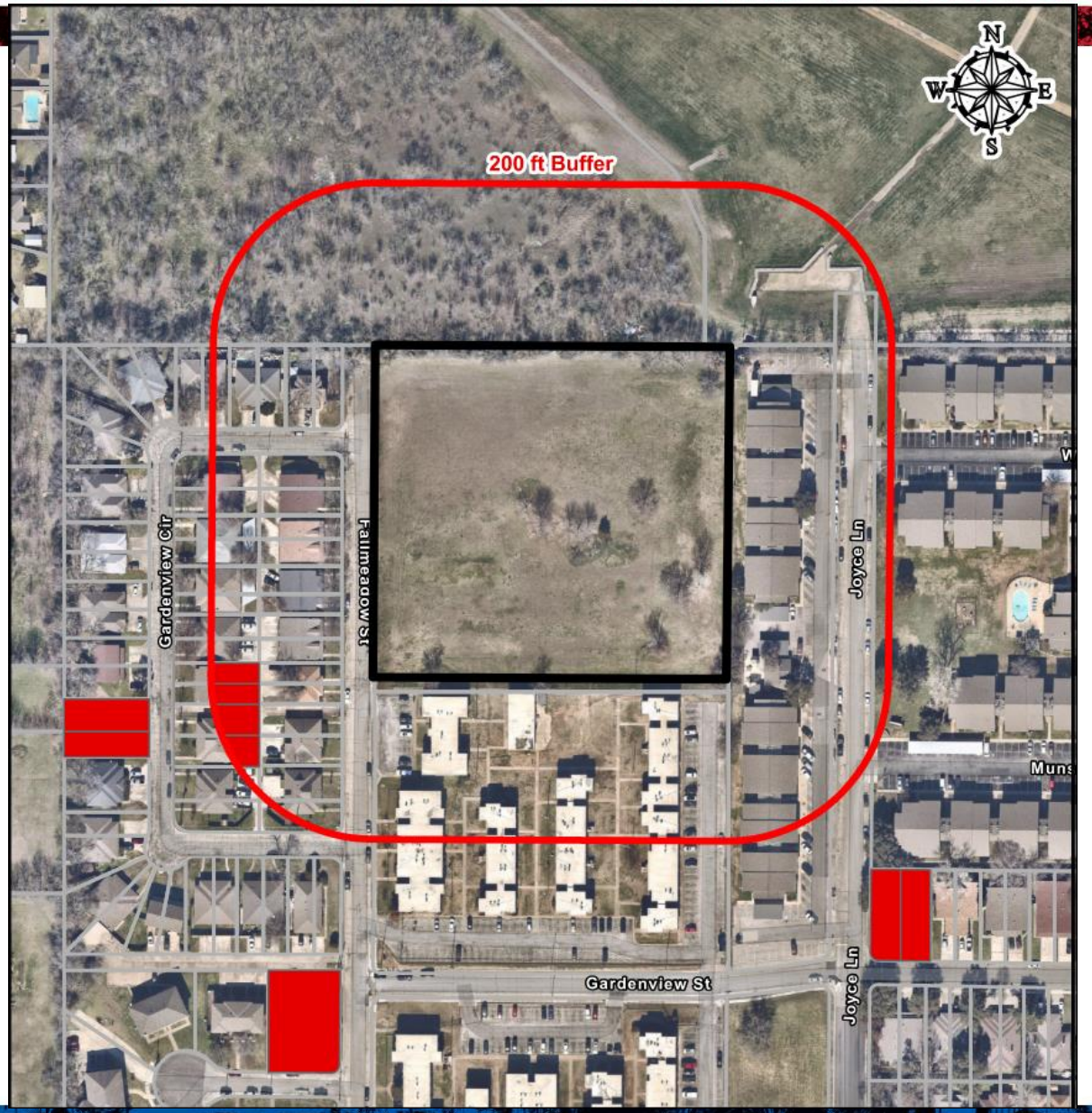
  200 ft. Public Notices mailed: 38

  500 ft. Courtesy Notices mailed: 216
- Responses:

  In Opposition: 9 (2.51%)

  In Favor: 0

  Neutral: 0
- Neighborhood Meetings held January 15, 2025 and February 24, 2025



Recommendation

Staff recommends **approval** of the SUP with the conditions presented in the agenda materials.

The Planning & Zoning Commission recommended **approval** [6-0] with the conditions presented in the agenda materials.

QUESTIONS?

Sean Jacobson
Associate Planner
Development Services

File #: PDA25-0003b, **Version:** 1

AGENDA CAPTION

Hold a public hearing and consider adoption of an ordinance of the City of Denton, Texas regarding a Planned Development Amendment to establish special sign standards for approximately 4.291 acres out of Planned Development 139, generally located on the southeast corner of Vintage Boulevard and I-35W, 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 savings and severability clauses and an effective date. The Planning and Zoning Commission voted (5-0-1) to recommend approval of the request. Motion for approval by Commissioner Riggs and second by Commissioner Padron. (PDA25-0003b, Gateway of Denton Signs, Mia Hines)

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

DCM: Cassey Ogden

DATE: July 15, 2025

SUBJECT

Hold a public hearing and consider adoption of an ordinance of the City of Denton, Texas regarding a Planned Development Amendment to establish special sign standards for approximately 4.291 acres out of Planned Development 139, generally located on the southeast corner of Vintage Boulevard and I-35W, 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 savings and severability clauses and an effective date. The Planning and Zoning Commission voted (5-0-1) to recommend approval of the request. Motion for approval by Commissioner Riggs and second by Commissioner Padron. (PDA25-0003b, Gateway of Denton Signs, Mia Hines) https://dentontx.new.swagit.com/videos/346760?ts=6031

BACKGROUND

Reece Flanagan, on behalf of the property owner, Vintage Denton Series, LLC, is requesting a Planned Development Amendment for Planned Development 139 (PD-139), to facilitate the construction and installation of signs for a new travel plaza. Due to the low elevation of the subject area in relation to the adjacent rights-of-way and the number of users on the subject property, the applicant is proposing signs that are taller and larger than what is currently permitted in the regulations within the Code of Ordinances Chapter 33 (Denton Sign Code). The Special Sign Standards are included as Exhibit 7.

Per Section 33.14.3 of the Denton Sign Code, the regulations for signs located in planned development zoning districts shall be contained in the ordinance or in a concept or detail plan approved for the district, and the applicant may request a deviation from the regulations with an alternative comprehensive sign plan. Deviations from Denton Sign Code may be approved as long as:

- the deviations equally meet the objectives of the Denton Sign Code,
- the deviations are necessitated by the design of the development within the planned development district, and
- the deviations are found to meet the criteria set for the creation of a special sign district pursuant to Section 33.18.4.

Accordingly, the applicant has requested a major PD Amendment to establish special sign standards (i.e. deviations from the Denton Sign Code) for the subject property and provide for the installation of signs that ensure adequate visibility, promote the businesses, and direct visitors to a variety of locations within the site.

The sign package proposed as part of this Planned Development Amendment includes two major ground signs – a pole sign and a monument sign:

- Pole Sign (A): Sign for three businesses (currently proposed as Shell Gas, Texas Best Smokehouse, and Sonic) on a shared pole; 60 feet tall
- Monument Sign (B): Signs for three businesses (currently proposed as Shell Gas, Texas Best Smokehouse, and Sonic) on a shared monument; 8 feet tall

The proposed deviations from the Sign Code standards are summarized in the table below. For any standards not specified in the Special Sign District regulations (Exhibit 7), the Chapter 33 of the Denton Code of Ordinance (Denton Sign Code) would apply. While the Sign Code is silent to the number of directional signs permitted on a site, the proposed Special Sign Standards limits the total number of directional signs to those shown within the Comprehensive Sign Plan.

Standard	Chapter 33 (Denton Sign Code)	Proposed Planned Development Amendment	Difference
Maximum height	Signs along IH 35N, 35E, or 35W: 40 feet	Pole Sign (A): 60 feet	Ground Sign 1: +20 feet
	Signs along Primary Arterials: 20 feet	Monument Sign (B): 8 feet	Ground Sign 2: -12 feet
Maximum effective area	Signs along IH 35N, 35E, or 35W: 250 square feet	Pole Sign (A): 466 square feet	Ground Sign 1: +216 square feet
	Signs along Primary Arterials: 150 square feet*	Monument Sign (B): 64 square feet	Ground Sign 2: -86 square feet

*Although 60 square feet is the effective area allowed along a primary arterial, Section 33.14.2 allows for an increased effective sign area of up to 150 square feet for any premises which has more than 300 feet of frontage on a primary arterial street, if used to advertise more than one tenant.

PD History

Planned Development 139 was originally approved in 1991 as a 450-acre "Business Village" which established the PD text and included a concept plan as well as a menu of permitted uses with development standards associated with each use (Ordinance 1991-034). On May 14, 2002, City Council approved an amendment to the permitted uses in PD-139, allowing for the development of amenity centers and gas wells within the PD (Ordinance 2002-147).

Approximately 213 acres have been zoned out of the PD since 2002 into standard zoning districts. Most recently, in 2020 a detailed plan was approved for a charter school on land located to the east of the subject property, and in 2021 (ordinance PD21-0004b) a 207-unit multifamily development was approved on land located to the south of the subject property. The multifamily development is currently under construction, and ordinance PD21-0004b imposed conditions related to access to I-35W within the subject property that would be modified with this proposal. In 2024, a detailed plan was approved for the travel plaza associated with this proposed amendment (ordinance PD23-0005a, Exhibit 6).

PD Amendment Process

In accordance with Ordinance DCA18-0009u, the permitted uses and development standards may remain consistent with those established by the PD and Article II, Appendix B-Zoning of the Code of Ordinances (1969 Zoning Ordinance) under which the PD was first approved. However, the proposed amendment to PD-139 must follow the Denton Development Code's current procedures and amendatory regulations. Denton Development Code (DDC) Section 2.7.3 outlines the procedures and criteria for approval for planned development amendments, including thresholds which require a Major Amendment and approval through the dual-public hearing zoning process (DDC Section 2.7.3C.6.d.ii). Additionally, deviations from

the Denton Sign Code may be approved as part of Planned Development ordinance as discussed earlier in this report.

A full Staff Analysis of the proposed Planned Development Amendment, including a further analysis of the proposal's compliance with the special sign district approval criteria, is provided in Exhibit 2.

PLANNING AND ZONING COMMISSION
At the June 11, 2025 meeting, the Planning and Zoning Commission voted to continue this item to a date certain of June 25, 2025 due to a lack of minimum quorum needed for consideration of the item. At that meeting, there were four Commissioners in attendance and one of the members needed to recuse themselves, thus leaving three Commissioners for this item and no meeting quorum.

At the June 25, 2025 meeting, the Commission held a public hearing and received Staff's presentation on the item. At that meeting, there were no comments from members of the public, and the only discussion the Commission had was regarding clarity on the construction requirements. Staff clarified that the sign sizes specified in the proposed PD amendment are maximum requirements, and the developer could choose to construct signs smaller than what is shown on the Vintage Travel Plaza Comprehensive Sign Plan.

OPTIONS
1. Approve
2. Approve Subject to Conditions
3. Deny
4. Postpone Item

RECOMMENDATION
The Planning and Zoning Commission voted [5-0-1] to recommend approval of the request.

Staff recommends approval of the request, as it complies with the criteria in Section 33.18.4 of the Denton Code of Ordinances for the criterion of a Special Sign District, it is consistent with the criteria in Section 2.4.5.E of the DDC for approval of all applications, and it complies with Section 2.7.3.D of the DDC for approval of a planned development amendment.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Date	Council, Board, Commission	Request	Action
March 5, 1991	City Council	Rezoning to PD-139	Approval (Ordinance 91-034)
September 7, 1999	City Council	Amendment to Concept Plan	Approval (Ordinance 1999-317)
May 14, 2002	City Council	Amendment to Concept Plan	Approval (Ordinance 2002-147)
September 17, 2019	City Council	Transition to 2019 DDC and established PD procedures	Approval (Ordinance DCA18-0009u)
May 18, 2021	City Council	Resolution of No Objection	Approval (Resolution 21-691*)
December 15, 2021	Planning and Zoning Commission	Planned Development Amendment (PD21-0004)	Continued the public hearing and postponed consideration of the item allowing for a community meeting

January 12, 2022	Planning and Zoning Commission	Planned Development Amendment (PD21-0004)	Recommend Approval
February 1, 2022	City Council	Planned Development Amendment (PD21-0004)	Approval (Ordinance PD21-0004b)
May 29, 2024	Planning and Zoning Commission	Planned Development Amendment (DPA23-0005)	Recommend Approval
June 18, 2024	City Council	Planned Development Amendment (PDA23-0005)	Approval (Ordinance PDA23-0005a)
June 11, 2025	Planning and Zoning Commission	Planned Development Amendment (PDA25-0003)	Continued to June 25, 2025
June 25, 2025	Planning and Zoning Commission	Planned Development Amendment (PDA25-0003)	Recommend Approval

PUBLIC OUTREACH:

Three notices were sent to property owners within 200 feet of the subject property. Two courtesy notices were sent to physical addresses within 500 feet of the subject property. As of the writing of this report, staff has received no responses to this request.

A notice was published in the Denton Record Chronicle on May 25, 2025 and June 29, 2025.

A notice was published on the City's website on May 22, 2025 and June 26, 2025.

Four signs were posted on the property by May 23, 2025.

DEVELOPER ENGAGEMENT DISCLOSURES

No developer contact disclosures have been provided to staff from members of this body as of the issuance of this report.

EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Staff Analysis
Exhibit 3 - Site Location Map
Exhibit 4 - Zoning Map
Exhibit 5 - Future Land Use Map
Exhibit 6 - Ordinance PDA23-0005a
Exhibit 7 - Vintage Travel Plaza Special Sign Standards (VTPSSS)
Exhibit 8 - Vintage Travel Plaza Comprehensive Sign Plan
Exhibit 9 - Notification Map & Sign Posting Affidavit
Exhibit 10 - Draft Ordinance
Exhibit 11 - Presentation

Respectfully submitted:
Tina Firgens, AICP
Deputy Director of Development Services/
Planning Director

Prepared by:
Mia Hines, AICP
Senior Planner

Planning Staff Analysis

PDA25-0003b/Gateway of Denton Signs

City Council District #4

REQUEST:

Request to amend Planned Development 139 (PD-139) on 4.291 acres to establish special sign regulations for a travel plaza (the Vintage Travel Plaza Special Sign Standards (VTPSSS)).

SITE DATA:

The site is a 4.291-acre undeveloped tract located at the southeast corner of Vintage Boulevard and I-35W Vintage Boulevard Ramp intersection. A detailed site plan for the development of a travel plaza was adopted for the site in 2024.

Vintage Boulevard/FM2499 is classified as a Primary Arterial which originates at Highway 377 and extends across I-35W and continues west as FM 2449. It has been recently reconstructed between Highway 377 and I-35W by expanding the roadway to a four-lane divided section with a five-foot sidewalk on the north side of the roadway and a ten-foot shared-use trail (accommodating bicycles and pedestrians) along the south side of the roadway. The Mobility Plan depicts a future extension of Loop 288 (currently terminates at I-35 in north Denton) toward the west and south, ultimately connecting to I-35W at FM 2449 on the west side of I-35W.

Currently, I-35W is constructed as a four-lane divided interstate highway with curved exit ramps connecting to Vintage Boulevard. An expansion of the roadway is currently in design and will include additional travel lanes, frontage roads, and redesigned ramps at Vintage Boulevard/FM 2449.

There are no Environmentally Sensitive Areas, floodplain, or other significant environmental features on the site.

SURROUNDING ZONING AND USES:

Northwest: Zoning: Highway Corridor (HC) Use: I-35W and undeveloped land	North: Zoning: PD-139 Use: Vintage Boulevard and undeveloped land	Northeast: Zoning: PD-139 Use: undeveloped land and single-family residential
West: Zoning: Highway Corridor (HC) Use: I-35W and undeveloped land	**SUBJECT PROPERTY**	East: Zoning: PD-139 Use: Charter school use approved, currently undeveloped
Southwest: Zoning: PD-139 Use: Multifamily (developing)	South: Zoning: PD-139 Use: Multifamily (developing)	Southeast: Zoning: PD-139 Use: Charter school use approved, currently undeveloped

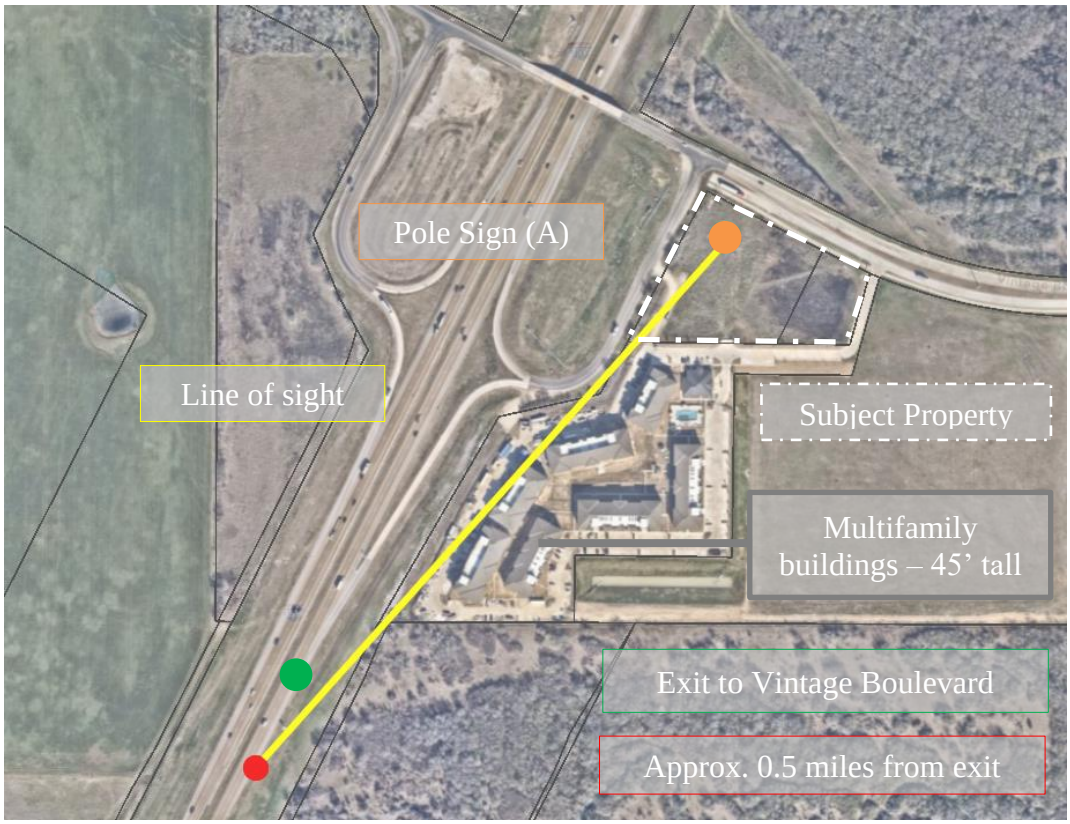
CONSIDERATIONS:

A. Section 33.14.3 of the Denton Sign Code (Chapter 33 of the Code of Ordinance) specifies that the approval criteria applicable to the creation of a sign district contained in Section 33.18 also apply to sign regulations adopted within a Planned Development District:

a. Provides a Comprehensive Plan for signs that would be clearly superior to what would be allowed without the plan

Signs are needed as part of the urban built environment: they provide directions for residents and visitors and communicate messages for commerce and community. However, signs can create nuisances such as visual clutter on city streets, glare for nearby property owners, and distract drivers. Generally, sign regulations aim to balance a property owner's sign needs with a community's aesthetic and safety goals by limiting the type, size, number, and setbacks to minimize nuisances.

The approved travel plaza development includes automotive fuel sales, two restaurants, and an auto wash facility. The graphic below illustrates the angle of traffic heading north on I-35W from a driver's point of view with respect to the proposed multi-tenant pole sign.



At the point where a driver might need to exit the highway to visit this development, a pole sign at 40 feet would not allow for adequate visibility for the advertisement of all three businesses due to the height of the multifamily buildings to the south of the subject area. Additionally, due to the wider right-of-way width of I-35W where it intersects with Vintage Boulevard, adjacent property and required building setbacks make it so that the travel center development and associated signs are tucked behind developments to the south and southwest for drivers traveling northeast into the City of Denton. Because of these conditions, some of the proposed ground signs do not meet the regulations within the Code of Ordinance Chapter 33, Denton Sign Code. The proposed VTPSSS establishes a comprehensive plan (see Exhibit 8) for ground signs for the travel center development approved via Ordinance PDA23-0005a to meet the distinct needs of this unique location along the I-35W corridor. A full listing of the VTPSSS is provided win Exhibit 7, and the following summary demonstrates elements of the plan and standards which provide for superior visibility compared to what would be allowed under the Denton Sign Code:

- **Maximum Height:** Per Section 33.14.2(b), signs on IH 35N, 35E, or 35W have a maximum height of 40 feet. As proposed, Pole Sign (A) exceeds the maximum height by 20 feet in order to ensure visibility of the sign for drivers on the northbound side of I-35W prior to the appropriate exit.
- **Maximum Effective Area:** Per Section 33.14.2(b), signs on IH 35N, 35E, or 35W have a maximum effective area of 250 square feet. With a total effective area of 466 square feet, the proposed Pole Sign (A) exceeds the maximum effective area for IH 35N, 35E, or 35W (max 250 square feet) by 216 square feet. The total effective sign area includes advertisement for the automotive fuel sales as well as a sign for each of the two restaurants. This increased effective area in addition to the increased height is needed to accommodate all three businesses and allow for visibility from the right-of-way.
- **Design:** In addition to allowing additional height and area for Sign A, the proposal includes cohesive materials, colors, and detailing for all proposed on-site signage which complements the travel plaza architecture, color palette, and materials. Furthermore, the proposal would limit the number of ground signs within the district. Therefore, this unified sign package may reduce visual clutter with consistency and uniformity.

b. Would be compatible with surrounding properties. In considering whether a district and sign plan is "compatible" and "clearly superior", the commission and council shall consider, but are not limited to considering the following:

a. Scale. The relationship between and compatibility of sign scale, site scale and the scale of nearby buildings

As discussed above, the proposed deviation in height is to allow for visibility of the sign beyond the 45-foot-tall multifamily buildings just south of the subject property. Therefore, the proposed height is appropriate with the scale of the area. All other proposed signs comply with the Denton Sign Code standards.

b. Color. The relationship between and compatibility of sign color to the color of nearby buildings and landscaping: The degree to which sign colors are complimentary to its surroundings.

The sign colors correspond to the brand colors and coloring of the buildings for each brand.

c. *Material. The materials of the signs and how they relate to their surroundings.*

The materials for the signs include a pole for visibility with the travel plaza branding and business name contained in the upper portion of the sign as well as a variety of smaller ground signs. Materials for the sign types are appropriate for a travel center use setting and consistent with the architectural style of similar uses.

d. *Shape. The shape and design of the signs and how they relate to their surroundings*

The shape and design of the proposed ground signs are compatible with the site architecture and typical of signs found on freeways to provide visibility for businesses.

e. *Landscaping. The relationship of signs to landscaped features in and outside the district.*

The ground signs would be installed adjacent to the Interstate 35W service road and Vintage Boulevard and will not conflict with the landscape plans approved as part of PDA23-0005a (Exhibit 6).

f. *Traffic safety and traffic circulation. The impact of the signs on driver's view, the degree to which view obstructions are created or improved, avoidance of confusion with or obstruction of traffic control signs and devices, and the time it takes a motorist to read the sign.*

The proposed signs are not anticipated to obstruct drivers' view or create confusion. Rather, the taller Pole Sign (A) is intended to provide adequate visibility from the right-of-way. Additionally, each ground sign included in the sign package reflects the intent to provide legible directions to the various businesses within the site.

g. *Illumination. The impact and compatibility of sign illumination within the district and in relation to neighboring properties. The avoidance of glare and light pollution.*

The proposed Pole Sign (A) and Monument Sign (B) are internally illuminated and the proposed Direction Signs are externally illuminated. All signs must meet the illumination level and setback requirements of the Denton Sign Code.

h. *Integration. How the signs in the district are integrated into a unified development concept with the topography, building design, other signs, landscaping, traffic circulation and other development features on the district and nearby property.*

a. *Is not being used merely to avoid or gain a variance of the sign regulations;*

The proposed special sign district is not intended to merely vary from the sign regulations, rather, the purpose is to comprehensively plan the ground signs to determine the appropriate number, optimal locations, adequate sizes, and the compatible design to clearly communicate necessary information while minimizing potential impacts.

b. Does not violate the spirit or intent of the sign regulations; and

According to Section 33.1(c), the purpose of the sign regulations is to balance important and competing interests, including the constitutional right to free speech and the public interests in safety and aesthetics, including controlling visual clutter.

The proposed VTPSSS would not violate this purpose, rather, it is intended to allow for the promotion of three of the business developing on the subject property and direct vehicular traffic to various areas throughout the property. Additionally, the proposed special sign district limits potential visual clutter by placing ground signs in key locations to welcome visitors and direct drivers, potentially reducing the need for additional signs throughout the site.

c. Complies with the requirements of this section.

The proposal complies with the requirements of this section.

B. In addition to the standards within the Denton Sign Code, Section 2.4.5.E of the Denton Development Code (DDC) provides approval criteria applicable to all applications.

a. *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 review criteria were applied as required.

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 2.7.3.D of the DDC applies to this PD amendment request. An analysis of this request per those criteria can be found below in Consideration C.

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 rezoning to PD requests, or in this case a PD amendment.

b. *Prior Approvals*
The proposal is consistent with the permitted uses and detailed site plan approved in PDA13-0005a. As illustrated in the Comprehensive Sign Package (Exhibit 8).

c. *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, or strategies with this proposal.

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.

Future Land Use

Per the Denton 2040 Comprehensive Plan Future Lane Use Map (FLUM), the subject property is designated as Regional Mixed Use. This designation applies to areas intended to serve as regional destinations within Denton, and development may include residential, commercial, office, entertainment, and other uses except industrial, at the highest levels of scale and density within the city. The approved travel plaza development is consistent with this designation.

d. *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 proposed amendment to approved PDA23-0005a complies with the PD Amendment process as outlined in DDC Section 2.7.3. Since the PD was adopted prior to the current DDC regulations, the PD also follows the standards as required by the planned development regulations (Ordinance 1991-034) and Article II, Appendix B-Zoning of the Code of Ordinances (1969 Zoning Ordinance). As discussed in Consideration A above, the proposed planned development amendment proposes deviations from the Denton Sign Code but complies with the approval criteria applicable for the creation of a sign district for any property that has more than 300 feet of continuous street frontage on one public street.

b. *Compliance with these standards is applied at the level of detail required for the subject submittal.*

The applicant has provided a Comprehensive Sign Plan (Exhibit 8) with the application submittal. The signs have been reviewed for conformance with the Denton Sign Code and the proposed VTPSSS requires compliance with the Denton Sign Code except for those deviations identified for the proposed Pole Sign. All signs shall be constructed in accordance with the VTPSSS.

e. *Compliance with Other Applicable Regulations*

The proposal conforms to the PD regulations for both use and development standards, and also complies with the Denton Sign Code as previously noted.

f. *Consistent with Interlocal and Development Agreements*

There are no interlocal or development agreements for the subject site.

g. *Minimizes Adverse Environmental Impacts*

There are no Environmentally Sensitive Areas on the site. The development is compliant with the current DDC requirements for tree preservation and stormwater management, which were fully analyzed with the Civil Engineering Plans for the development.

h. Minimizes Adverse Impacts on surrounding Property

This approved development is not expected to have an adverse impact on surrounding properties. Although the majority of the property immediately adjacent to the subject site is undeveloped, the surrounding zoning and nearby development suggest that suburban scale commercial uses could continue to develop along Vintage Boulevard, especially with the future plans for Loop 288 to be continued around the western side of the City, terminating at this intersection on I-35W. The approved development is consistent with this trend.

As designed, the use is oriented toward the I-35W and Vintage Boulevard rights-of-way, minimizing vehicular impacts to development to the south or east of the site. Regarding access, the development plan for the travel plaza is coordinated with the multifamily residential development to the south and the intended school to the east. As discussed in Consideration A above, the proposed signs are designed for adequate visibility from I-35W and Vintage Boulevard, oriented to maintain clear sight visibility triangles for the safe passage of vehicular traffic.

i. Minimizes Adverse Fiscal Impacts
The proposed amendment is not anticipated to create adverse fiscal impacts.

j. Compliance with Utility, Service, and Improvement Standards
This proposed PD Amendment will not negatively affect utilities, services or improvements.

k. Provides Adequate Road Systems
As a result of the TIA, the following improvements were required conditions to the approval of PDA23-0005a to ensure safe and adequate access:

- An eastbound right-turn deceleration lane within Vintage boulevard to serve the westernmost drive
- A westbound left-turn lane within Vintage Boulevard to serve the easternmost drive
- A median opening within Vintage Boulevard to serve the easternmost drive

The proposed signs will contribute to safe access to and navigation throughout the development.

l. Provides Adequate Public Services and Facilities
This proposed PD Amendment will not negatively affect public services and facilities. The new development must connect with existing utility stubs and comply with all applicable standards to ensure adequate public services and facilities are constructed in accordance with the approved Civil Engineering Plans.

m. *Rational Phasing Plan*
No phasing is proposed for this development.

C. Section 2.7.3.D of the DDC states that an application for a rezoning to PD district may be approved based on the following conditions:

a. *Complies with the goals of the Comprehensive Plan.*
As was discussed in B.3.b above, the proposed development is consistent with the Regional Mixed Use Future Land Use Designation of the Denton 2040 Comprehensive Plan.

b. Complies with the goals of relevant Area Plans.
There is no small area plan approved for this site.

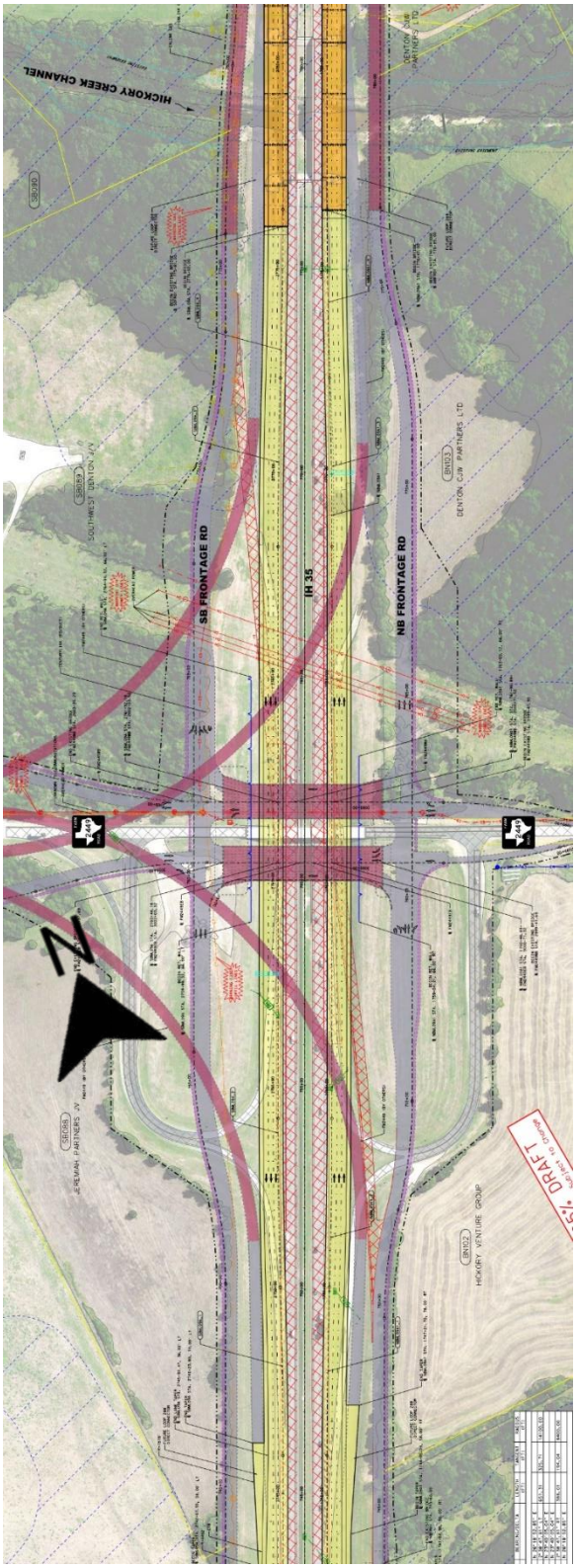
c. Complies with this DDC, except where modifications are expressly authorized through the PD Regulations Document and PD Development Plan.
The approved PD Development Plan complied with the DDC to the greatest degree possible in addition to the development standards outlined in Ordinance 91-034. The proposed VTPSSS complied with the Denton Sign Code except for the limited deviations proposed for sign height and effective area as outlined in Exhibit 1.

d. *Provides a greater level of building design quality, community amenities, and connectivity than would be required if the project were not being developed in the PD district.*
The travel plaza use and layout were previously approved as part of PD-139. This amendment is specific to signage and complies with the criteria for deviation from the Denton Sign Code as described in consideration A above.

e. *In the case of proposed residential development, that the development will promote compatible buildings and uses and that it will be compatible with the character of the surrounding areas.*
No residential uses are proposed as part of this PDA, which is specific to signage for an already approved commercial development.

e. *In the case of proposed commercial, industrial, institutional, recreational and other non-residential uses or mixed-uses, that such development will be appropriate in area, location, and overall planning for the purpose intended.*
The approved commercial uses are appropriate for this area, which is at the intersection of a primary arterial roadway and an interstate highway. The proposed signs will ensure safe navigation to and through the commercial development.

f. *The provisions of public facilities such as schools, fire protection, law enforcement, water, wastewater, streets, public services and parks are adequate to serve the anticipated population within the PD district.*
Adequate public facilities are in place to serve the approved development and this will not be impacted by the proposed sign standards.

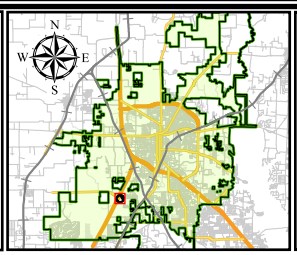


Future improvements to I-35W include new north- and south-bound frontage roads which will require a realignment of the entrance and exit ramps to remove the current curved roadways to a more typical diamond pattern. The north-bound frontage road adjacent to the site will include a dedicated right-turn lane, one through-lane, one shared through and left-turn lane, one left-turn lane, and one u-turn lane (see graphic, left). Completion of improvements is anticipated for 2028.

PDA25-0003
Aerial_Site_Location



COD
ETJ
ETJ 2
NAA 8/1/20
NAA 8/1/40

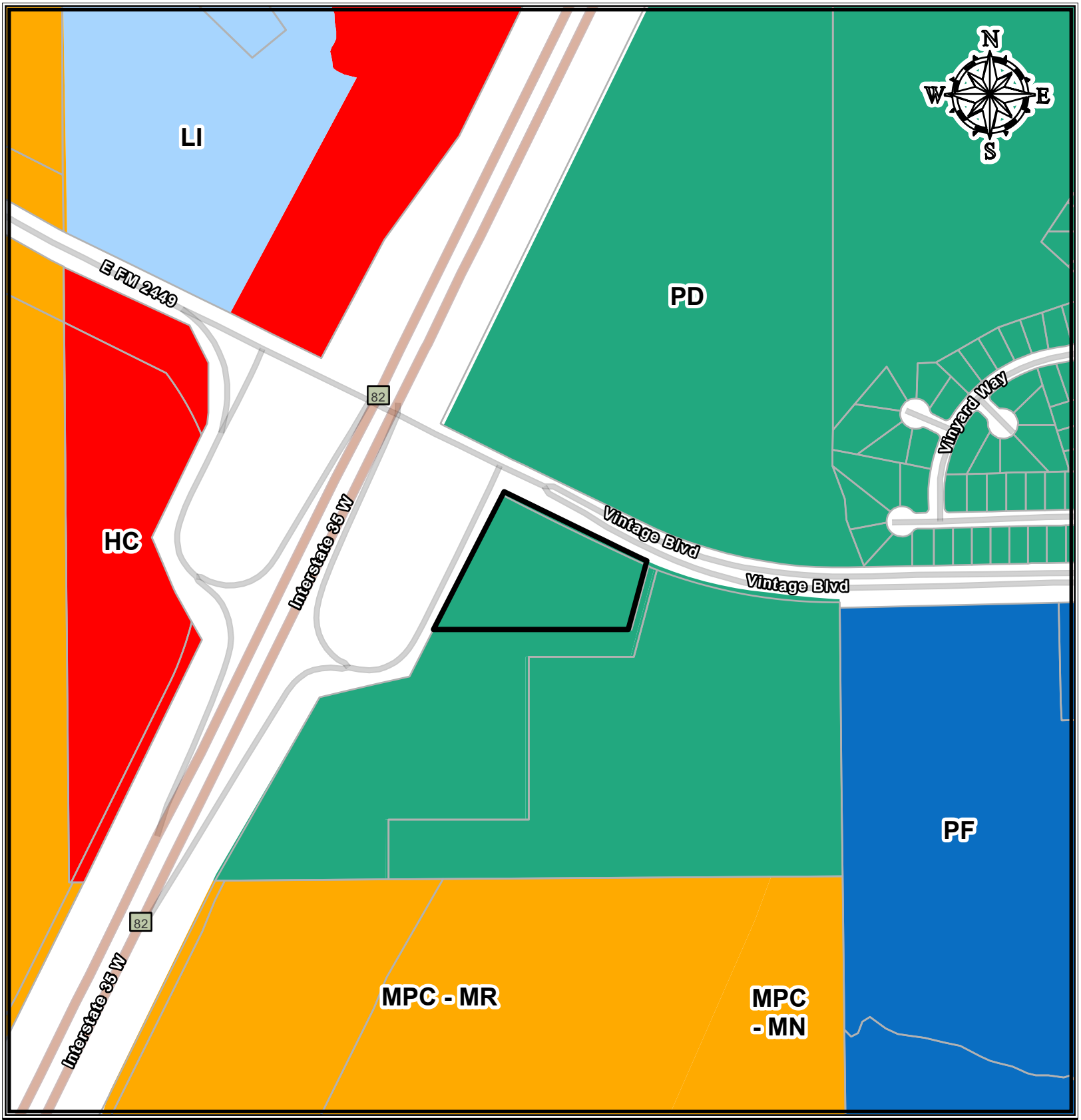


0 120 240 480 Feet

CITY OF DENTON
Development Services · GIS
Date: 3/28/2025

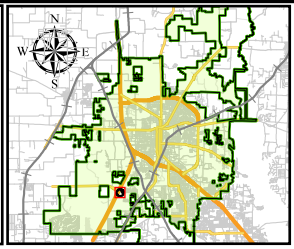
"This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate re of property boundaries. Although every effort was made to ensure the accuracy 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."

PDA25-0003
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

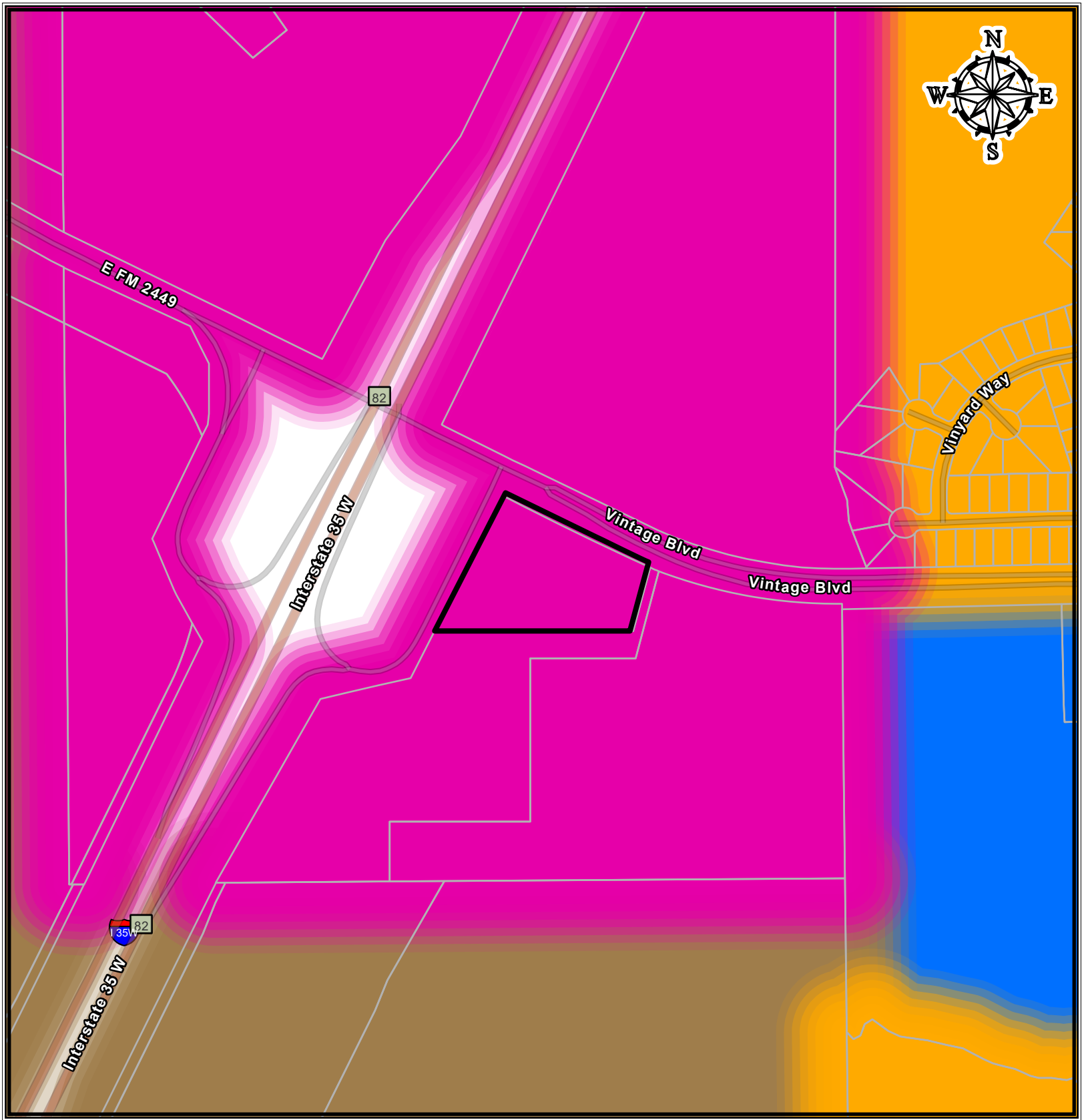


0 120 240 480 Feet

CITY OF DENTON
Development Services · GIS
Date: 3/28/2025

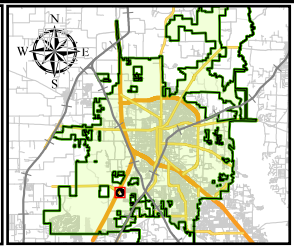
"This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate re... property boundaries. Although every effort was made to ensure the accuracy 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."

PDA25-0003
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



0 120 240 480 Feet

CITY OF DENTON
Development Services · GIS
Date: 3/28/2025

"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 re 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."

FILE REFERENCE FORM PDA23-0005a

X Additional File Exists

___ Additional File Contains Records Not Public, According to the Public Records Act

___ Other

FILE(S)	Date	Initials
21-034		
1999-034		
1999-316		
2002-147		
PD21-0004b		

ORDINANCE NO. PDA23-0005a

AN ORDINANCE OF THE CITY OF DENTON, TEXAS REGARDING A PLANNED DEVELOPMENT AMENDMENT FOR APPROXIMATELY 4.291 ACRES OUT OF PLANNED DEVELOPMENT 139, GENERALLY LOCATED ON THE SOUTHEAST CORNER OF VINTAGE BOULEVARD AND I-35W, 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 SAVINGS AND SEVERABILITY CLAUSES AND AN EFFECTIVE DATE. (PDA23-0005a, Gateway of Denton)

WHEREAS, Reece Flanagan, on behalf of the property owner, Hickory Venture Group, applied for a planned development amendment for Planned Development 139 (PD-139) on approximately 4.291 acres of land legally described in Exhibit "A," attached hereto and incorporated herein by reference (hereinafter, the "Property") to; and

WHEREAS, on March 5, 1991, the City Council adopted Ordinance 91-034, approving a change in zoning for 450 acres of land to Planned Development 139 (PD-139) Zoning District, including the Property, as more particularly described therein; and

WHEREAS, on September 7, 1999, the City Council adopted Ordinance 1999-317, approving an amendment to the concept plan for 401.23 acres of land in Planned Development 139 (PD-139) Zoning District, including the Property, as more particularly described herein; and

WHEREAS, on May 14, 2002, the City Council adopted Ordinance 2002-147, approving an amendment to the concept plan for 401 acres of land in Planned Development 139 (PD-139) Zoning District, including the Property, as more particularly described herein; and

WHEREAS, on February 1, 2022, the City Council adopted Ordinance PD21-0004b, approving a detailed development plan for approximately 12 acres of land in Planned Development 139 (PD-139) Zoning District, including a portion of the Property, as more particularly described herein; and

WHEREAS, on May 29, 2024 the Planning and Zoning Commission, in compliance with the laws of the State of Texas, have given the requisite notices by publication and otherwise, and held a public hearing for all property owners interested in this regard, and have recommended approval (5-0) of the request; and

WHEREAS, on June 18, 2024 the City Council likewise conducted a public hearing as required by law, and finds that the request meets and complies with all substantive and procedural standards for a Planned Development Amendment set forth in Section 2.7.3 of the Denton Development Code; and

WHEREAS, the Planning and Zoning Commission and the City Council of the City of Denton, have determined that the proposed Planned Development Amendment is in the best interest of the health, safety, morals, and general welfare of the City of Denton 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 Development Plan Map for PD-139 is hereby amended as shown in Exhibit "B," with the following conditions:

1. Use of the west driveway connection to I-35W shall be restricted to emergency vehicles only. Signage indicating this restriction must be installed at least 50 feet in advance of the driveway in accordance with TxDOT requirements if located within TxDOT right-of-way or on private property in accordance with the City's sign ordinance, prior to the issuance of a Certificate of Occupancy for any commercial uses. Upon the reconstruction of the abutting I-35W frontage road and upon receipt of TxDOT review and approval, the Director may allow for full access at this drive.
2. The following right-of-way improvements shall be reviewed and approved during the City's review of Civil Engineering Plans and constructed prior to the issuance of a Certificate of Occupancy for any commercial use:
   a. An eastbound right-turn deceleration lane shall be required within Vintage Boulevard to serve the westernmost drive,
   b. A westbound left-turn lane shall be required within Vintage Boulevard to serve the easternmost drive, and
   c. A median opening shall be required within Vintage Boulevard to serve the easternmost drive.
3. The attached site plan and landscape plan reflect an intent to comply with the applicable development requirements for parking, street trees, minimum landscape and tree plantings, and landscape screening. Minor alterations to the depicted locations of individual plantings may be approved by City staff, provided the final landscaping, as planted, complies with the attached landscape plan in terms of the general location of required landscape elements, number of trees, and a minimum landscape percentage.

SECTION 3. the provisions of this ordinance, as they apply to the portion of PD-139 shown in Exhibit A are herein approved and shall govern and control over any conflicting provision of Ordinances No. 91-034, 1999-317, 2002-147, and PD21-0004b, but all provisions of Ordinances No. 91-034, 1999-317, 2002-147, and PD21-0004b as they apply to that remaining portion of the PD District not herein affected shall continue in force and effect and apply to the remainder of the PD District.

SECTION 4. 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 5. 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 6. 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 Jill Jester and seconded by Brian Beck, the ordinance was passed and approved by the following vote [7 - 0]:

	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 18th day of June, 2024.

GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: Lauren Thoden

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

Exhibit A

METES AND BOUNDS DESCRIPTION

BEING a 4.291 acre tract of land situated in the S. A. Pritchett Survey, Abstract Number 1021, Denton County, Texas, in the City of Denton, being a portion of the tract of land described in the instrument to Hickory Venture Group recorded in Document Number 2007-110095, Official Public Records of Denton County, Texas, said 4.291 acre tract of land being more particularly described as follows:

BEGINNING at a ½ inch iron rod with a yellow plastic cap stamped "RPLS 4818" found for the point of intersection of the easterly right-of-way line of Interstate Highway 35W (a variable width right-of-way) as described in the instrument to the State of Texas recorded in Volume 529, Page 538, Deed Records of Denton County, Texas with the southerly right-of-way line of Vintage Boulevard (a 120 foot wide right-of-way)for the northwesterly corner of said Hickory Venture Group tract;

THENCE with the southerly right-of-way line of Vintage Boulevard the following:

South 64º 08' 35" East a distance of 439.55 feet to a ½ inch iron rod found for the point of curvature of a curve to the left having a radius of 1,560.00 feet;

Southeasterly along said curve through a central angle of 02º 56' 56" an arc distance of 80.29 feet with a chord bearing of South 65º 37' 03" East and a chord distance of 80.28 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "Dunaway Assoc" set for the most northerly northwest corner of the tract of land described in the instrument to the Housing Authority of the City of Denton recorded in Document Number 2022-143311, Official Public Records of Denton County, Texas;

THENCE departing the southerly right-of-way line of Vintage Boulevard with the common line of said Hickory Venture Group tract and said Housing Authority of the City of Denton tract the following:

South 14º 59' 50" West a distance of 209.40 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "Dunaway Assoc" set for corner;

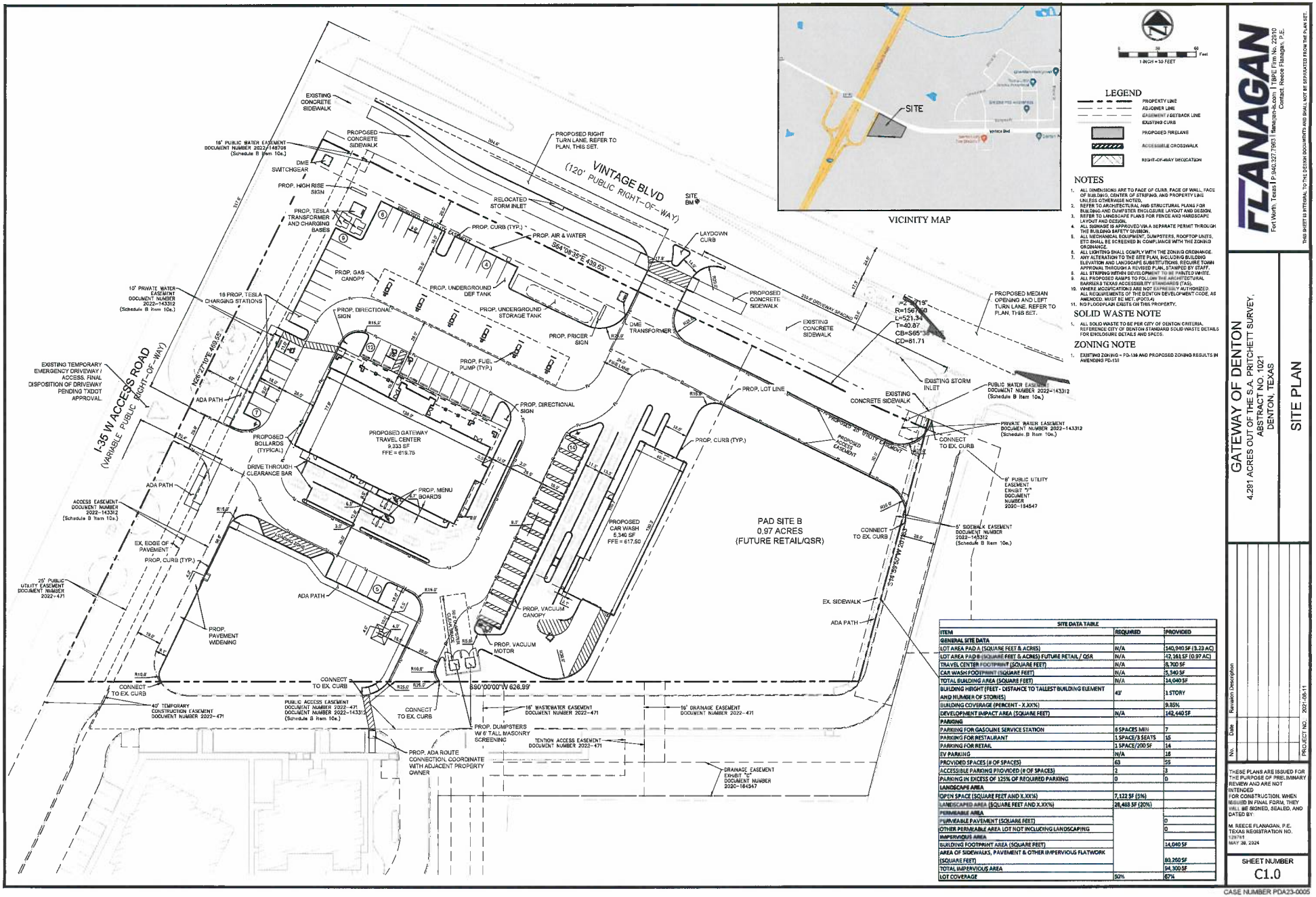
West a distance of 626.99 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "Dunaway Assoc" found in the easterly right-of-way line of Interstate Highway 35W for the common westerly corner of said Hickory Venture Group tract and said Housing Authority of the City of Denton tract;

THENCE with the easterly right-of-way line of Interstate Highway 35W North 26º 27' 10" East a distance of 477.05 feet to the POINT OF BEGINNING;

CONTAINING a computed area of 4.291 acres (186,902 square feet) of land.



Exhibit B



FLANAGAN
Fort Worth, Texas | P 940.327.7963 | flanagan-llc.com | TBPE Firm No. 22910
Contact: Reece Flanagan, P.E.

THIS SHEET IS INTEGRAL TO THE DESIGN DOCUMENTS AND SHALL NOT BE SEPARATED FROM THE PLAN SET.

GATEWAY OF DENTON
4.281 ACRES OUT OF THE S.A. PRITCHETT SURVEY, ABSTRACT NO. 1021
DENTON, TEXAS

SITE PLAN

No.	Date	Revision Description

PROJECT NO. 2021-08-11

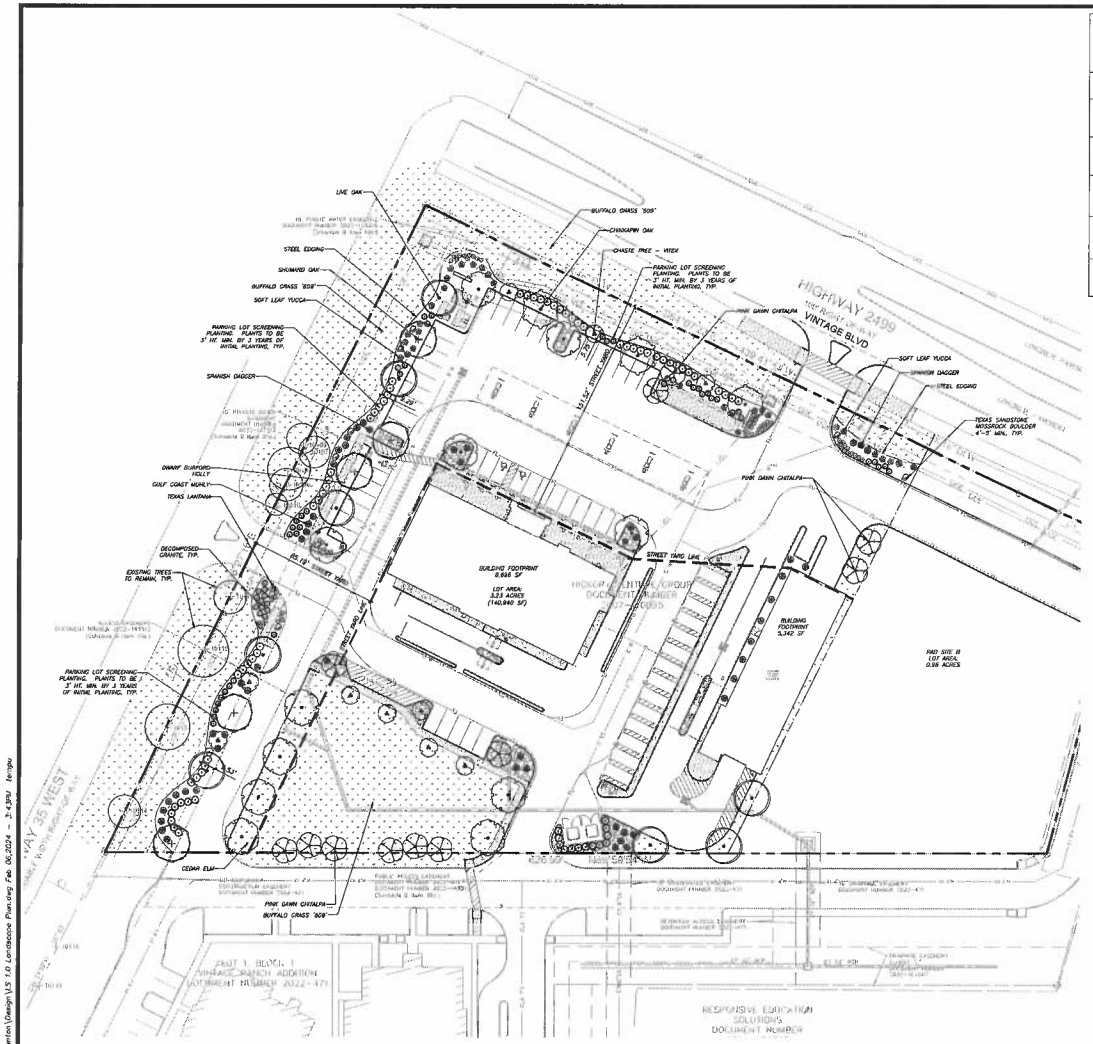
THESE PLANS ARE ISSUED FOR THE PURPOSE OF PRELIMINARY REVIEW AND ARE NOT INTENDED FOR CONSTRUCTION. WHEN ISSUED IN FINAL FORM, THEY WILL BE SIGNED, SEALED, AND DATED BY:

M. REECE FLANAGAN, P.E.
TEXAS REGISTRATION NO. 129761
MAY 30, 2024

SHEET NUMBER
C1.0

CASE NUMBER PDA23-0005

1253



LANDSCAPE DATA – CITY OF DENTON ORDINANCE 88–104

STANDARD	REQUIRED	PROVIDED	NOTES
STREET YARD AREA	20% OF STREET YARD AREA REQUIRED STREET YARD (Vintage blvd. and I-35) 81,762 SF X 20% = 16,352 SF	STREET YARD AREA = 32,433 SF (39%)	
STREET YARD TREES	ONE TREE PER 2,500 SF OF STREET YARD STREET YARD: 16,352 / 2,500 = 7 TREES REQUIRED	(10) STREET YARD TREES	
STREET YARD PARKING LOTS	5% OF THE PARKING LOT IN THE STREET YARD SHALL CONSIST OF ISLANDS 16,352 SF OF STREET YARD X 5% = 818 SF / 182 SF = 5 PARKING LOT ISLANDS	(6) PARKING LOT ISLANDS	
PARKING LOT SCREENING TREES	ONE TREE PER 50 LF OF STREET FRONTAGE 849 LF / 50 = 17 TREES REQUIRED	(18) PARKING LOT SCREENING TREES	
PARKING LOT SCREENING SHRUBS	FOUR SHRUBS PER REQUIRED PARKING LOT SCREENING TREE 17 TREES X 4 = 68 SHRUBS REQUIRED	(143) PARKING LOT SCREENING SHRUBS	

PLANT SCHEDULE

LARGE TREES	CODE	QTY	COMMON / BOTANICAL NAME	CAL.	CONTAINER	HEIGHT	SPREAD
	ET	9	EXISTING TREES TO BE PRESERVED (SEE TREE PRESERVATION PLAN)				
	LV	8	LIVE OAK QUERCUS VIRGINIANA NURSERY GROWN	4" CAL.	B&B OR CONTAINER	11'–12" HT.	MIN. 8' SPREAD
	CO	3	CHINKAPIN OAK QUERCUS MUHLENBERGII NURSERY GROWN	4" CAL.	B&B OR CONTAINER	11'–12" HT.	MIN. 8' SPREAD
	SO	5	SHUMARD OAK QUERCUS SHUMARDII NURSERY GROWN	4" CAL.	B&B OR CONTAINER	11'–12" HT.	MIN. 8' SPREAD
	CE	11	CEDAR ELM ULMUS CRASSIFOLIA NURSERY GROWN	4" CAL.	B&B OR CONTAINER	11'–12" HT.	MIN. 8' SPREAD
ORNAMENTAL TREES	CODE		COMMON / BOTANICAL NAME	CAL.	CONTAINER	HEIGHT	SPREAD
	CT	10	CHASTE TREE – VITEX (Pollinator Plant) VITEX AGNUS–CASTUS MULTI–TRUNK	3" CAL.	B&B OR CONTAINER	8'–9' HT.	MIN. 6' SPREAD
	PC	12	PINK DAWN CHITALPA X CHITALPA TASHKENTENSIS 'PINK DAWN' NURSERY GROWN, SINGLE TRUNK, TREE FORM ONLY	3" CAL.	B&B OR CONTAINER	8'–9' HT.	MIN. 6' SPREAD
SHRUBS	CODE		COMMON / BOTANICAL NAME	CONTAINER			
	HCP	52	SPANISH DAGGER (VARIEGATED) YUCCA GLORIOSA 'VARIEGATA' 'AUREOVARIEGATA'	5 GAL.		18"–24" HT	18"–24" SPREAD
	TSD	34	TEXAS SAGE 'DESPERADO' (Pollinator Plant) LEUCOPHYLLUM FRUTESCENS 'DESPERADO'	5 GAL.		2'–3' HT	2'–3' SPREAD
	SLY	30	SOFT LEAF YUCCA YUCCA RECURVIFOLIA	5 GAL.		18"–24" HT	18"–24" SPREAD
	GCM	55	GULF COAST MUHLY GRASS MUHLENBERGIA CAPILLARIS (LAM.) TRIN.	1 GAL.		18"–24" HT	18"–24" SPREAD
	TL	67	TEXAS LANTANA (Pollinator Plant) LANTANA URTICOIDES (L. HORRIDA)	1 GAL		12" HT	12" SPREAD
	BH	41	DWARF BURFORD HOLLY ILEX CORNUTA 'BURFORDII NANA'	5 GAL.		30" HT	24" SPREAD
GROUND COVERS	CODE		COMMON / BOTANICAL NAME	CONTAINER			
	BG		BUFFALO GRASS '609' BUCHLOE DACTYLOIDES ' 609'	SOLID SOD			
	DG		¾"– ⅜" DECOMPOSED GRANITE, TYPICAL 4" DEPTH COMPACTED, MINIMUM.				
	RR		4"–6" ARIZONA COBBLE LARGE – 4" DEPTH MINIMUM WHIZ–Q–STONE – 817.429.0822 OR APPROVED EQUAL				
			DEVELOPMENT IMPACT AREA BOUNDARY LINE – SAME AS PROPERTY LINE.				

IRRIGATION NOTES:

1. ALL LANDSCAPE PLANTINGS PROPOSED IN THIS PLAN WILL BE IRRIGATED WITH AN AUTOMATIC, UNDERGROUND IRRIGATION SYSTEM.
2. IRRIGATION SYSTEM WILL BE EQUIPPED WITH A RAIN AND FREEZE SENSOR CAPABLE OF SHUTTING DOWN THE SYSTEM WHEN DICTATED BY RAINFALL OR FREEZING CONDITIONS.
3. IRRIGATION SYSTEM DESIGN WILL MEET ALL REQUIREMENTS OF THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY, AND ALL APPLICABLE PLUMBING CODES.
4. IRRIGATION DESIGN DRAWINGS WILL BE SUBMITTED UNDER A SEPARATE COVER AT A LATER DATE FOR IRRIGATION PERMITTING.

NOTES:

1. PER PD 139 SECTION 'K' "THE REGULATIONS OF THE DENTON LANDSCAPE CODE IN EFFECT ON THE DATE OF THE APPROVAL OF THIS PLAN (PD 139) SHALL APPLY TO THE DISTRICT". THE CITY STAFF PROVIDED AN ARCHIVE COPY OF CITY OF DENTON ORDINANCE 88–104 TREE PRESERVATION, LANDSCAPE AND SCREENING REQUIREMENTS AND REGULATIONS WHICH HAS BEEN UTILIZED FOR THIS LANDSCAPE PLAN.

GRAPHIC SCALE

(IN FEET)
1 inch = 40 ft.

PDA23–0005

811 Know what's below. Call before you dig. (@ least 48 hours prior to digging)

No.	Date	Revision Description

PROJECT NO.23-0115

LANDSCAPE PLAN

VICTRON - C-STORE & CARWASH
I-35 AND VINTAGE BLVD.
DENTON, TEXAS

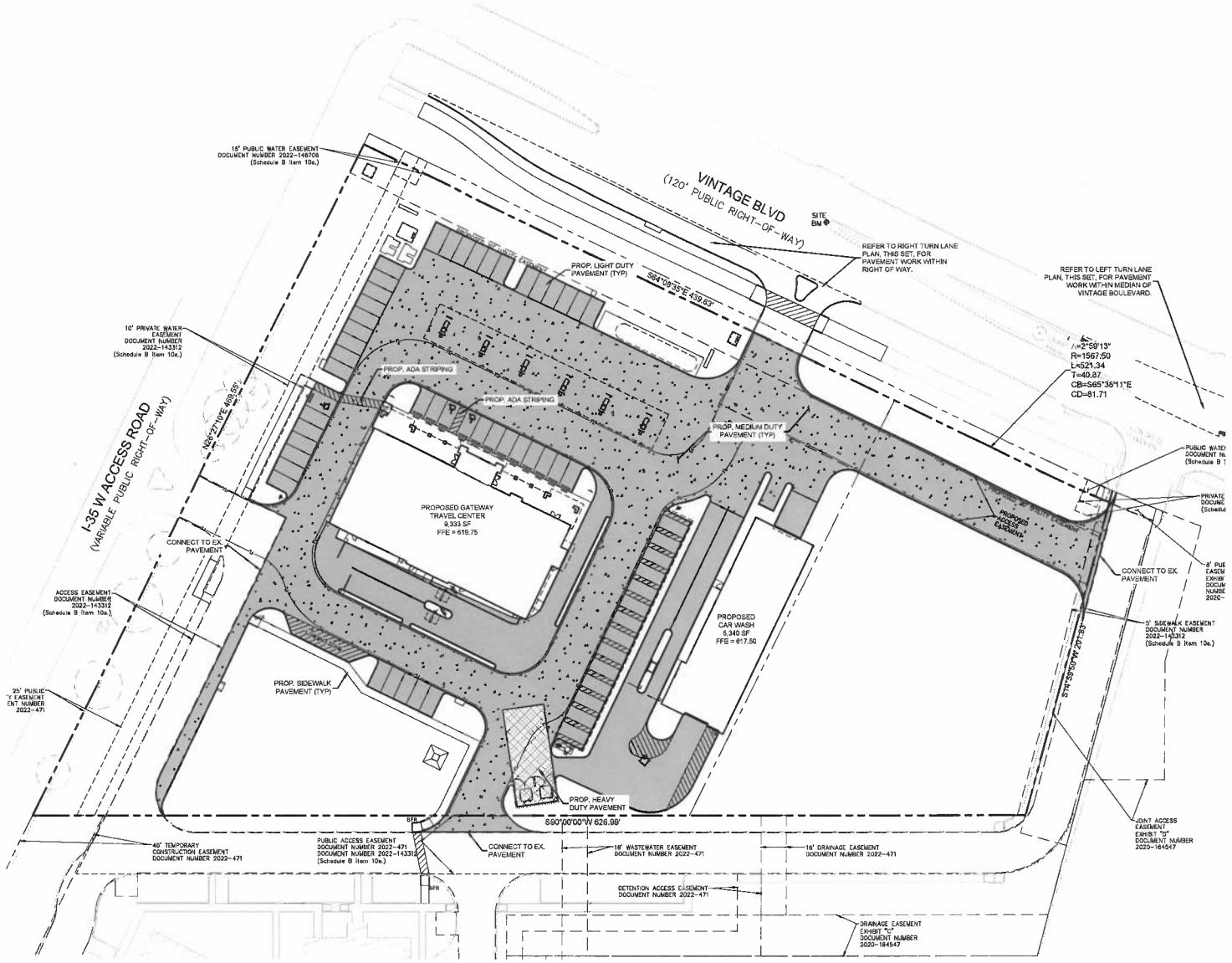
PRELIMINARY
FOR REVIEW ONLY
These documents are for Design Review and not intended for Construction, Bidding or Permit Purposes. They were prepared by, or under the supervision of: Michael G. Martin L.A.#2836 2/6/2024

TEMPUS LAND SOLUTIONS, LLC
ARLINGTON, TEXAS 76017
817.223.8489
michael@tempus-ls.com

SHEET NO.
LS - 1.1

C:\TEMPUS\X23-0115 – Victron – Vintage C-Store – Denton\Design\LS 1.0 Landscape Plan.dwg Feb 06,2024 – 2:43PM tengu

1254



LEGEND

- HEAVY DUTY CONCRETE PAVEMENT
- MEDIUM DUTY CONCRETE PAVEMENT
- LIGHT DUTY CONCRETE PAVEMENT
- SIDEWALK/FLATWORK
- ACCESSIBLE PARKING SPACE
- BFR BARRIER FREE RAMP

NOTES

1. ALL DIMENSIONS ARE TO FACE OF CURB UNLESS NOTED OTHERWISE.
2. REFER TO ARCHITECTURAL PLANS FOR EXACT BUILDING DIMENSIONS. BUILDING DIMENSIONS SHOWN ON THIS PLAN ARE FOR REFERENCE ONLY.
3. CONTRACTOR SHALL REFERENCE GENERAL NOTES SHEET FOR ADDITIONAL PROJECT INFORMATION AP PLICABLE TO THIS SHEET.
2. ALL SIDEWALKS TO BE CONSTRUCTED WITH A MAXIMUM CROSS SLOPE OF 2.0%.

Know what's below.
Call before you dig.
(@ least 48 hours prior to digging)

FLANAGAN
Fort Worth, Texas | P 940.327.7963 | flanagan-tx.com | TBPE Firm No. 22910
Contact: Reece Flanagan, P.E.

THIS SHEET IS INTEGRAL TO THE DESIGN DOCUMENTS AND SHALL NOT BE REPARATED FROM THE PLAN SET.

GATEWAY OF DENTON

4.281 ACRES OUT OF THE S.A. PRITCHETT SURVEY, ABSTRACT NO. 1021
DENTON, TEXAS

PAVING PLAN

No.	Date	Revision Description

PROJECT NO.: 2021-05-11

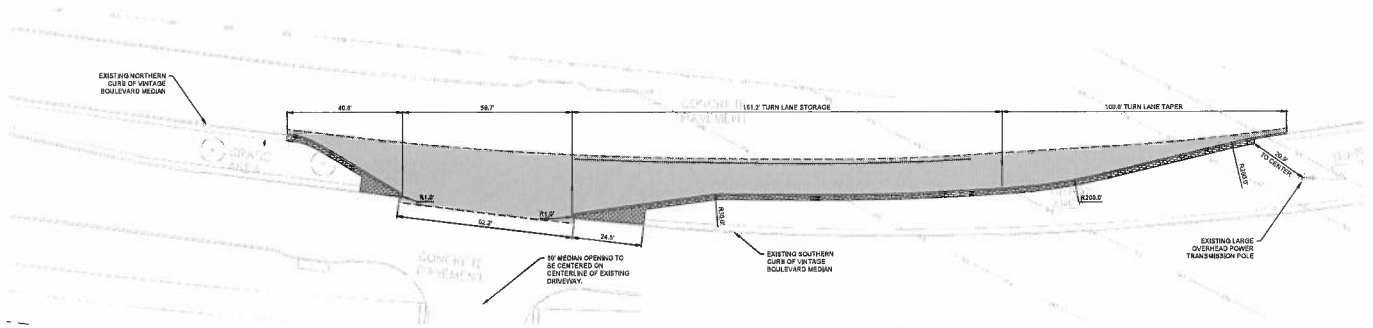
THESE PLANS ARE ISSUED FOR THE PURPOSE OF PRELIMINARY REVIEW AND ARE NOT INTENDED FOR CONSTRUCTION, WHEN ISSUED IN FINAL FORM, THEY WILL BE SIGNED, SEALED, AND DATED BY:

M. REECE FLANAGAN, P.E.
TEXAS REGISTRATION NO. 129781
MAY 20, 2024

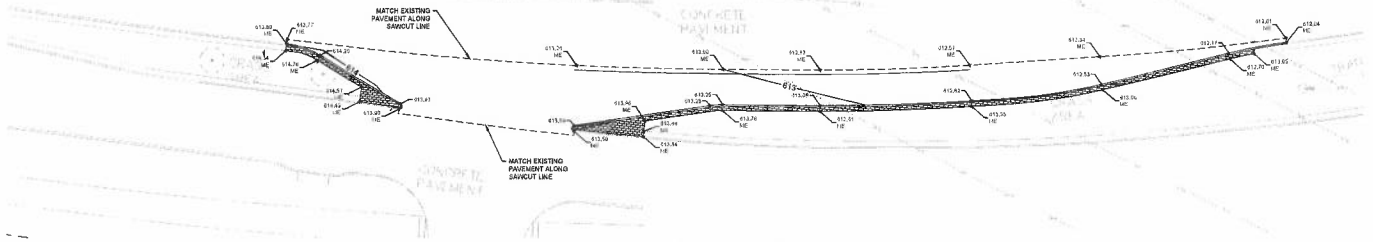
SHEET NUMBER
C2.0

CASE NUMBER PDA23-0005

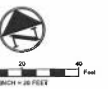
File: F:\2021-05 Vision Group\2021-05-11 Denton I-35 & Vintage Blvd\CAD\Plot Sheets\2021-05-11-C-PAVING.dwg | Date Plotted: 5/20/2024 2:15 PM | Plotted By: Dennis



LEFT TURN LANE PLAN - DIMENSION CONTROL



LEFT TURN LANE PLAN - GRADING



LEGEND

- PROPERTY LINE
- ADJOINER LINE
- EASEMENT / SETBACK LINE
- EXISTING CURB
- PROPOSED PAVEMENT TO MATCH EXISTING SECTION

NOTES

1. ALL DIMENSIONS ARE TO FACE OF CURB, FACE OF WALL, FACE OF BUILDING, CENTER OF STRIPING, AND PROPERTY LINE UNLESS OTHERWISE NOTED.
2. ALL LIGHTING SHALL COMPLY WITH THE ZONING ORDINANCE.
3. WHERE MODIFICATIONS ARE NOT EXPRESSLY AUTHORIZED, ALL REQUIREMENTS OF THE DENTON DEVELOPMENT CODE, AS AMENDED, MUST BE MET. (PDD3.4)
4. NO FLOODPLAIN EXISTS ON THIS PROPERTY.

ZONING NOTE

1. EXISTING ZONING = PD-139 AND PROPOSED ZONING RESULTS IN AMENDING PD-139

GRADING LEGEND

- 153 — PR. CONTOUR
- 153 — EX. CONTOUR
- SAWCUT LINE
- 635.34 ME — TOP OF PAVEMENT OR PROPOSED FINISHED GRADE
- 635.34 ME — MATCH EXISTING

GRADING NOTES

1. CLEARING AND GRUBBING SHALL CONSIST OF REMOVING ALL NATURAL AND ARTIFICIAL OBJECTIONABLE MATERIALS FROM THE PROJECT SITE.
2. ALL TREES, SHRUBS AND ALL SCRUB GROWTH SHALL BE CLEARED. ALL DEAD TREES, LOGS, STUMPS, RUBBISH OF ANY NATURE, AND OTHER SURFACE DEBRIS SHALL ALSO BE CLEARED.
3. THE CONTRACTOR WILL BE RESPONSIBLE FOR AND SHALL TAKE ALL PRECAUTIONS NECESSARY TO AVOID PROPERTY DAMAGE TO ADJACENT PROPERTIES DURING CONSTRUCTION. THE CONTRACTOR SHALL, AT ALL TIMES, KEEP THE SITE OF THE WORK AND THE ADJACENT PREMISES AS FREE FROM MATERIAL DEBRIS AND RUBBISH AS IS PRACTICABLE AND SHALL REMOVE SAME FROM ANY PORTION OF THE SITE.
4. UNSUITABLE MATERIAL, INCLUDING ALL ROCKS MEASURING LARGER THAN 6" IN THE LARGEST DIMENSION, REFUSE AND OTHER DEBRIS SHALL BECOME THE PROPERTY OF THE CONTRACTOR AND SHALL BE REMOVED FROM THE SITE AND DISPOSED OF BY THE CONTRACTOR. CONTRACTOR SHALL ALSO COMPLY WITH ALL APPLICABLE LAWS GOVERNING THE SPILLING OF DEBRIS WHILE TRANSPORTING TO A DISPOSAL SITE.
5. SIX (6") INCHES OF TOP SOIL SHALL BE PLACED ON ALL LANDSCAPE AREAS AND PARKING ISLANDS.
6. POSITIVE DRAINAGE AWAY FROM BUILDING FOUNDATION MUST BE PROVIDED. CONTRACTOR TO ENSURE THERE IS NO PONDING AROUND FOUNDATION.
7. THE GRADES SHOWN ON THIS PLAN ARE TOP OF PAVEMENT UNLESS OTHERWISE NOTED.
8. SHOULD THE CONTRACTOR ENCOUNTER ANY UNUSUAL GEOLOGICAL CONDITIONS DURING CONSTRUCTION, THE CONTRACTOR IS RESPONSIBLE FOR NOTIFYING GEOTECHNICAL ENGINEER AND REQUESTING SUPPLEMENTAL RECOMMENDATIONS.
9. TESTING IS REQUIRED AND SHALL BE PERFORMED BY A LABORATORY APPROVED BY THE ENGINEER/OWNER AND PAID FOR BY THE OWNER.
10. LIMIT CONSTRUCTION ACTIVITY TO IMPROVEMENT AREAS ONLY.
11. REFERENCE LANDSCAPE PLANS FOR TREE PROTECTION METHODS.
12. CONTRACTOR IS RESPONSIBLE FOR ENSURING GRADES ON ALL WALKS DO NOT EXCEED 2% CROSS SLOPE AND 5% LONGITUDINAL SLOPE. ADJUST GRADES AS NECESSARY.
13. CONTRACTOR SHALL OBTAIN AND PAY FOR ALL PERMITS REQUIRED.

FLANAGAN
Fort Worth, Texas | P 940.327.7963 | flanagan-tx.com | TBPE Firm No. 22910
Contact: Reece Flanagan, P.E.

THIS SHEET IS INTEGRAL TO THE DESIGN DOCUMENTS AND SHALL NOT BE SEPARATED FROM THE PLAN SET.

GATEWAY OF DENTON

4.281 ACRES OUT OF THE S.A. PRITCHETT SURVEY, ABSTRACT NO. 1021
DENTON, TEXAS

LEFT TURN LANE PLAN

No.	Date	Revision Description

PROJECT NO. 2021-08-11

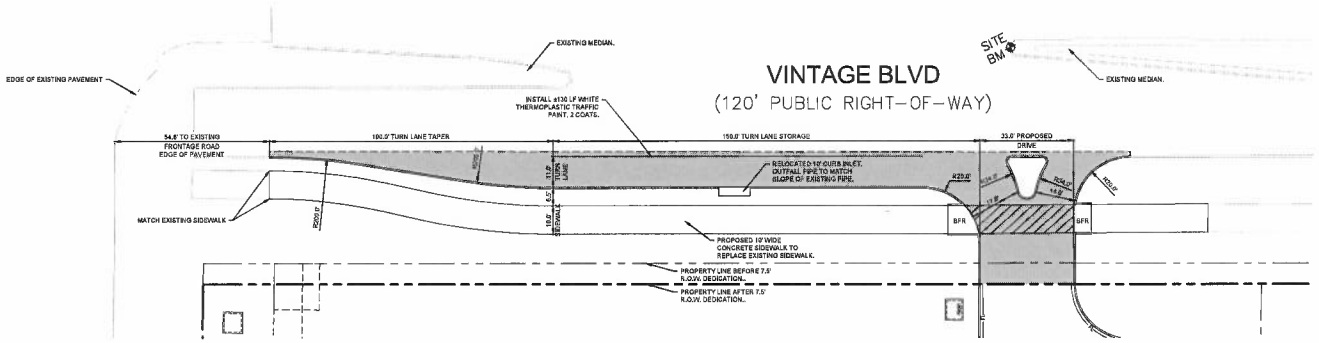
THESE PLANS ARE ISSUED FOR THE PURPOSE OF PRELIMINARY REVIEW AND ARE NOT INTENDED FOR CONSTRUCTION. WHEN ISSUED IN FINAL FORM, THEY WILL BE SIGNED, SEALED, AND DATED BY

M. REECE FLANAGAN, P.E.
TEXAS REGISTRATION NO. 129761
MAY 20, 2024

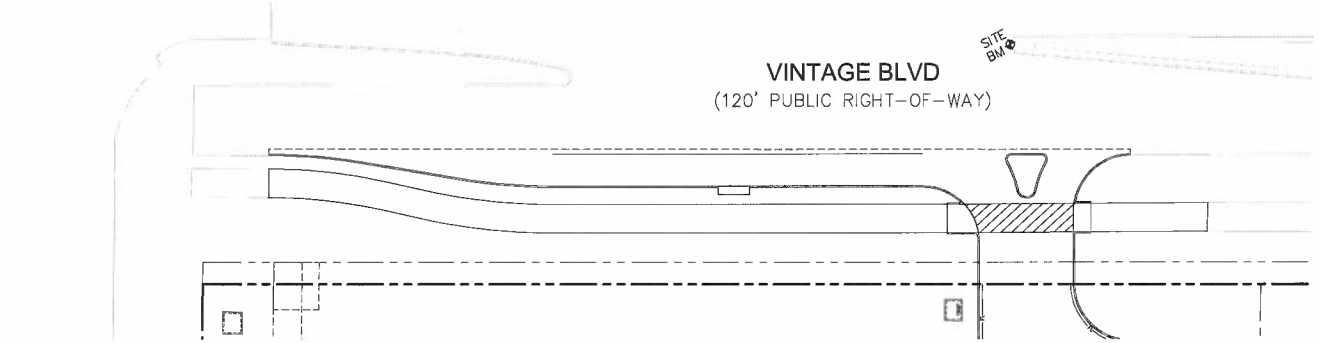
SHEET NUMBER
C1.1

CASE NUMBER PDA23-0005

File: P:\2021-08 Victory Group\2021-08-11 Denton (I-35 & Vintage Blvd)\CAD\Plot Sheets\2021-08-11-C-GRA.dwg || Date Plotted: 5/20/2024 2:16 PM || Plotted By: Dennis



RIGHT TURN LANE PLAN - DIMENSION CONTROL



RIGHT TURN LANE PLAN - GRADING
(GRADING DESIGN TO BE COMPLETED UPON RECEIPT OF SURVEY DATA)

1 INCH = 20 FEET

LEGEND

- PROPERTY LINE
- ADJOINER LINE
- EASEMENT / SETBACK LINE
- EXISTING CURB
- PROPOSED PAVEMENT TO MATCH EXISTING SECTION

NOTES

1. ALL DIMENSIONS ARE TO FACE OF CURB, FACE OF WALL, FACE OF BUILDING, CENTER OF STRIPING, AND PROPERTY LINE UNLESS OTHERWISE NOTED.
2. ALL LIGHTING SHALL COMPLY WITH THE ZONING ORDINANCE.
3. WHERE MODIFICATIONS ARE NOT EXPRESSLY AUTHORIZED, ALL REQUIREMENTS OF THE DENTON DEVELOPMENT CODE, AS AMENDED, MUST BE MET. (PDC3.4)
4. NO FLOODPLAIN EXISTS ON THIS PROPERTY.

ZONING NOTE

1. EXISTING ZONING = PD-133 AND PROPOSED ZONING RESULTS IN AMENDING PD-133

GRADING LEGEND

- 133 — FIN. CONTOUR
- 131 — EX. CONTOUR
- SAWCUT LINE
- 635.34 ME — TOP OF PAVEMENT OR PROPOSED FINISHED GRADE
- 635.34 ME — MATCH EXISTING

GRADING NOTES

1. CLEARING AND GRUBBING SHALL CONSIST OF REMOVING ALL NATURAL AND ARTIFICIAL OBJECTIONABLE MATERIALS FROM THE PROJECT SITE.
2. ALL TREES, SHRUBS AND ALL SCRUB GROWTH SHALL BE CLEARED. ALL DEAD TREES, LOGS, STUMPS, RUBBISH OF ANY NATURE, AND OTHER SURFACE DEBRIS SHALL ALSO BE CLEARED.
3. THE CONTRACTOR WILL BE RESPONSIBLE FOR AND SHALL TAKE ALL PRECAUTIONS NECESSARY TO AVOID PROPERTY DAMAGE TO ADJACENT PROPERTIES DURING CONSTRUCTION. THE CONTRACTOR SHALL AT ALL TIMES, KEEP THE SITE OF THE WORK AND THE ADJACENT PREMISES AS FREE FROM MATERIAL, DEBRIS AND RUBBISH AS IS PRACTICABLE AND SHALL REMOVE SAME FROM ANY PORTION OF THE SITE.
4. UNSUITABLE MATERIAL, INCLUDING ALL ROCKS MEASURING LARGER THAN 6" IN THE LARGEST DIMENSION, REFUSE AND OTHER DEBRIS SHALL BECOME THE PROPERTY OF THE CONTRACTOR AND SHALL BE REMOVED FROM THE SITE AND DISPOSED OF BY THE CONTRACTOR. CONTRACTOR SHALL ALSO, COMPLY WITH ALL APPLICABLE LAWS GOVERNING THE SPILLING OF DEBRIS WHILE TRANSPORTING TO A DISPOSAL SITE.
5. SIX (6") INCHES OF TOP SOIL SHALL BE PLACED ON ALL LANDSCAPE AREAS AND PARKING ISLANDS.
6. POSITIVE DRAINAGE AWAY FROM BUILDING FOUNDATION MUST BE PROVIDED. CONTRACTOR TO ENSURE THERE IS NO PONDING AROUND FOUNDATION.
7. THE GRADES SHOWN ON THIS PLAN ARE TOP OF PAVEMENT UNLESS OTHERWISE NOTED.
8. SHOULD THE CONTRACTOR ENCOUNTER ANY UNUSUAL GEOLOGICAL CONDITIONS DURING CONSTRUCTION, THE CONTRACTOR IS RESPONSIBLE FOR NOTIFYING GEOTECHNICAL ENGINEER AND REQUESTING SUPPLEMENTAL RECOMMENDATIONS.
9. TESTING IS REQUIRED AND SHALL BE PERFORMED BY A LABORATORY APPROVED BY THE ENGINEER/OWNER AND PAID FOR BY THE OWNER.
10. LIMIT CONSTRUCTION ACTIVITY TO IMPROVEMENT AREAS ONLY.
11. REFERENCE LANDSCAPE PLANS FOR TREE PROTECTION METHODS.
12. CONTRACTOR IS RESPONSIBLE FOR ENSURING GRADES ON ALL WALKS DO NOT EXCEED 2% CROSS SLOPE AND 5% LONGITUDINAL SLOPE, ADJUST GRADES AS NECESSARY.
13. CONTRACTOR SHALL OBTAIN AND PAY FOR ALL PERMITS REQUIRED.

FLANAGAN
Fort Worth, Texas | P 940.327.7963 | flanagan-fs.com | TBPE Firm No. 22910
Contact: Reece Flanagan, P.E.

THIS PRINT IS IMPERIAL TO THE DESIGN DOCUMENTS AND SHALL NOT BE SEPARATED FROM THE PLAN SET.

GATEWAY OF DENTON

4.291 ACRES OUT OF THE S.A. PRITCHETT SURVEY, ABSTRACT NO. 1021
DENTON, TEXAS

RIGHT TURN LANE PLAN

No.	Date	Revision Description

PROJECT NO. 2021-08-11

THESE PLANS ARE ISSUED FOR THE PURPOSE OF PRELIMINARY REVIEW AND ARE NOT INTENDED FOR CONSTRUCTION. WHEN ISSUED IN FINAL FORM, THEY WILL BE SIGNED, SEALED, AND DATED BY:

M. REECE FLANAGAN, P.E.
TEXAS REGISTRATION NO. 129761
MAY 20, 2024

SHEET NUMBER
C-1.2

CASE NUMBER PDA23-0005

File: F:\2021-08 Vintage Group\2021-08-11 Denton (a38 & Vintage Rkwy)\CAD\Plot Sheets\2021-08-11-C-01&04.dwg | Date Plotted: 5/20/2024 2:16 PM | Plotted By: Derek

Vintage Travel Plaza Special Sign Standards

Section I. IN GENERAL

Sec 1.1 Titles, Purpose, and Intent.

(a) The purpose and intent of establishing the Vintage Travel Plaza Special Sign Standards (VTPSSS) as an amendment to the adopted Planned Development District PD 139 (Ordinance PD23-0005a) is to grant and regulate a signage plan that will allow property within the VTPSSS to deviate from the sign regulations of Chapter 33 of the Denton Code of Ordinances (Denton Sign Code), as amended, in compliance with an alternative comprehensive plan that is standardized in design, and which is equal to or superior to what could be accomplished under the standard regulations of the Denton Sign Code, as amended, in the promotion of a safe and legible environment for employees and visitors. The VTPSSS provides a plan for ground signs that is necessary to direct vehicular traffic which is designed to be cohesive with the travel plaza architecture and minimize impacts to surrounding property.

(b) Except as otherwise provided for herein, all signs in the VTPSSS must comply with the Denton Sign Code, as amended. In the event of a conflict between the VTPSSS and the Denton Sign Code, as amended, that are not mandated by state or federal law, the requirements set forth in the VTPSSS apply.

(c) All signage defined herein may be deemed to be dual faced.

Article II. SIGN REGULATIONS

Section 2.1 Types of Signs Allowed.

All sign types permitted under Chapter 33 (Denton Sign Code) are allowed within the VTPSSS once a permit is obtained in compliance with Section 33.9 of the Denton Sign Code, as amended, and the standards as specified herein are met. Signs located in the VTPSSS may only be used to promote the business and associated activities located in VTPSSS and to direct visitors to a variety of locations within the site.

Section 2.2 Definitions

All words, terms, and phrases used in Chapter 33 (Denton Sign Code) shall have the meaning ascribed to them in Section 33.2 of the Denton Sign Code, as amended.

Section 2.3 Prohibited Signs.

Signs prohibited within the district shall be as consistent with Section 33.4 of the Denton Sign Code, as amended.

(Continue on next page)

Section 2.4 Number of Signs Allowed.

(a) The number of ground signs allowed is limited to the following and as illustrated in the Comprehensive Sign Plan provided as Exhibit "C":
1. One (1) Pole Sign (A) – shared pole signs for three businesses on site
2. One (1) Monument Sign (B) – shared monument signs for three businesses on site
3. Two (2) Directional Signs (F) – restaurant entrance / exit signs
4. Two (2) Directional Sign (L) – auto wash entrance / exit signs

(b) The number of wall, attached, temporary, and wind device signs is not limited by VTPSSS, but each wall, attached, temporary, and wind device signs within the district must conform to the minimum regulations in Chapter 33 (Denton Sign Code), as amended.

Section 2.5 Maximum Effective Area Allowed.

(a) The maximum effective area of ground signs within VTPSSS, including the supporting structure, shall be as follows and as shown in Exhibit "C":
1. Pole Sign (A) 466 square feet
2. Monument Sign (B) 64 square feet
3. Directional Signs (F) 5 square feet
4. Directional Sign (L) 12 square feet

(b) The maximum effective area of wall, attached, temporary, and wind device signs within the district must conform to the minimum regulations in Chapter 33 (Denton Sign Code), as amended.

Section 2.6 Maximum Height Allowed.

(a) The maximum height of ground signs within JWASSD shall be as follows and as shown in Exhibit "C":
1. Pole Sign (A) 60 feet
2. Monument Sign (B) 8 feet
3. Directional Signs (F) 3 feet
4. Directional Sign (L) 5 feet

(b) The maximum height of wall, attached, temporary, and wind device signs within the district must conform to the minimum regulations in Chapter 33 (Denton Sign Code), as amended.

Section 2.7 Location and Minimum Setbacks of Signs.

(a) The location, number, and minimum setbacks of ground signs shall be regulated as follows and as shown in Exhibit "C":
1. **Pole Sign (A).** Pole Sign (A) shall have a minimum setback of 20 ft. from the property line along I35W and Vintage Boulevard.
2. **Monument Sign (B).** Monument Sign (B) shall have a minimum setback of 20 ft. from the property line along Vintage Boulevard.

3. **Directional Signs (F).** Directional Signs (F) shall have a minimum setback of 1 ft. from the vehicular pathway.
4. **Directional Sign (L).** Directional Sign (L) shall have with a minimum setback of 1 ft. from the vehicular pathway.

(b) The location and minimum setbacks of wall, attached, temporary, and wind device signs within the district must conform to the minimum regulations in Chapter 33 (Denton Sign Code), as amended and the Comprehensive Sign Plan provided as Exhibit C.

Section 2.8 Sign Construction.

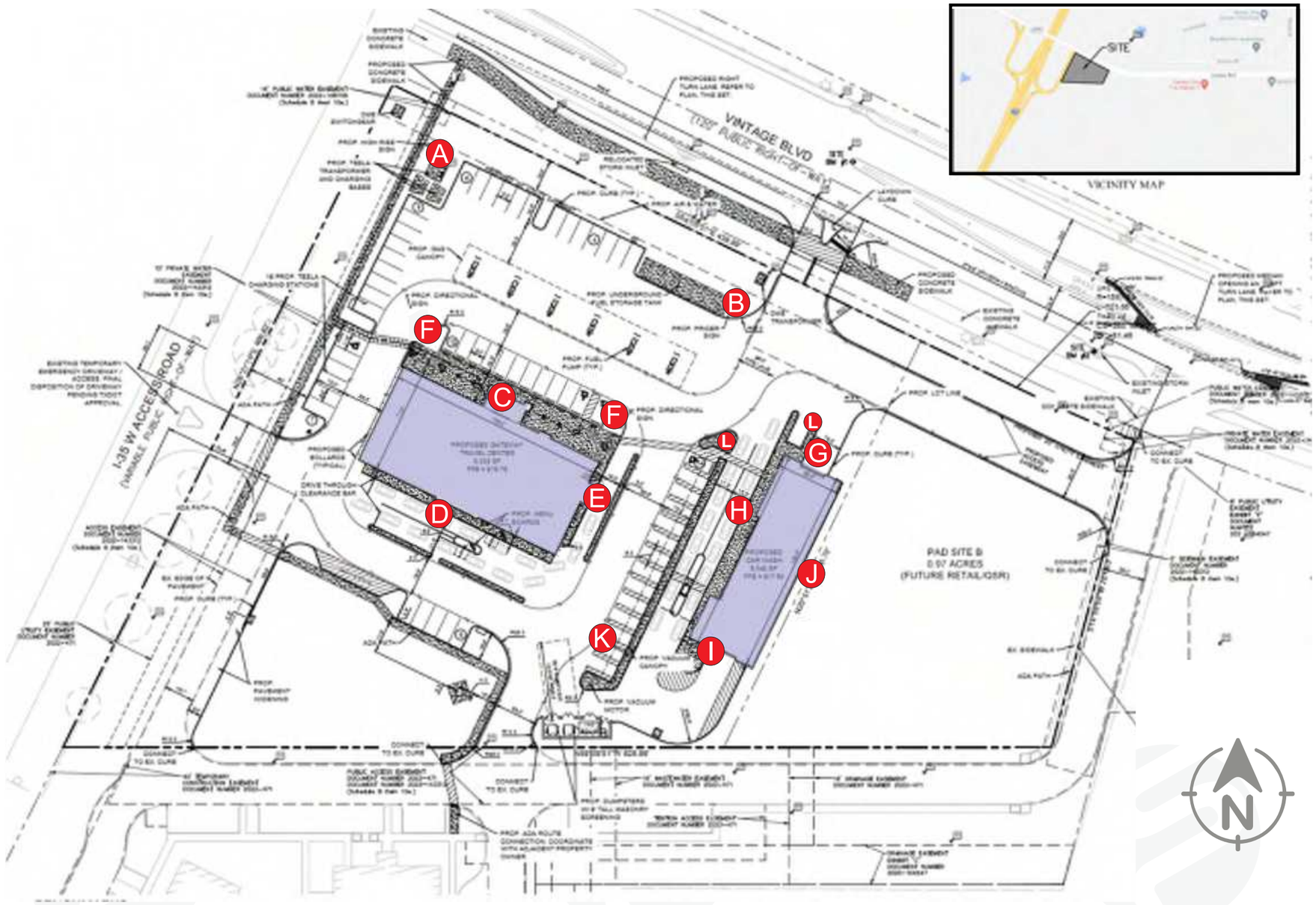
(a) The construction of ground signs shall be regulated as follow and as shown in Exhibit "C":
1. **Pole Sign (A).** The appearance of the signs must comply with the elevations, with the exception of the sign content. Routine maintenance, repair, and refacing is permitted. Replacement shall be consistent with the requirements for monument signs in Chapter 33 of the Denton Code of Ordinances (Denton Sign Code), as amended.
2. **Monument Sign (B).** The appearance of the signs must comply with the elevations, with the exception of the sign content. Routine maintenance, repair, and refacing is permitted. Replacement shall be consistent with the requirements for monument signs in Chapter 33 of the Denton Code of Ordinances (Denton Sign Code), as amended.
3. **Directional Signs (F).** The appearance of the signs must comply with the Sign District elevations, with the exception of the sign content. Routine maintenance, repair, and refacing is permitted. Replacement shall be consistent with the requirements for monument signs in Chapter 33 of the Denton Code of Ordinances (Denton Sign Code), as amended.
4. **Directional Sign (L).** The appearance of the signs must comply with the Sign District elevations, with the exception of the sign content. Routine maintenance, repair, and refacing is permitted. Replacement shall be consistent with the requirements for monument signs in Chapter 33 of the Denton Code of Ordinances (Denton Sign Code), as amended.

(b) The construction of wall, attached, temporary, and wind device signs within the district must conform to the minimum regulations in Chapter 33 (Denton Sign Code), as amended and the Comprehensive Sign Plan provided as Exhibit C.

Section 2.9 Illumination.

(a) The ground signs shall exhibit the following illumination, which must conform to the minimum regulations in Chapter 33 (Denton Sign Code):
1. **Pole Sign (A).** Internally illuminated.
2. **Monument Sign (B).** Internally illuminated.
3. **Directional Signs (F).** Externally illuminated.
4. **Directional Sign (L):** Externally illuminated.

(b) Illumination for all wall, attached, temporary, and wind device signs within the district must conform to the minimum regulations in Chapter 33 (Denton Sign Code), as amended.



SITE PLAN

- A POLE SIGN
- B MONUMENT SIGN
- C NORTH GAS WALL SIGN
- D SOUTH GAS WALL SIGN
- E EAST GAS WALL SIGN
- F DIRECTIONAL SIGN
- G NORTH WASH WALL SIGN
- H WEST WASH WALL SIGN
- I SOUTH WASH WALL SIGN
- J EAST WASH WALL SIGN
- K FREE VACUUMS

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | EMAIL: SALES@MYFUTURESIGNS.COM | ADDRESS: 11624 Chairman Dr Dallas, TX 75243 | WEB: myfuturesigns.com

This drawing is the property of FUTURE SIGNS,INC. and all rights to its reproduction and display are reserved by FUTURE SIGNS,INC.



Shell:	110 SF
Sonic:	120 SF
TBS:	114.66SF
Pricer:	118.75SF
Total :	465.07 SF

A

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

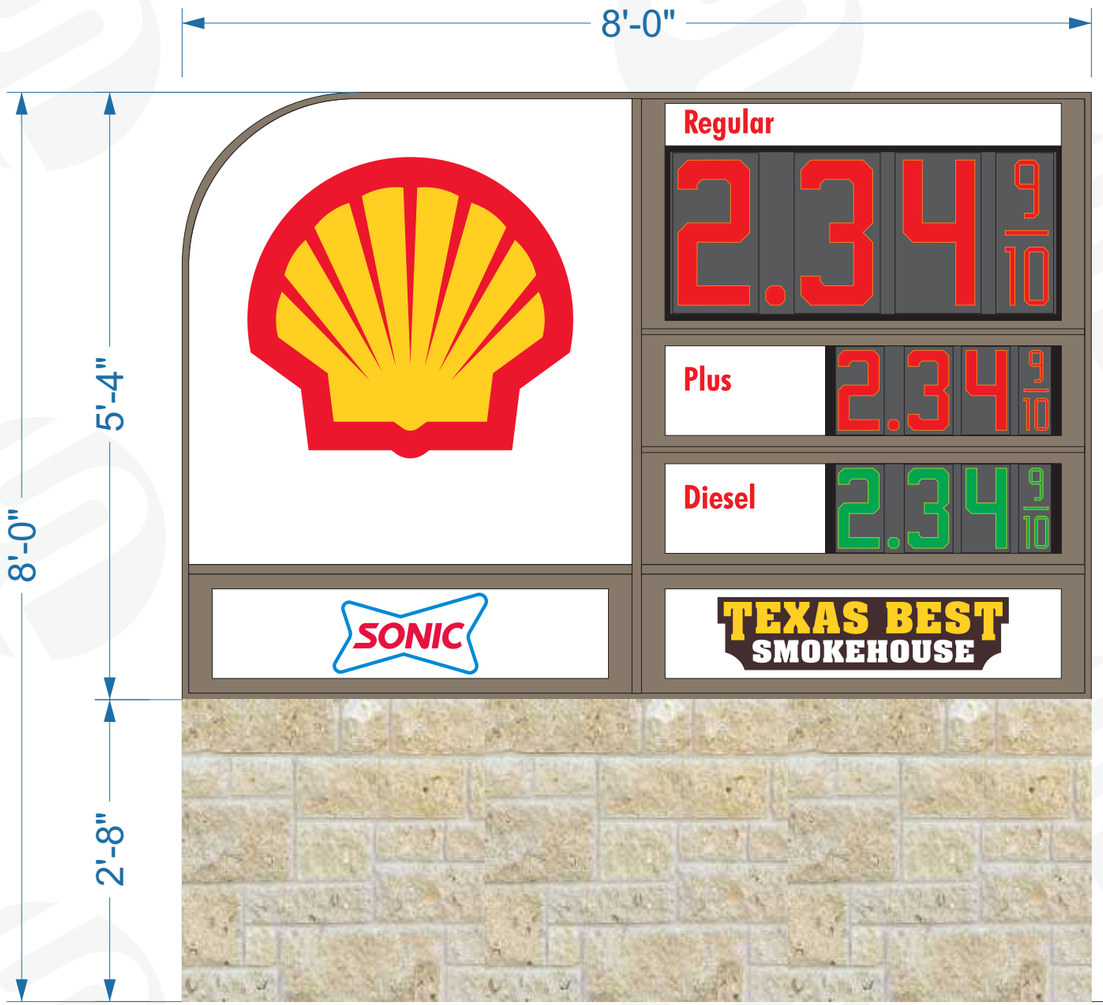
CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | EMAIL: SALES@MYFUTURESIGNS.COM | ADDRESS: 11624 Chairman Dr Dallas, TX 75243 | WEB: myfuturesigns.com

UL LISTED E476302

Regulated by the Texas Department of Licensing & Regulation
Website: www.license.state.tx.us

ATTN ELECTRICAL SIGNS: FINAL PLANS ARE DESIGNED, PERMITTED, MANUFACTORY, INSTALLED, AND INSPECTED BY A LICENSED MASTER SIGN ELECTRICIAN AS REGULATED BY THE TEXAS DEPARTMENT OF LICENSING AND RE 1263 N





SCALE: 3/4" = 1'-0"

Street Side

B

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

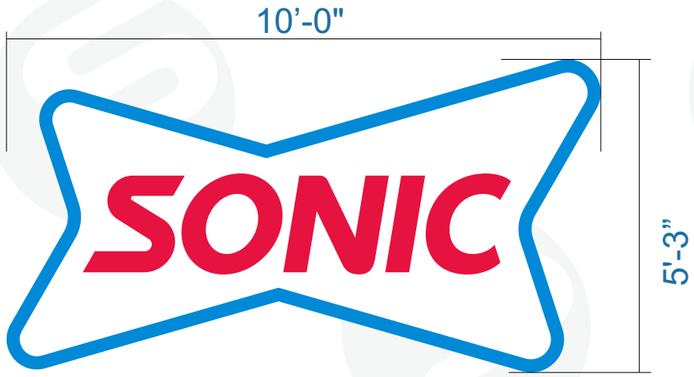
CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | **EMAIL: SALES@MYFUTURESIGNS.COM** | **ADDRESS: 11624 Chairman Dr Dallas, TX 75243** | **WEB: myfuturesigns.com**

UL LISTED E476302

Regulated by the Texas Department of Licensing & Regulation
Website: www.license.state.tx.us

ATTN ELECTRICAL SIGNS: FINAL PLANS ARE DESIGNED, PERMITTED, MANUFACTORY, INSTALLED, AND INSPECTE
LICENSED MASTER SIGN ELECTRICIAN AS REGULATED BY THE TEXAS DEPARTMENT OF LICENSING AND REGULATION









2 .North Elevation
3/32” = 1’-0”

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

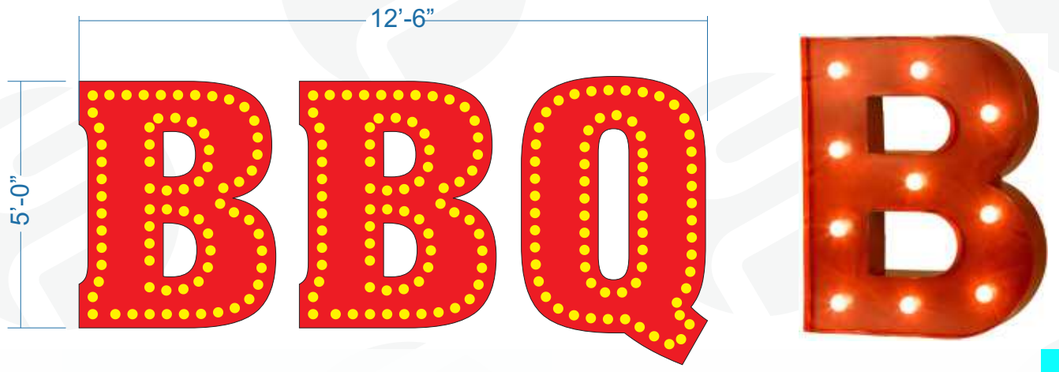
CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

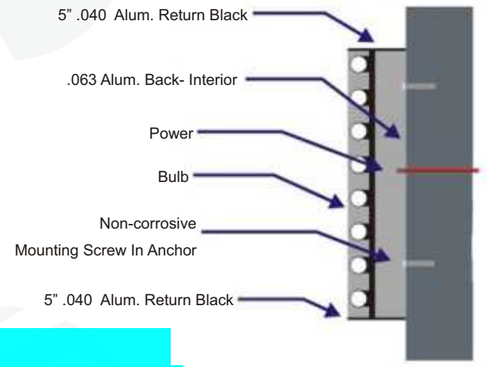
REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | EMAIL: SALES@MYFUTURESIGNS.COM | ADDRESS: 11624 Chairman Dr Dallas, TX 75243 | WEB: myfuturesigns.com







2 .North Elevation
3/32” = 1’-0”

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

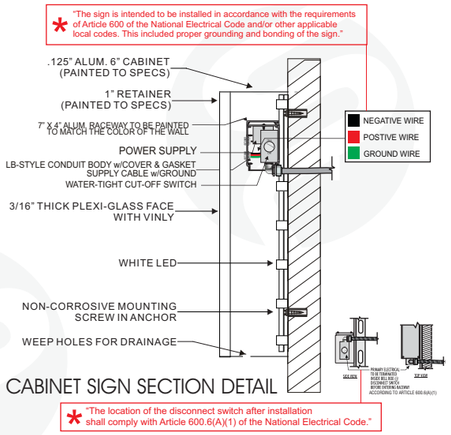
REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | EMAIL: SALES@MYFUTURESIGNS.COM | ADDRESS: 11624 Chairman Dr Dallas, TX 75243 | WEB: myfuturesigns.com







2 .North Elevation
3/32" = 1'-0"

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | EMAIL: SALES@MYFUTURESIGNS.COM | ADDRESS: 11624 Chairman Dr Dallas, TX 75243 | WEB: myfuturesigns.com





1 .South Elevation
3/32” = 1’-0”

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

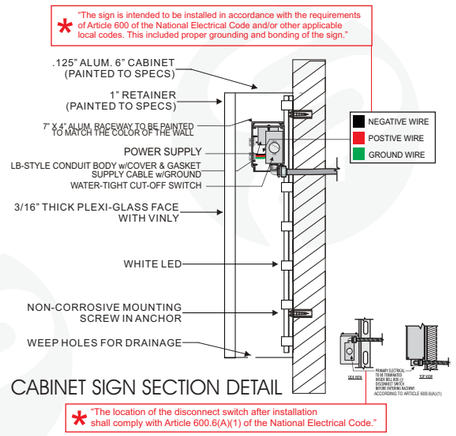
PHONE: (972) - 205 - 9090 | **EMAIL: SALES@MYFUTURESIGNS.COM** | **ADDRESS: 11624 Chairman Dr Dallas, TX 75243** | **WEB: myfuturesigns.com**

UL LISTED E476302

Regulated by the Texas Department of Licensing & Regulation
Website: www.license.state.tx.us

ATTN ELECTRICAL SIGNS: FINAL PLANS ARE DESIGNED, PERMITTED, MANUFACTORY, INSTALLED, AND INSPECTE
LICENSED MASTER SIGN ELECTRICIAN AS REGULATED BY THE TEXAS DEPARTMENT OF LICENSING AND REGULATION







1 .South Elevation
3/32" = 1'-0"

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

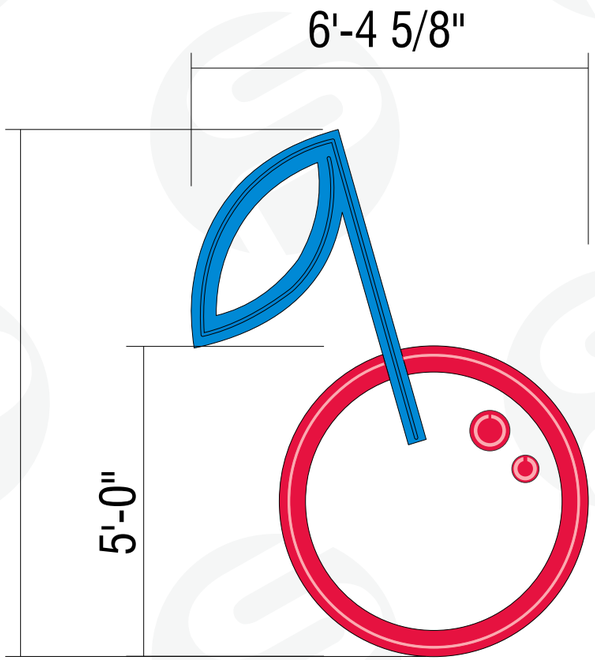
CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

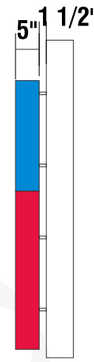
REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

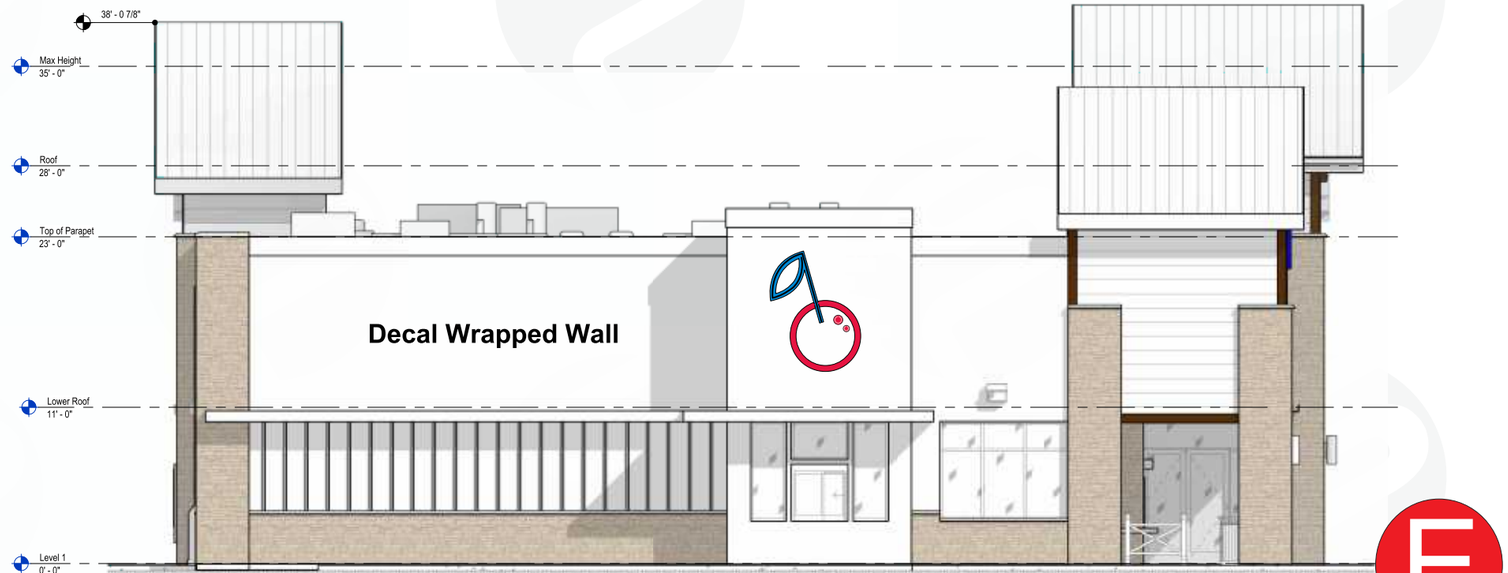
CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | EMAIL: SALES@MYFUTURESIGNS.COM | ADDRESS: 11624 Chairman Dr Dallas, TX 75243 | WEB: myfuturesigns.com





SIGN TYPE	A (WIDTH)	B (HEIGHT)	C (HEIGHT OF CIRCLE)	DEPTH	SQ. FT	FACE OPTIONS	RECOMMENDED USE
SON-OCL-05 CHERRY LOGO	6'-4 5/8"	8'-5 3/4"	5'-0"	5"	54.19	OPEN CHANNEL ELEMENTS W/ RED/BLUE FLEXIBRITE	STANDARD OPEN CHANNEL ELEMENTS - WALL MOUNT



2 .East Elevation
3/32" = 1'-0"

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

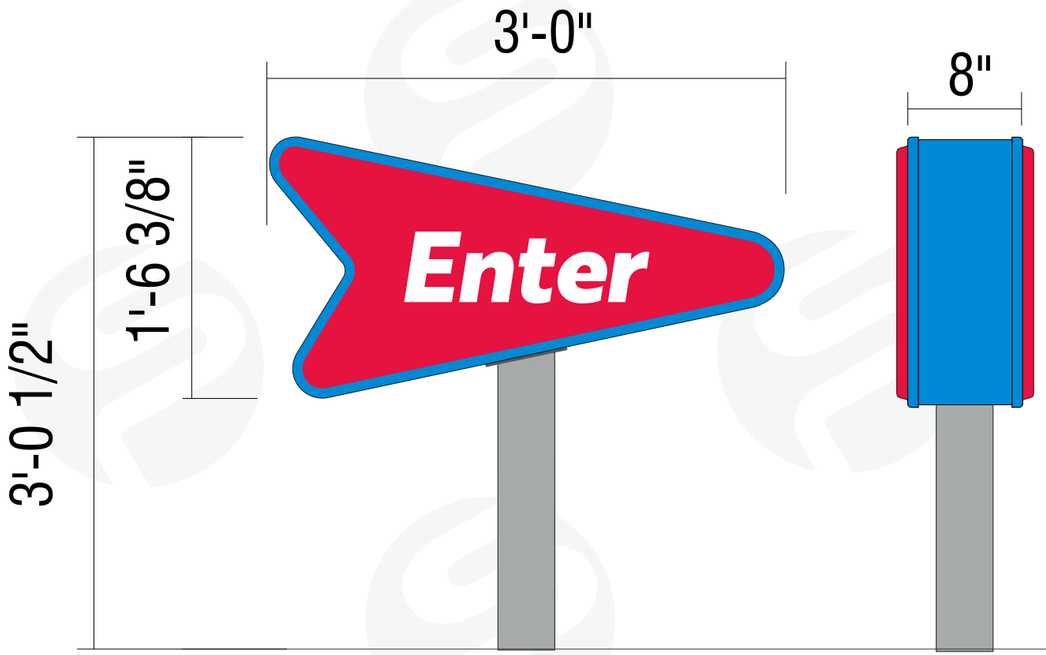
REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

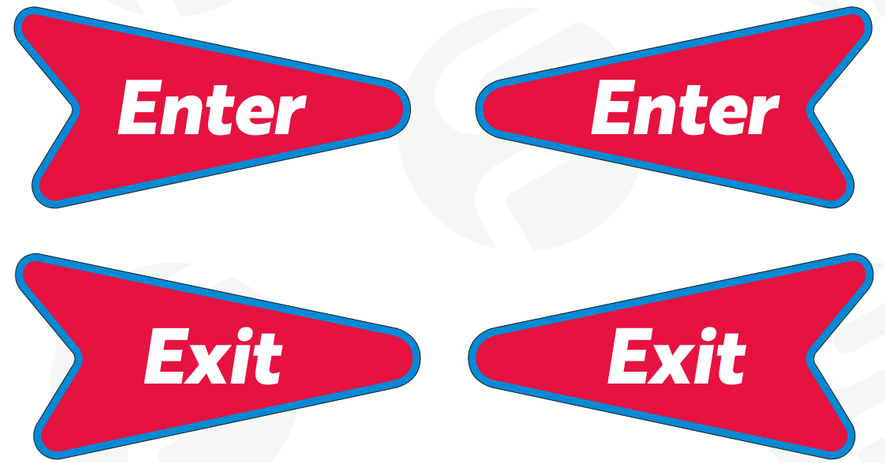
Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | **EMAIL: SALES@MYFUTURESIGNS.COM** | **ADDRESS: 11624 Chairman Dr Dallas, TX 75243** | **WEB: myfuturesigns.com**

DELTA DIRECTIONALS





SIGN TYPE	A (WIDTH)	B (HEIGHT)	C (OAH)	D (DEPTH)	SQ.FT	COPY CHOICES
DELTA-DIR-03	3'-0 1/2"	1'-6 3/8"	3'-0"	8"	4.9 SQ FT	ENTER, EXIT, DRIVE-THRU

F

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | EMAIL: SALES@MYFUTURESIGNS.COM | ADDRESS: 11624 Chairman Dr Dallas, TX 75243 | WEB: myfuturesigns.com

12’-0”

8’-3”

Wash Masters® CAR WASH

21'-8”

CAR WASH ENTRANCE

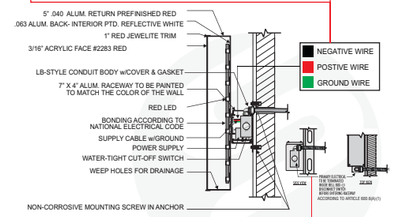
1'-6”

15’-0”

CLEAN CAR EXIT

1'-6”

* “The sign is intended to be installed in accordance with the requirements of Article 600 of the National Electrical Code and/or other applicable local codes. This included proper grounding and bonding of the sign.”



* “The location of the disconnect switch after installation shall comply with Article 600.6(A)(1) of the National Electrical Code.”

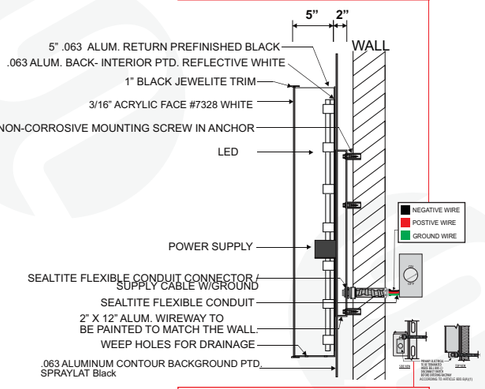
COLOR LEGEND

PAINT COLORS
- 1: BLACK
- 2: WHITE

VINYL COLORS TO MATCH
- Intense Blue 3M-3630-127
- Poppy Red 3M-3630-143
- Brilliant Green 3M-3630-106

Wash Masters® CAR WASH

* “The sign is intended to be installed in accordance with the requirements of Article 600 of the National Electrical Code and/or other applicable local codes. This included proper grounding and bonding of the sign.”



* “The location of the disconnect switch after installation shall comply with Article 600.6(A)(1) of the National Electrical Code.”



1 **Carwash - Front Elevation**
3/32” = 1'-0”

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

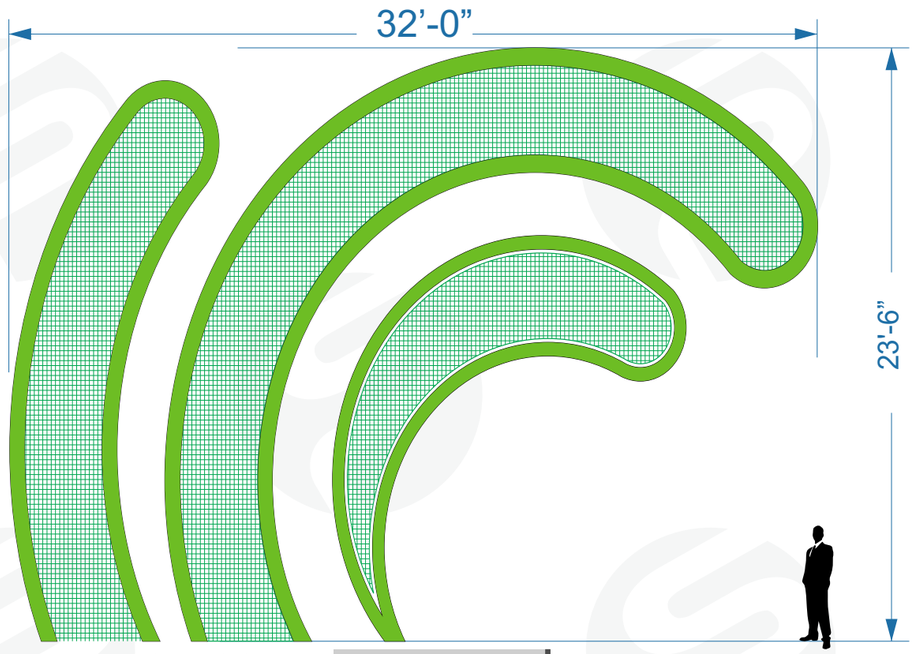
REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obsticles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | EMAIL: SALES@MYFUTURESIGNS.COM | ADDRESS: 11624 Chairman Dr Dallas, TX 75243 | WEB: myfuturesigns.com

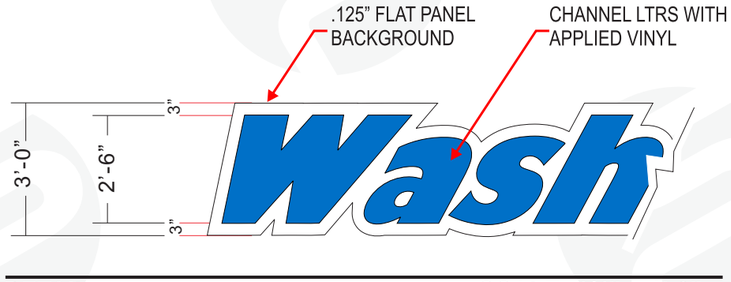




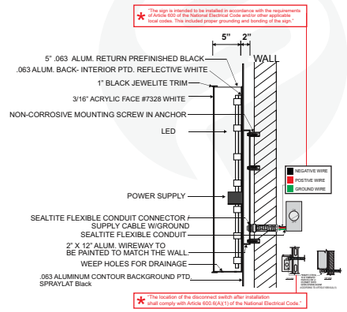
COLOR LEGEND

PAINT COLORS
- 1: BLACK
- 2: WHITE

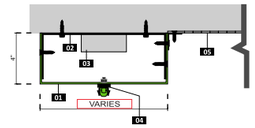
VINYL COLORS TO MATCH
- Intense Blue 3M-3630-127
- Poppy Red 3M-3630-143
- Brilliant Green 3M-3630-106

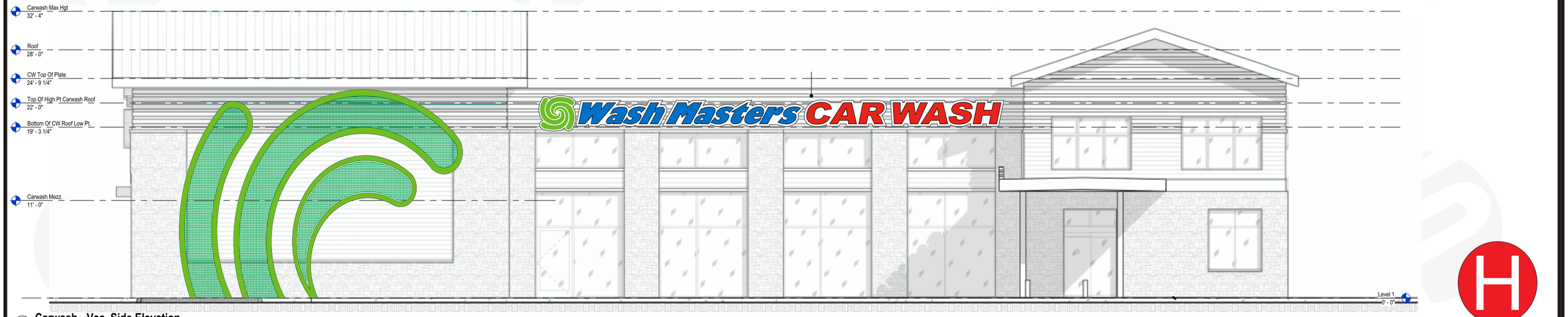


DETAIL **SCALE: 1/4” = 1’-0”**



TOP VIEW DETAIL SECTION





2 **Carwash - Vac. Side Elevation**
3/32” = 1’-0”

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

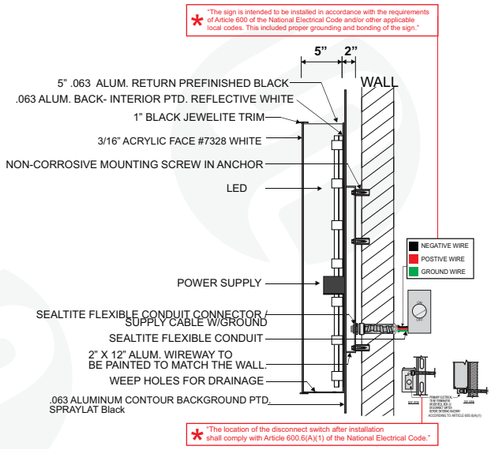
REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | EMAIL: SALES@MYFUTURESIGNS.COM | ADDRESS: 11624 Chairman Dr Dallas, TX 75243 | WEB: myfuturesigns.com









1 Carwash - Rear Elevation
3/32” = 1’-0”



COLOR LEGEND

PAINT COLORS
1: BLACK
2: WHITE

VINYL COLORS TO MATCH
Intense Blue 3M-3630-127
Poppy Red 3M-3630-143
Brilliant Green 3M-3630-106

Wash Masters CAR WASH

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

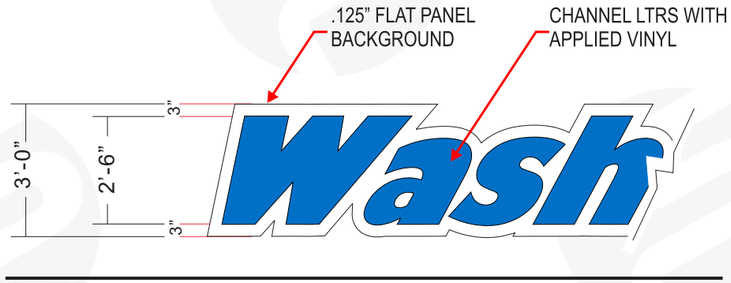
PHONE: (972) - 205 - 9090
EMAIL: SALES@MYFUTURESIGNS.COM
ADDRESS: 11624 Chairman Dr Dallas, TX 75243
WEB: myfuturesigns.com

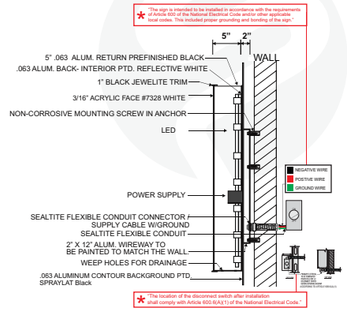


COLOR LEGEND

PAINT COLORS
- 1: BLACK
- 2: WHITE

VINYL COLORS TO MATCH
- Intense Blue 3M-3630-127
- Poppy Red 3M-3630-143
- Brilliant Green 3M-3630-106





DETAIL



2 Carwash - Side Elevation
3/32” = 1’-0”

J

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

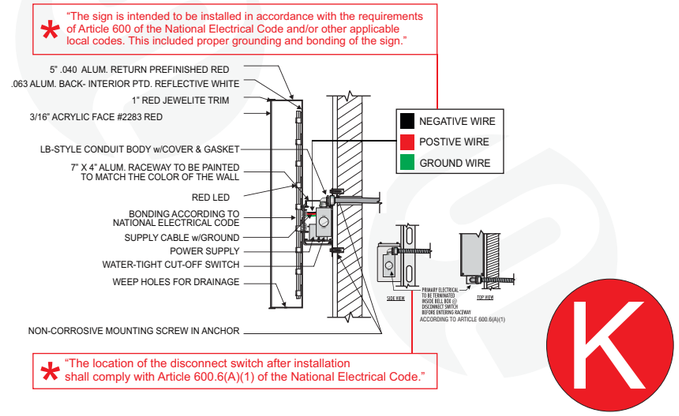
CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | **EMAIL: SALES@MYFUTURESIGNS.COM** | **ADDRESS: 11624 Chairman Dr Dallas, TX 75243** | **WEB: myfuturesigns.com**

14’-0”

1’-6”

FREE VACUUMS



<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

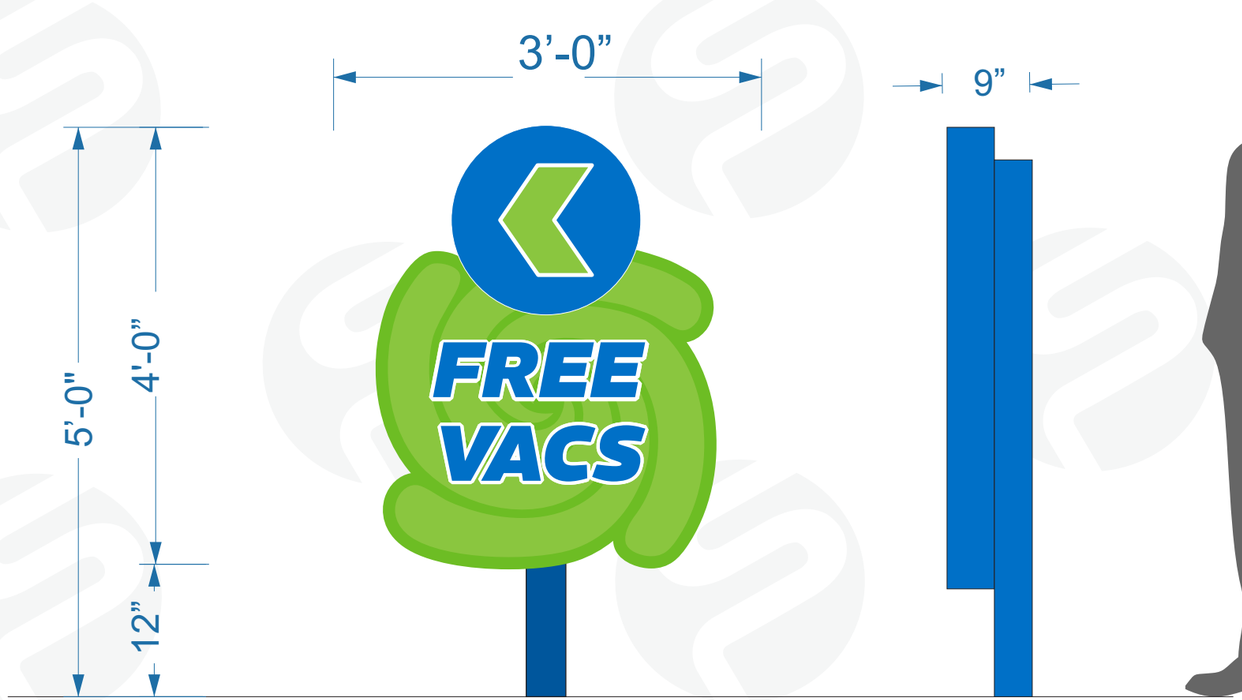
REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | **EMAIL: SALES@MYFUTURESIGNS.COM** | **ADDRESS: 11624 Chairman Dr Dallas, TX 75243** | **WEB: myfuturesigns.com**





SCALE: 3/4”=1’-0”

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

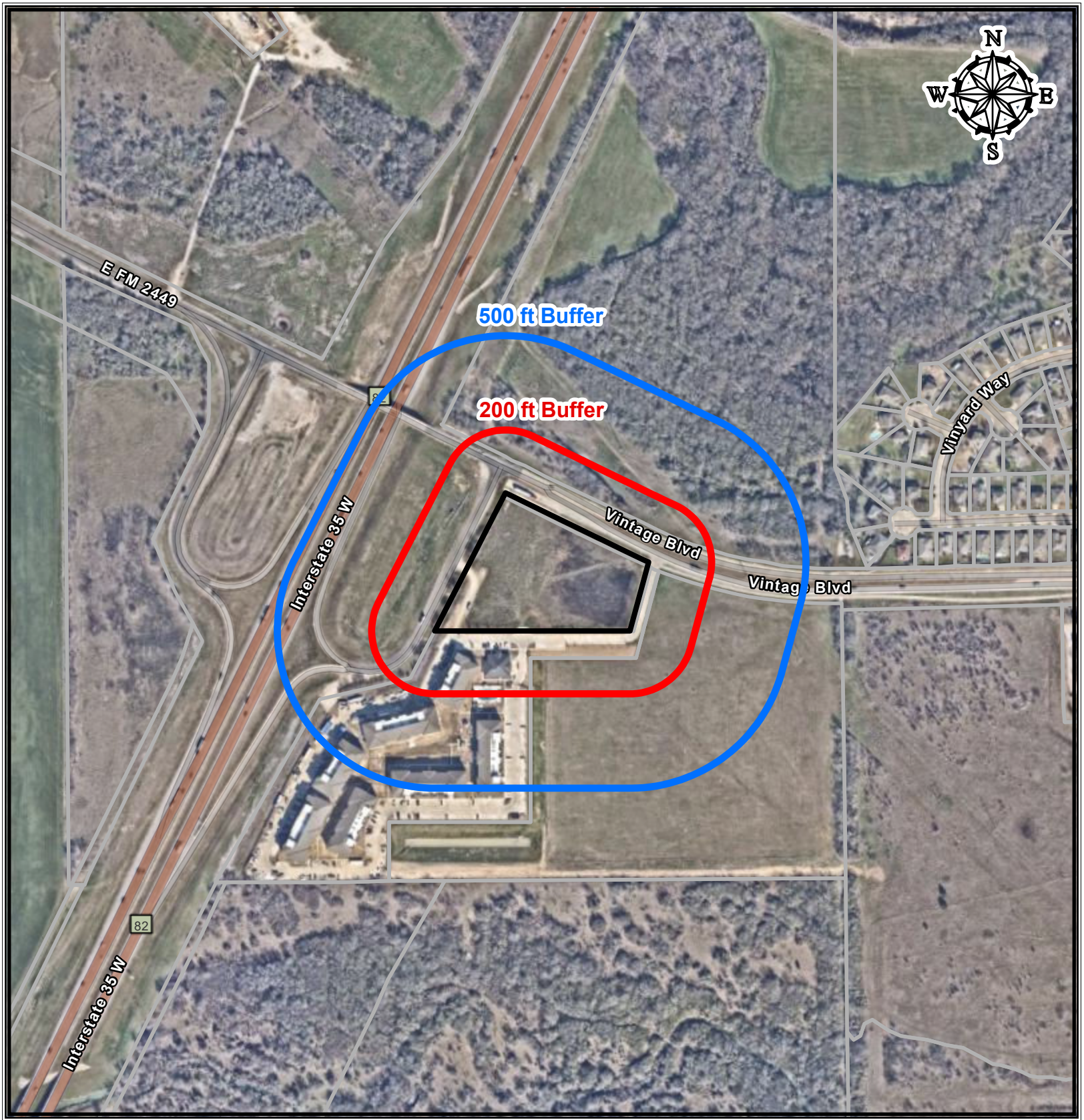
PHONE: (972) - 205 - 9090 | **EMAIL: SALES@MYFUTURESIGNS.COM** | **ADDRESS: 11624 Chairman Dr Dallas, TX 75243** | **WEB: myfuturesigns.com**

UL LISTED E476302

Regulated by the Texas Department of Licensing & Regulation
Website: www.license.state.tx.us

ATTN ELECTRICAL SIGNS: FINAL PLANS ARE DESIGNED, PERMITTED, MANUFACTORY, INSTALLED, AND INSPECTE
LICENSED MASTER SIGN ELECTRICIAN AS REGULATED BY THE TEXAS DEPARTMENT OF LICENSING AND REGULATION

PDA25-0003
Notification Map



COD
ETJ
ETJ 2
NAA 8/1/20
NAA 8/1/40

0 120 240 480 Feet

CITY OF DENTON
Development Services · GIS
Date: 3/28/2025

1278

"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 re 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."

PUBLIC HEARING NOTIFICATION SIGN
AFFIDAVIT OF SIGN POSTING

Project No. PDA25-0003

Date of Planning and Zoning Commission Meeting: 6/11/25

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 Gateway of Denton, located at 4550 Vintage Blvd.

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 May 30, 20 25. Said signs have been posted in a manner which provides an unobstructed view and which allows clear reading from the public right(s)of-way along Vintage Blvd and I-35W Service Road. 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 23 day of May, 2025.

Melinda Nelson

Signature of Applicant or Authorized Representative for Project No. PDA25-0003

Melinda Nelson

Printed Name of Applicant or Authorized Representative for Project No. PDA25-0003

STATE OF TEXAS COUNTY OF Ellis BEFORE ME, a Notary Public, on this _____ day personally appeared Melinda Nelson (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 23 day of May, 20 25.

Ginger Kelley

GINGER KELLEY
My Notary ID # 125225861
Expires March 17, 2029

Notary Signature (seal)

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 Wednesday Planning and Zoning Commission public hearing shall result in the postponement of consideration by the Commission.***

STAFF USE ONLY:

Date/Time submitted: _____ Verified by: _____

CITY OF DENTON

DEPARTMENT OF DEVELOPMENT SERVICES

Development Services Center – 215 W. Hickory Street – Denton, Texas 76201 voice: (940) 349-8541 www.cityofdenton.com

Public Hearing Notification Sign Criteria and Affidavit

A public hearing notification sign is a sign erected on the subject property to publicize a Future Land Use or Zoning Change request, a Specific Use Permit request, a Variance request, or a Historic Landmark Designation request. ***The number of signs and the placement of signs shall be determined at the time of First Review Comments for each specific request.*** It is the responsibility of the owner/project representative to contact Development Services Department to verify the number and location of signs needed.

Sign Criteria:

SIGN DESIGN

- ☒ Signs shall be three and a half (3 ½) feet wide by four (4) feet tall. (Please refer to attached sign exhibit.)

- ☒ The sign shall be constructed in accordance with the City's design standards for public hearing notification signs.
  a. Two (2) sided, ten (10) millimeter Coroplast sign or other material of equivalent strength and durability.
  b. Lettering shall be placed on both sides of the sign.
  c. The letter font style shall be Trebuchet MS. The required font size is 230 (bold) for the sign heading and 180 for all but for the remainder of the sign. Of the smaller words on the sign, everything is bold with the exception of the number field, name field, request field, and the website address. (Please refer to attached sign exhibit.)
  d. Metal or wood posts shall be used.

- ☒ The sign shall comply with the layout and dimensions on the attached Public Hearing Notification Sign Specification sheet.

PLACEMENT

- ☒ The sign shall be posted perpendicular to the property line, and visible and legible from adjacent rights-of-way, but except alleys, at a location(s) determined by staff.
- ☒ If the subject property is on more than one (1) right-of-way, one (1) sign shall be posted along each right-of-way for each 500 feet of linear street frontage of the property.
- ☒ Signs shall be located outside of the public right-of-way, and shall be a minimum of two (2) feet off the ground, unless otherwise directed by the Director of Development Services or designee.

PROOF OF POSTING

- ☒ **At least 10 days prior to the public hearing, the applicant shall submit an executed affidavit of proof of the posting (attached) and photographs of the installed sign to the Planning Project Manager.**

  Failure to post the notification sign(s) and submit the affidavit and photographs will require that the public hearing item be withdrawn and re-noticed until the next public hearing date available.

- ☒ The property owner is responsible for maintaining the sign on the property throughout the entire public hearing process. If the sign is destroyed or removed from the property, the applicant is responsible for obtaining another sign and posting the sign on the property promptly.

REMOVAL OF SIGNS

- ☒ **The property owner or his/her representative must remove the sign within three (3) calendar days subsequent to the final decision by the approving body.**

May 23, 2025

CITY OF DENTON

Notice of Public Hearing

Project Number: PDA23-0005

Project Name: Gateway of Denton

Request: Planned Development Amendment

For more information:
www.cityofdenton.com/public-meetings
CALL: (940) 349-8541

May 23, 2025

CITY OF DENTON

Notice of Public Hearing

Project Number: PDA23-0005

Project Name: Gateway of Denton

Request: Planned Development Amendment

For more information:
www.cityofdenton.com/public-meetings
CALL: (940) 349-8541

May 23, 2025

CITY OF DENTON

Notice of Public Hearing

Project Number: PDA23-0005

Project Name: Gateway of Denton

Request: Planned Development Amendment

For more information:
www.cityofdenton.com/public-meetings
CALL: (940) 349-8541

May 23, 2025


BIKE ROUTE
25
MPH
CITY OF
DENTON
Notice of Public Hearing
Project Number: PDA23-0005
Project Name: Gateway of Denton
Request: Planned Development Amendment
For more information:
www.cityofdenton.com/public-meetings
CALL: (940) 349-8541

ORDINANCE NO. PDA25-0003b

AN ORDINANCE OF THE CITY OF DENTON, TEXAS, REGARDING A PLANNED DEVELOPMENT AMENDMENT TO ESTABLISH SPECIAL SIGN STANDARDS FOR APPROXIMATELY 4.291 ACRES OUT OF PLANNED DEVELOPMET 139, GENERALLY LOCATED ON THE SOUTHEAST CORNER OF VINTAGE BOULEVARD AND I-35W, 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 SAVINGS AND SEVERABILITY CLAUSES AND AN EFFECTIVE DATE. (PDA25-0003b)

WHEREAS, Reece Flanagan, on behalf of the property owner, Vintage Denton Series, LLC, applied for a planned development amendment for Planned Development 139 (PD-139) to establish special sign standards on approximately 4.291 acres of land legally described in **Exhibit "A,"** attached hereto and incorporated herein by reference (hereinafter, the "Property") to; and

WHEREAS, on March 5, 1991, the City Council adopted Ordinance 91-034, approving a change in zoning for 450 acres of land to Planned Development 139 (PD-139) Zoning District, including the Property, as more particularly described therein; and

WHEREAS, on September 7, 1999, the City Council adopted Ordinance 1999-317, approving an amendment to the concept plan for 401.23 acres of land in Planned Development 139 (PD-139) Zoning District, including the Property, as more particularly described herein; and

WHEREAS, on May 14, 2002, the City Council adopted Ordinance 2002-147, approving an amendment to the concept plan for 401 acres of land in Planned Development 139 (PD-139) Zoning District, including the Property, as more particularly described herein; and

WHEREAS, on February 1, 2022, the City Council adopted Ordinance PD21-0004b, approving a detailed development plan for approximately 12 acres of land in Planned Development 139 (PD-139) Zoning District, including a portion of the Property, as more particularly described herein; and

WHEREAS, on June 18, 2024, the City Council adopted Ordinance PDA23-0005a, approving a detailed development plan for the Property, as more particularly described herein; and

WHEREAS, on June 25, 2025 the Planning and Zoning Commission, in compliance with the laws of the State of Texas, have given the requisite notices by publication and otherwise, and held a public hearing for all property owners interested in this regard, and have recommended approval (5-0-1) of the request; and

WHEREAS, on July 15, 2025 the City Council likewise conducted a public hearing as required by law, and finds that the request meets and complies with all substantive and procedural standards for a Planned Development Amendment set forth in Section 2.7.3 of the Denton Development Code and Section 33-18 of the Denton Code of Ordinances; and

WHEREAS, the Planning and Zoning Commission and the City Council of the City of Denton, have determined that the proposed Planned Development Amendment to establish special sign standards 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 the special sign standards are 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 Planned Development Regulations for PD-139 are hereby amended to include the special sign standards as detailed in **Exhibit "B"** and shown in the Comprehensive Sign Plan provided in **Exhibit "C"**.

SECTION 3. The provisions of this ordinance, as they apply to the portion of PD-139 shown in Exhibit B are herein approved and shall govern and control over any conflicting provision of Ordinances No. 91-034, 1999-317, 2002-147, and PD21-0004b, but all provisions of Ordinances No. 91-034, 1999-317, 2002-147, PD21-0004b, and PDA23-0005a as they apply to that remaining portion of the PD District not herein affected shall continue in force and effect and apply to the remainder of the PD District.

SECTION 4. Any future changes, corrections, or amendments to this Planned Development Amendment to establish special sign standards shall follow the Major Amendment process as codified in Denton Development Code 2.7.3.D.6.d.ii.

SECTION 5. 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 6. 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 7. 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:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Hilary McMahon

Exhibit A

METES AND BOUNDS DESCRIPTION:

BEING A 4.289 ACRE TRACT OF LAND SITUATED IN THE S. PRITCHETT SURVEY, ABSTRACT NUMBER 1021, IN THE CITY OF DENTON, DENTON COUNTY, TEXAS, AND BEING ALL OF THAT SAME TRACT OF LAND DESCRIBED TO VINTAGE DENTON SERIES, LLC, IN SPECIAL WARRANTY WITH VENDOR'S LIEN RECORDED IN DOCUMENT (DOC.) NUMBER (NO.) 2024–67817, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS (O.P.R.D.C.T.), AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS: (BEARINGS AND DISTANCES ARE BASED ON THE STATE PLANE COORDINATE SYSTEM, TEXAS NORTH CENTRAL ZONE (4202) NORTH AMERICAN DATUM OF 1983 (NAD 83)(US FOOT) WITH A COMBINED SCALE FACTOR OF 1.00015063);

BEGINNING, AT A 5/8–INCH IRON ROD WITH CAP STAMPED "DUNAWAY ASSOC." FOUND FOR THE WESTERNMOST NORTHWEST CORNER OF LOT 1, BLOCK 1, VINTAGE RANCH ADDITION, AN ADDITION TO THE CITY OF DENTON, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN DOC. NO. 2022–471, O.P.R.D.C.T., SAID POINT BEING THE SOUTHWEST CORNER OF SAID VINTAGE DENTON TRACT, AND LYING ON THE SOUTHEAST RIGHT–OF–WAY LINE OF INTERSTATE HIGHWAY 35W (A VARIABLE–WIDTH RIGHT–OF–WAY);

THENCE, NORTH 26 DEGREES 27 MINUTES 19 SECONDS EAST, WITH THE SOUTHEAST RIGHT–OF–WAY LINE OF SAID INTERSTATE HIGHWAY 35W, AND THE NORTHWEST LINE OF SAID VINTAGE DENTON TRACT, A DISTANCE OF 477.09 FEET TO A 1/2–INCH IRON ROD WITH CAP STAMPED "RPLS 4818" FOUND FOR THE NORTHWEST CORNER OF SAID VINTAGE DENTON TRACT, SAID POINT LYING AT THE INTERSECTION OF THE SOUTHEAST RIGHT–OF–WAY LINE OF SAID INTERSTATE HIGHWAY 35W WITH THE SOUTHWEST RIGHT–OF–WAY LINE OF VINTAGE BOULEVARD (A 120–FOOT RIGHT–OF–WAY);

THENCE, SOUTH 64 DEGREES 06 MINUTES 06 SECONDS, WITH THE SOUTHWEST RIGHT–OF–WAY LINE OF SAID VINTAGE BOULEVARD, AND THE NORTHEAST LINE OF SAID VINTAGE DENTON TRACT, PASSING AT A DISTANCE OF 15.63 FEET A TEXAS DEPARTMENT OF TRANSPORTATION MONUMENT FOUND ON LINE, AND CONTINUING A TOTAL DISTANCE OF 439.80 FEET TO A 5/8–INCH IRON ROD WITH CAP STAMPED "FLANAGAN" SET FOR CORNER, SAID POINT BEING AT THE BEGINNING OF A CURVE TO THE LEFT, HAVING A RADIUS OF 1560.00 FEET, A CENTRAL ANGLE OF 02 DEGREES 56 MINUTES 24 SECONDS, AND A CHORD BEARING AND DISTANCE OF SOUTH 65 DEGREES 48 MINUTES 41 SECONDS EAST – 80.04 FEET;

THENCE, IN A SOUTHEASTERLY DIRECTION, WITH THE CURVING SOUTHWEST RIGHT–OF–WAY LINE OF SAID VINTAGE BOULEVARD, AND THE NORTHEAST LINE OF SAID VINTAGE DENTON TRACT, AN ARC LENGTH OF 80.05 FEET TO A 5/8–IRON ROD WITH CAP STAMPED "DUNAWAY ASSOC." FOUND FOR THE NORTHERNMOST NORTHWEST CORNER OF SAID LOT 1, SAID POINT BEING THE NORTHEAST CORNER OF SAID VINTAGE DENTON TRACT;

THENCE, SOUTH 14 DEGREES 59 MINUTES 59 SECONDS WEST, WITH A NORTHWEST LINE OF SAID LOT 1, AND THE SOUTHEAST LINE OF SAID VINTAGE DENTON TRACT, A DISTANCE OF 209.40 FEET TO A 5/8–INCH IRON ROD WITH CAP STAMPED "FLANAGAN" SET FOR THE SOUTHEAST CORNER OF SAID VINTAGE DENTON TRACT, SAID POINT BEING AN INTERIOR "ELL" CORNER OF SAID LOT 1;

THENCE, NORTH 89 DEGREES 59 MINUTES 51 SECONDS WEST, WITH THE WESTERNMOST NORTH LINE OF SAID LOT 1, AND THE SOUTH LINE OF SAID VINTAGE DENTON TRACT, A DISTANCE OF 626.99 FEET TO THE POINT OF BEGINNING AND CONTAINING 186,842 SQUARE FEET, OR 4.289 ACRES OF LAND, MORE OR LESS.

Exhibit B

Vintage Travel Plaza Special Sign Standards

Vintage Travel Plaza Special Sign Standards

Section I. IN GENERAL

Sec 1.1 Titles, Purpose, and Intent.

(a) The purpose and intent of establishing the Vintage Travel Plaza Special Sign Standards (VTPSSS) as an amendment to the adopted Planned Development District PD 139 (Ordinance PD23-0005a) is to grant and regulate a signage plan that will allow property within the VTPSSS to deviate from the sign regulations of Chapter 33 of the Denton Code of Ordinances (Denton Sign Code), as amended, in compliance with an alternative comprehensive plan that is standardized in design, and which is equal to or superior to what could be accomplished under the standard regulations of the Denton Sign Code, as amended, in the promotion of a safe and legible environment for employees and visitors. The VTPSSS provides a plan for ground signs that is necessary to direct vehicular traffic which is designed to be cohesive with the travel plaza architecture and minimize impacts to surrounding property.

(b) Except as otherwise provided for herein, all signs in the VTPSSS must comply with the Denton Sign Code, as amended. In the event of a conflict between the VTPSSS and the Denton Sign Code, as amended, that are not mandated by state or federal law, the requirements set forth in the VTPSSS apply.

(c) All signage defined herein may be deemed to be dual faced.

Article II. SIGN REGULATIONS

Section 2.1 Types of Signs Allowed.

All sign types permitted under Chapter 33 (Denton Sign Code) are allowed within the VTPSSS once a permit is obtained in compliance with Section 33.9 of the Denton Sign Code, as amended, and the standards as specified herein are met. Signs located in the VTPSSS may only be used to promote the business and associated activities located in VTPSSS and to direct visitors to a variety of locations within the site.

Section 2.2 Definitions

All words, terms, and phrases used in Chapter 33 (Denton Sign Code) shall have the meaning ascribed to them in Section 33.2 of the Denton Sign Code, as amended.

Section 2.3 Prohibited Signs.

Signs prohibited within the district shall be as consistent with Section 33.4 of the Denton Sign Code, as amended.

(Continue on next page)

Section 2.4 Number of Signs Allowed.

(a) The number of ground signs allowed is limited to the following and as illustrated in the Comprehensive Sign Plan provided as Exhibit "C":
1. One (1) Pole Sign (A) – shared pole signs for three businesses on site
2. One (1) Monument Sign (B) – shared monument signs for three businesses on site
3. Two (2) Directional Signs (F) – restaurant entrance / exit signs
4. Two (2) Directional Sign (L) – auto wash entrance / exit signs

(b) The number of wall, attached, temporary, and wind device signs is not limited by VTPSSS, but each wall, attached, temporary, and wind device signs within the district must conform to the minimum regulations in Chapter 33 (Denton Sign Code), as amended.

Section 2.5 Maximum Effective Area Allowed.

(a) The maximum effective area of ground signs within VTPSSS, including the supporting structure, shall be as follows and as shown in Exhibit "C":
1. Pole Sign (A) 466 square feet
2. Monument Sign (B) 64 square feet
3. Directional Signs (F) 5 square feet
4. Directional Sign (L) 12 square feet

(b) The maximum effective area of wall, attached, temporary, and wind device signs within the district must conform to the minimum regulations in Chapter 33 (Denton Sign Code), as amended.

Section 2.6 Maximum Height Allowed.

(a) The maximum height of ground signs within JWASSD shall be as follows and as shown in Exhibit "C":
1. Pole Sign (A) 60 feet
2. Monument Sign (B) 8 feet
3. Directional Signs (F) 3 feet
4. Directional Sign (L) 5 feet

(b) The maximum height of wall, attached, temporary, and wind device signs within the district must conform to the minimum regulations in Chapter 33 (Denton Sign Code), as amended.

Section 2.7 Location and Minimum Setbacks of Signs.

(a) The location, number, and minimum setbacks of ground signs shall be regulated as follows and as shown in Exhibit "C":
1. **Pole Sign (A).** Pole Sign (A) shall have a minimum setback of 20 ft. from the property line along I35W and Vintage Boulevard.
2. **Monument Sign (B).** Monument Sign (B) shall have a minimum setback of 20 ft. from the property line along Vintage Boulevard.

3. **Directional Signs (F).** Directional Signs (F) shall have a minimum setback of 1 ft. from the vehicular pathway.
4. **Directional Sign (L).** Directional Sign (L) shall have with a minimum setback of 1 ft. from the vehicular pathway.

(b) The location and minimum setbacks of wall, attached, temporary, and wind device signs within the district must conform to the minimum regulations in Chapter 33 (Denton Sign Code), as amended and the Comprehensive Sign Plan provided as Exhibit C.

Section 2.8 Sign Construction.

(a) The construction of ground signs shall be regulated as follow and as shown in Exhibit "C":
1. **Pole Sign (A).** The appearance of the signs must comply with the elevations, with the exception of the sign content. Routine maintenance, repair, and refacing is permitted. Replacement shall be consistent with the requirements for monument signs in Chapter 33 of the Denton Code of Ordinances (Denton Sign Code), as amended.
2. **Monument Sign (B).** The appearance of the signs must comply with the elevations, with the exception of the sign content. Routine maintenance, repair, and refacing is permitted. Replacement shall be consistent with the requirements for monument signs in Chapter 33 of the Denton Code of Ordinances (Denton Sign Code), as amended.
3. **Directional Signs (F).** The appearance of the signs must comply with the Sign District elevations, with the exception of the sign content. Routine maintenance, repair, and refacing is permitted. Replacement shall be consistent with the requirements for monument signs in Chapter 33 of the Denton Code of Ordinances (Denton Sign Code), as amended.
4. **Directional Sign (L).** The appearance of the signs must comply with the Sign District elevations, with the exception of the sign content. Routine maintenance, repair, and refacing is permitted. Replacement shall be consistent with the requirements for monument signs in Chapter 33 of the Denton Code of Ordinances (Denton Sign Code), as amended.

(b) The construction of wall, attached, temporary, and wind device signs within the district must conform to the minimum regulations in Chapter 33 (Denton Sign Code), as amended and the Comprehensive Sign Plan provided as Exhibit C.

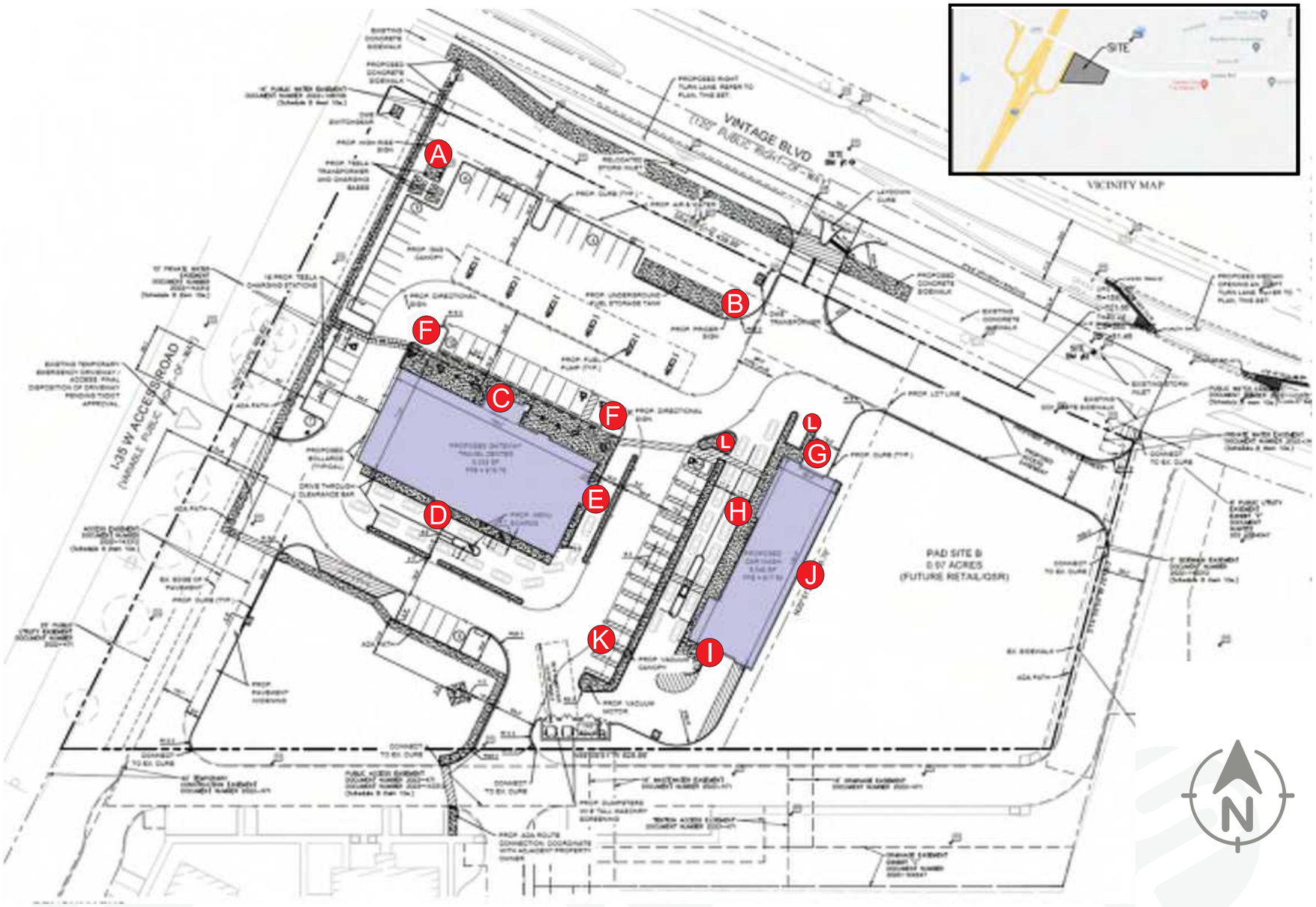
Section 2.9 Illumination.

(a) The ground signs shall exhibit the following illumination, which must conform to the minimum regulations in Chapter 33 (Denton Sign Code):
1. **Pole Sign (A).** Internally illuminated.
2. **Monument Sign (B).** Internally illuminated.
3. **Directional Signs (F).** Externally illuminated.
4. **Directional Sign (L):** Externally illuminated.

(b) Illumination for all wall, attached, temporary, and wind device signs within the district must conform to the minimum regulations in Chapter 33 (Denton Sign Code), as amended.

Exhibit C

Vintage Travel Plaza Comprehensive Sign Plan



SITE PLAN

- A POLE SIGN
- B MONUMENT SIGN
- C NORTH GAS WALL SIGN
- D SOUTH GAS WALL SIGN
- E EAST GAS WALL SIGN
- F DIRECTIONAL SIGN
- G NORTH WASH WALL SIGN
- H WEST WASH WALL SIGN
- I SOUTH WASH WALL SIGN
- J EAST WASH WALL SIGN
- K FREE VACUUMS

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | EMAIL: SALES@MYFUTURESIGNS.COM | ADDRESS: 11624 Chairman Dr Dallas, TX 75243 | WEB: myfuturesigns.com

This drawing is the property of FUTURE SIGNS,INC. and all rights to its reproduction and display are reserved by FUTURE SIGNS,INC.



Shell:	110 SF
Sonic:	120 SF
TBS:	114.66SF
Pricer:	118.75SF
Total :	465.07 SF

A

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

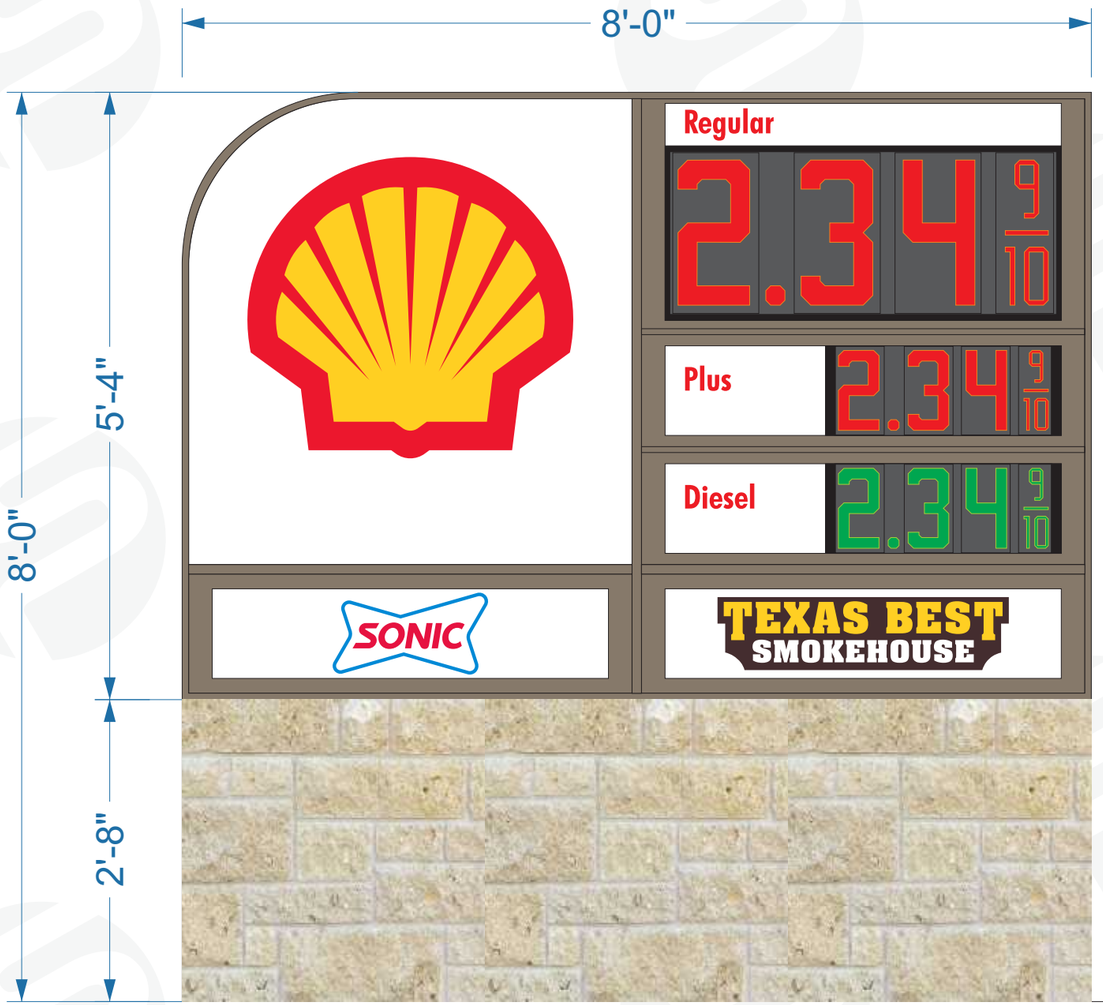
CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | EMAIL: SALES@MYFUTURESIGNS.COM | ADDRESS: 11624 Chairman Dr Dallas, TX 75243 | WEB: myfuturesigns.com

UL LISTED E476302

Regulated by the Texas Department of Licensing & Regulation
Website: www.license.state.tx.us

ATTN ELECTRICAL SIGNS: FINAL PLANS ARE DESIGNED, PERMITTED, MANUFACTORY, INSTALLED, AND INSPECTED BY A LICENSED MASTER SIGN ELECTRICIAN AS REGULATED BY THE TEXAS DEPARTMENT OF LICENSING AND RE 1296 N





SCALE: 3/4" = 1'-0"

Street Side

B

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | **EMAIL: SALES@MYFUTURESIGNS.COM** | **ADDRESS: 11624 Chairman Dr Dallas, TX 75243** | **WEB: myfuturesigns.com**

UL LISTED E476302

Regulated by the Texas Department of Licensing & Regulation
Website: www.license.state.tx.us

ATTN ELECTRICAL SIGNS: FINAL PLANS ARE DESIGNED, PERMITTED, MANUFACTORY, INSTALLED, AND INSPECTE
LICENSED MASTER SIGN ELECTRICIAN AS REGULATED BY THE TEXAS DEPARTMENT OF LICENSING AND REGULATION









2 .North Elevation
3/32” = 1’-0”

C

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

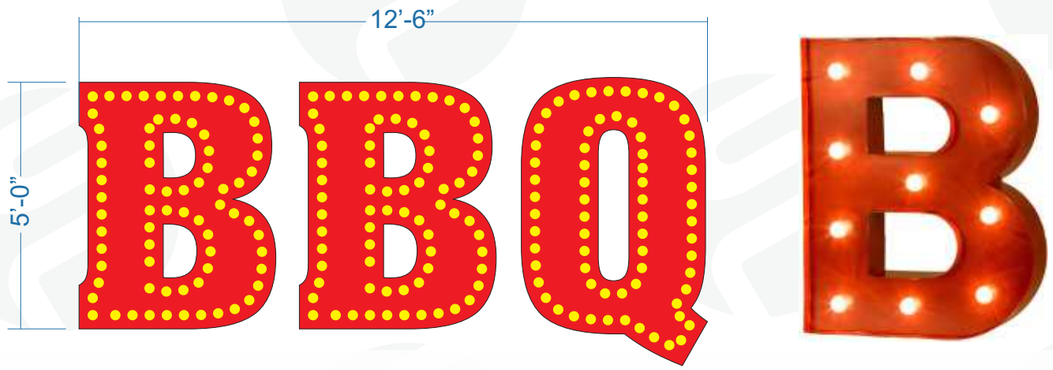
CUSTOMER	DATE
LANDLORD	DATE

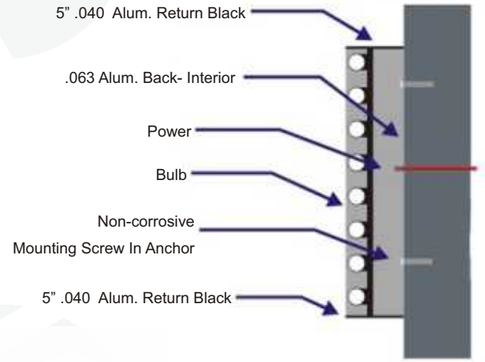
PHONE: (972) - 205 - 9090 | **EMAIL: SALES@MYFUTURESIGNS.COM** | **ADDRESS: 11624 Chairman Dr Dallas, TX 75243** | **WEB: myfuturesigns.com**

UL LISTED E476302

Regulated by the Texas Department of Licensing & Regulation
Website: www.license.state.tx.us

ATTN ELECTRICAL SIGNS: FINAL PLANS ARE DESIGNED, PERMITTED, MANUFACTORY, INSTALLED, AND INSPECTE
LICENSED MASTER SIGN ELECTRICIAN AS REGULATED BY THE TEXAS DEPARTMENT OF LICENSING AND REGULATION







2 .North Elevation
3/32” = 1’-0”

C

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

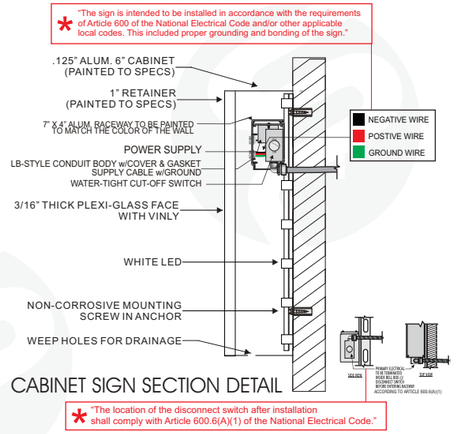
Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | **EMAIL: SALES@MYFUTURESIGNS.COM** | **ADDRESS: 11624 Chairman Dr Dallas, TX 75243** | **WEB: myfuturesigns.com**









2 .North Elevation
3/32" = 1'-0"

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | EMAIL: SALES@MYFUTURESIGNS.COM | ADDRESS: 11624 Chairman Dr Dallas, TX 75243 | WEB: myfuturesigns.com





1 .South Elevation

3/32” = 1’-0”

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

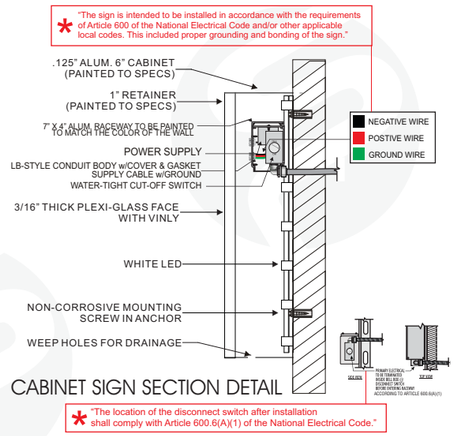
PHONE: (972) - 205 - 9090 | **EMAIL: SALES@MYFUTURESIGNS.COM** | **ADDRESS: 11624 Chairman Dr Dallas, TX 75243** | **WEB: myfuturesigns.com**

UL LISTED E476302

Regulated by the Texas Department of Licensing & Regulation
Website: www.license.state.tx.us

ATTN ELECTRICAL SIGNS: FINAL PLANS ARE DESIGNED, PERMITTED, MANUFACTORY, INSTALLED, AND INSPECTE
LICENSED MASTER SIGN ELECTRICIAN AS REGULATED BY THE TEXAS DEPARTMENT OF LICENSING AND REGULATION







1 .South Elevation
3/32" = 1'-0"

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

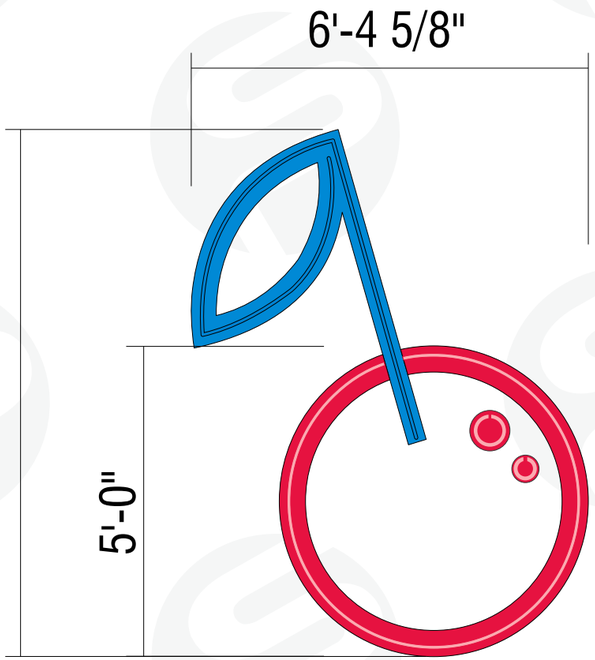
CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

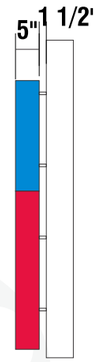
REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

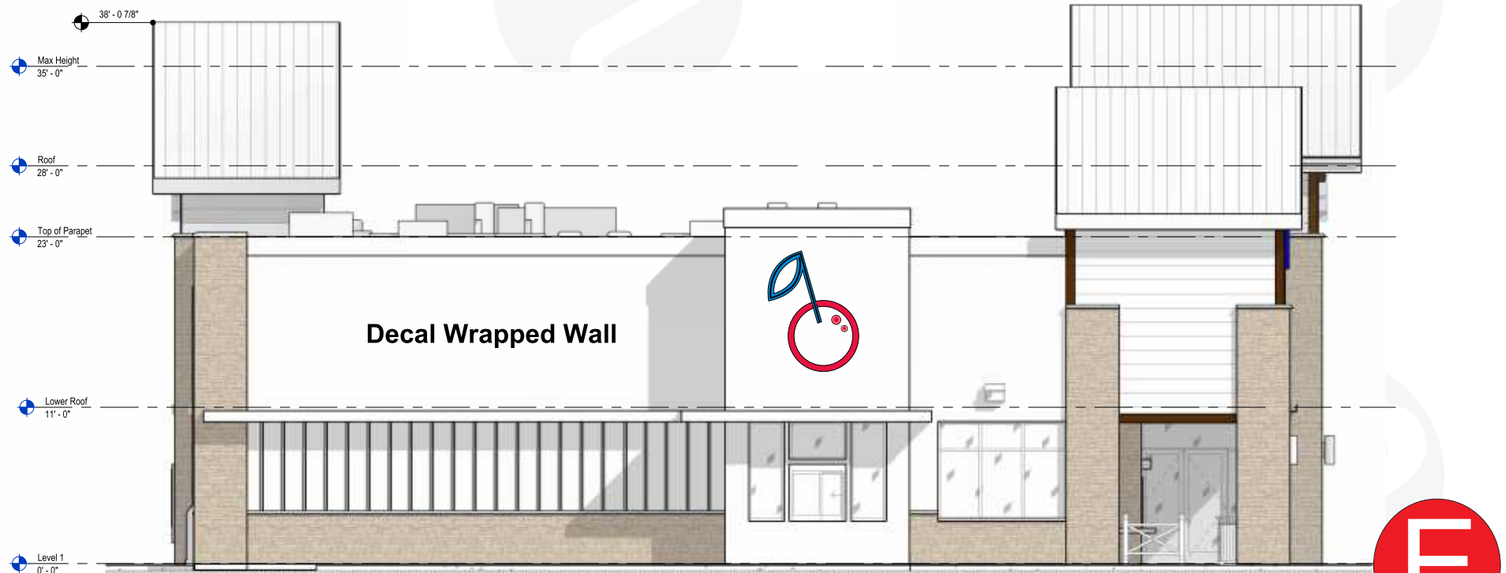
CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | EMAIL: SALES@MYFUTURESIGNS.COM | ADDRESS: 11624 Chairman Dr Dallas, TX 75243 | WEB: myfuturesigns.com





SIGN TYPE	A (WIDTH)	B (HEIGHT)	C (HEIGHT OF CIRCLE)	DEPTH	SQ. FT	FACE OPTIONS	RECOMMENDED USE
SON-OCL-05 CHERRY LOGO	6'-4 5/8"	8'-5 3/4"	5'-0"	5"	54.19	OPEN CHANNEL ELEMENTS W/ RED/BLUE FLEXIBRITE	STANDARD OPEN CHANNEL ELEMENTS - WALL MOUNT



2 .East Elevation
3/32" = 1'-0"

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

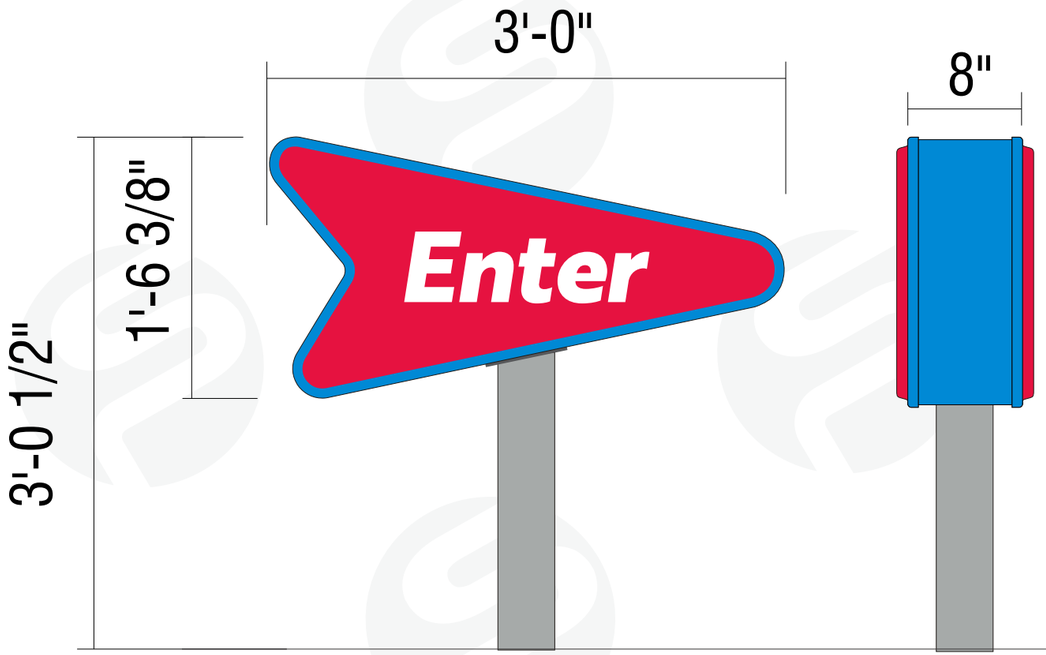
REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

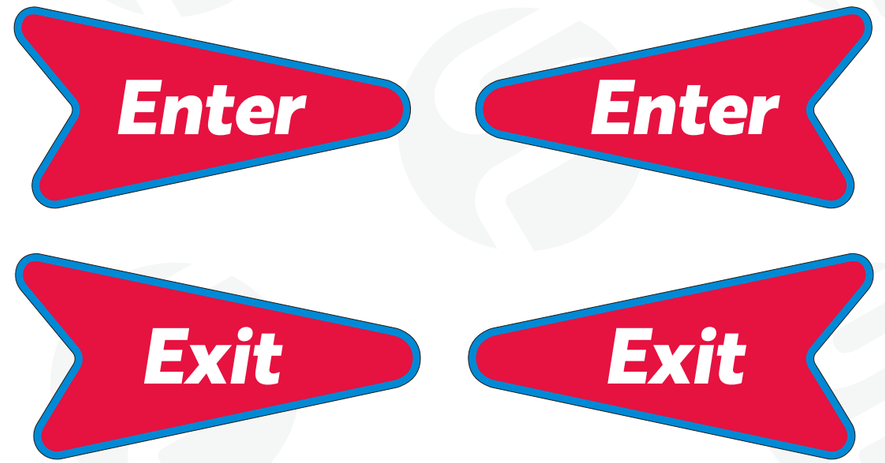
Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | **EMAIL: SALES@MYFUTURESIGNS.COM** | **ADDRESS: 11624 Chairman Dr Dallas, TX 75243** | **WEB: myfuturesigns.com**

DELTA DIRECTIONALS





SIGN TYPE	A (WIDTH)	B (HEIGHT)	C (OAH)	D (DEPTH)	SQ.FT	COPY CHOICES
DELTA-DIR-03	3'-0 1/2"	1'-6 3/8"	3'-0"	8"	4.9 SQ FT	ENTER, EXIT, DRIVE-THRU

F

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

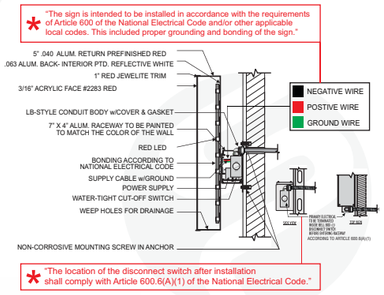
CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | EMAIL: SALES@MYFUTURESIGNS.COM | ADDRESS: 11624 Chairman Dr Dallas, TX 75243 | WEB: myfuturesigns.com









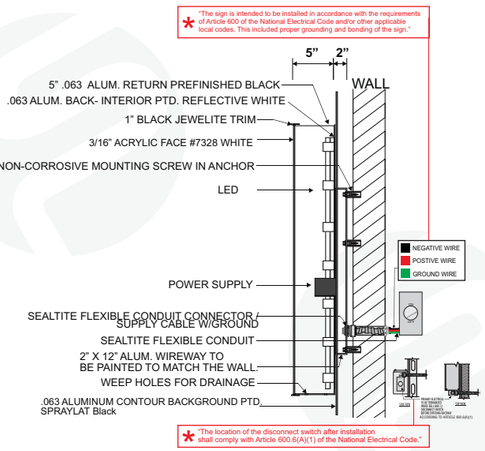
COLOR LEGEND

PAINT COLORS

- **1:** BLACK
- **2:** WHITE

VINYL COLORS TO MATCH

- **Intense Blue** 3M-3630-127
- **Poppy Red** 3M-3630-143
- **Brilliant Green** 3M-3630-106





1 **Carwash - Front Elevation**
3/32” = 1’-0”

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

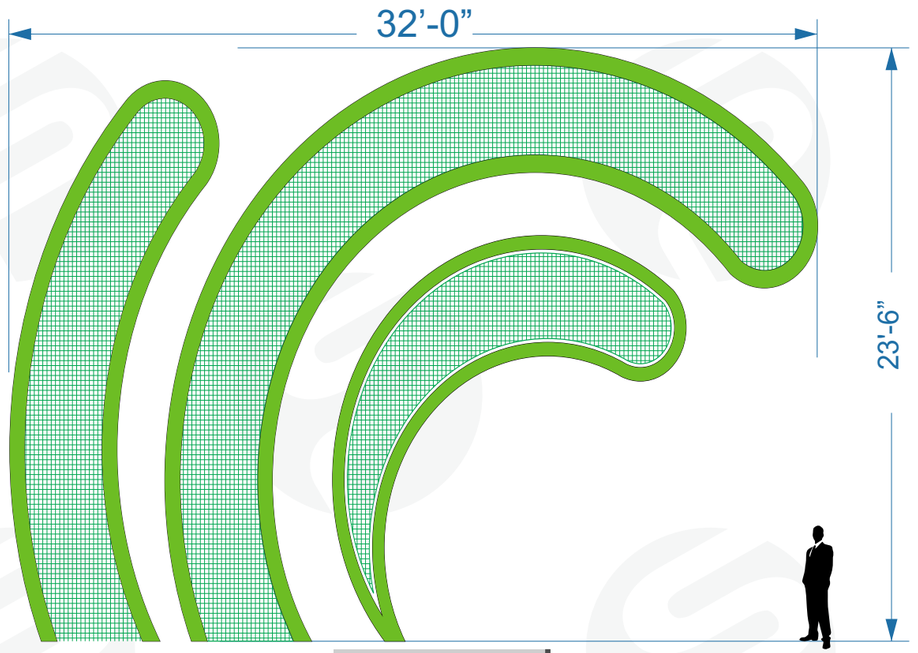
REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obsticles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | **EMAIL: SALES@MYFUTURESIGNS.COM** | **ADDRESS: 11624 Chairman Dr Dallas, TX 75243** | **WEB: myfuturesigns.com**

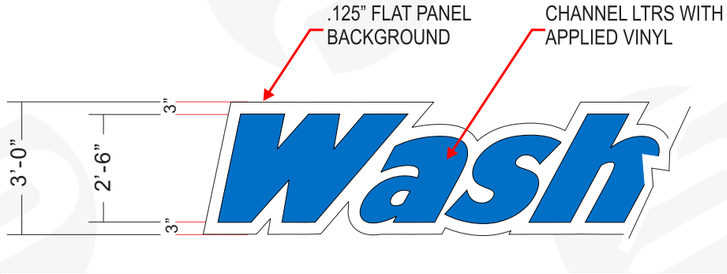




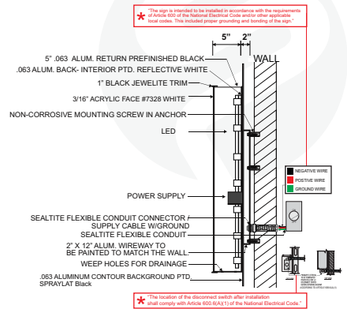
COLOR LEGEND

PAINT COLORS
- 1: BLACK
- 2: WHITE

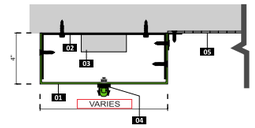
VINYL COLORS TO MATCH
- Intense Blue 3M-3630-127
- Poppy Red 3M-3630-143
- Brilliant Green 3M-3630-106



DETAIL **SCALE: 1/4” = 1’-0”**



TOP VIEW DETAIL SECTION



01 ALUMINUM CHANNEL PAINTED PMS 368 C GREEN
02 ALUMINUM INNER CHANNEL FRAME ATTACHED TO BUILDING WALL (EXACT DETAILS TBD)
03 POWER SUPPLIES
04 GREEN LED CONTOUR LIGHTING
05 DECORATIVE METAL MESH (EXACT STYLE, SHAPE, COLOR TBD)



2 **Carwash - Vac. Side Elevation**
3/32” = 1’-0”

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

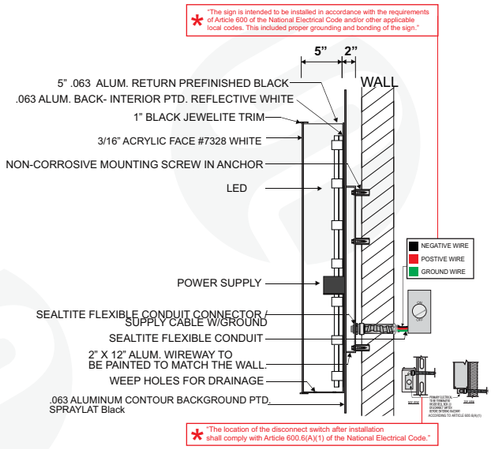
REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | EMAIL: SALES@MYFUTURESIGNS.COM | ADDRESS: 11624 Chairman Dr Dallas, TX 75243 | WEB: myfuturesigns.com









1 **Carwash - Rear Elevation**
3/32” = 1’-0”



<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

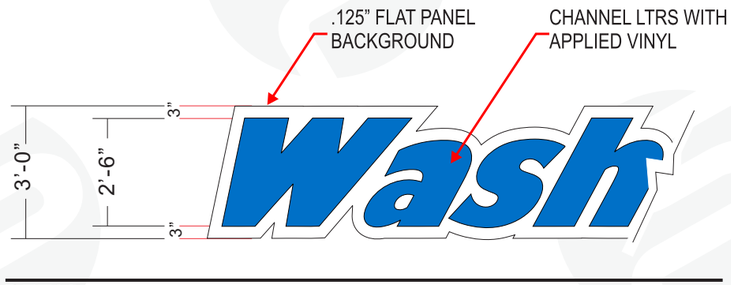
PHONE: (972) - 205 - 9090 | **EMAIL: SALES@MYFUTURESIGNS.COM** | **ADDRESS: 11624 Chairman Dr Dallas, TX 75243** | **WEB: myfuturesigns.com**



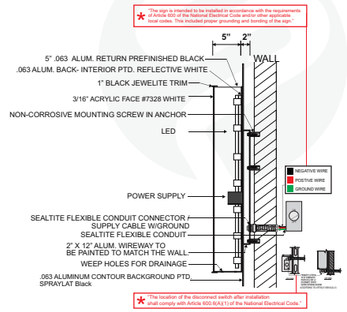
COLOR LEGEND

PAINT COLORS
- 1: BLACK
- 2: WHITE

VINYL COLORS TO MATCH
- Intense Blue 3M-3630-127
- Poppy Red 3M-3630-143
- Brilliant Green 3M-3630-106



DETAIL





2 **Carwash - Side Elevation**
3/32” = 1’-0”

J

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

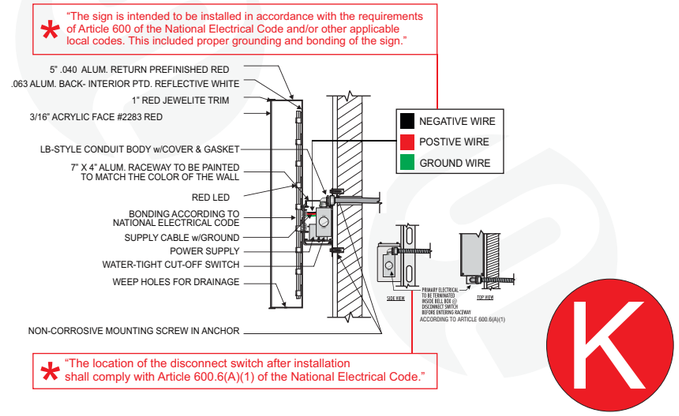
CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | **EMAIL: SALES@MYFUTURESIGNS.COM** | **ADDRESS: 11624 Chairman Dr Dallas, TX 75243** | **WEB: myfuturesigns.com**

14’-0”

1’-6”

FREE VACUUMS



<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

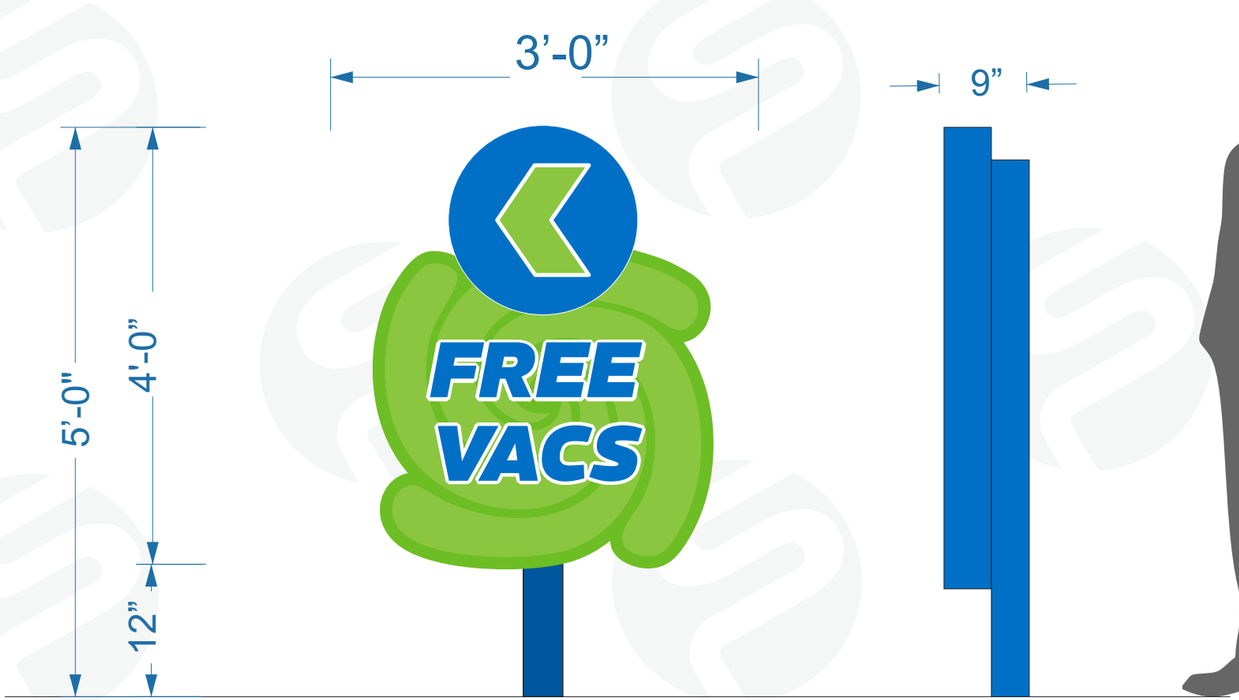
REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | **EMAIL: SALES@MYFUTURESIGNS.COM** | **ADDRESS: 11624 Chairman Dr Dallas, TX 75243** | **WEB: myfuturesigns.com**





SCALE: 3/4”=1’-0”

<> SPELLING IS YOUR RESPONSIBILITY <>SIZES ARE NOTED <> PROOF IS NOT TO SCALE <> COLORS ON FINISHED PRODUCT MAY VARY SLIGHTLY FROM ELECTRONIC PROOF

FUTURE SIGNS

CUSTOMER	Gateway Of Denton
COMPANY	Victron Energy, Inc.
LOCATION	4550 Vintage Blvd
CITY,STATE	Denton, TX:76226

REINFORCEMENT OF BUILDING, PHYSICAL CONDITIONS: If installation is a part of this Agreement, Buyer shall be responsible and pay for all necessary reinforcements to the building or any other structures on which Display is installed, for relocating power lines or other obstacles, and for any additional installation costs incurred by Seller due to adverse soil conditions, underground or other obstructions including but not limited to drilling for excavation or removal of any rock. Unless notified of sprinkler lines or private utility lines prior to drilling Seller is not responsible for damage caused and shall be indemnified against claims, losses or proceeding arising by replacement, repair or diversion of such services. When pier drilling is necessary, Seller will contact Dig Tess or other agents for location of all public utilities. Location of private utilities is the sole responsibility of the Buyer. In the event rock or adverse soil conditions are encountered in the drilling process, additional monies will be requested by the Seller.

Customer Signature:

CUSTOMER	DATE
LANDLORD	DATE

PHONE: (972) - 205 - 9090 | **EMAIL: SALES@MYFUTURESIGNS.COM** | **ADDRESS: 11624 Chairman Dr Dallas, TX 75243** | **WEB: myfuturesigns.com**

UL LISTED E476302

Regulated by the Texas Department of Licensing & Regulation
Website: www.license.state.tx.us

ATTN ELECTRICAL SIGNS: FINAL PLANS ARE DESIGNED, PERMITTED, MANUFACTORY, INSTALLED, AND INSPECTE
LICENSED MASTER SIGN ELECTRICIAN AS REGULATED BY THE TEXAS DEPARTMENT OF LICENSING AND REGULATION

PDA25-0003b
Gateway of Denton Signs

Mia Hines, AICP

Senior Planner

July 15, 2025

CITY OF DENTON

Background

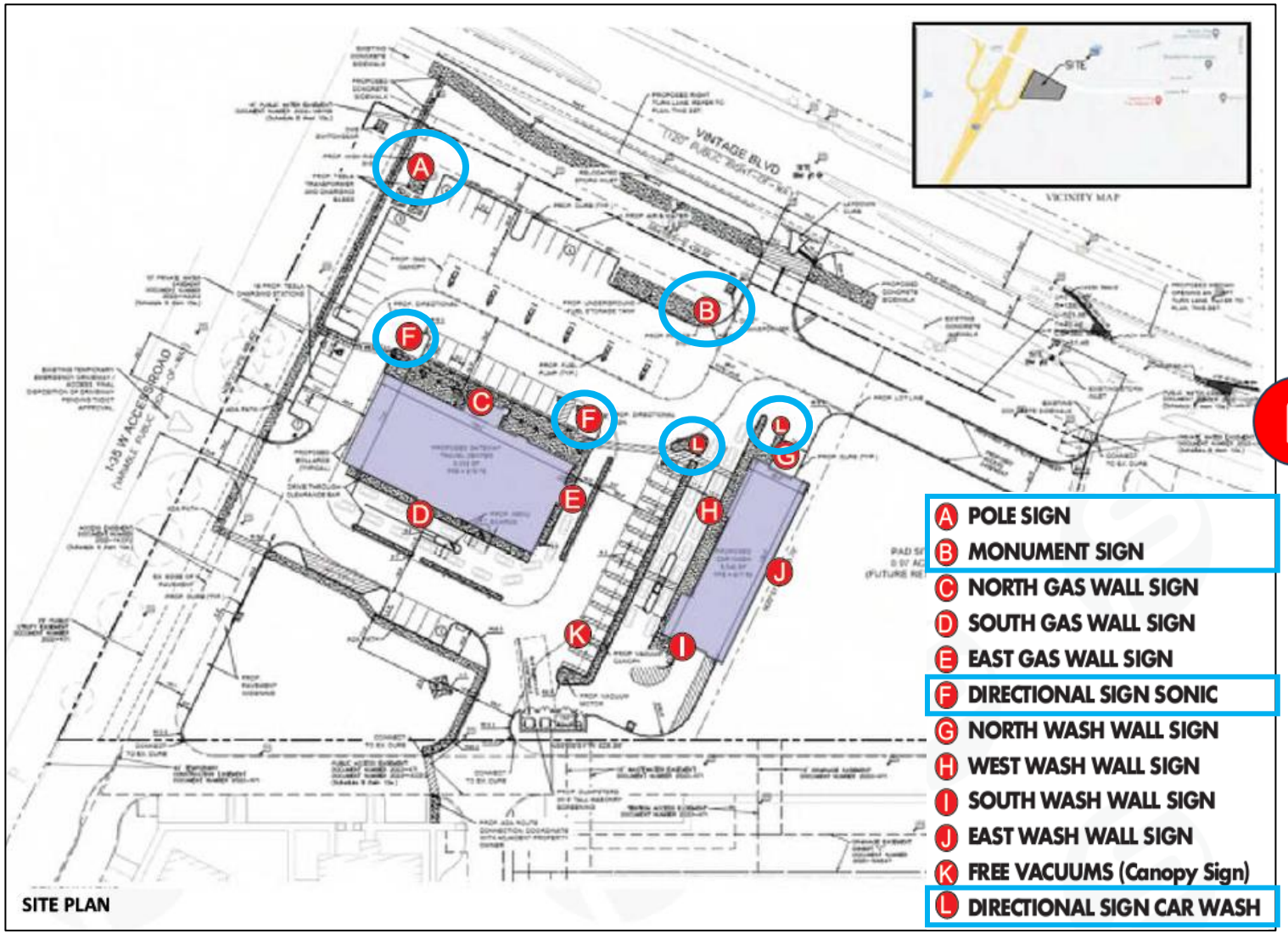
- **Request**: Special Sign Standards for a travel center at the southeast corner of Vintage Boulevard and I-35W
- The **detailed site plan** for the travel center development was approved by City Council June 2024 (PDA23-0005a) and includes a **gas station and convenience store, two restaurants, and a car wash**
- The 4.291-acre property fronts on 2 roadways: I35W (Freeway) and Vintage Boulevard (Primary Arterial)
- Surrounding context:
  - Location of Vintage Boulevard exit
  - Jug-handle exit/entrance ramp at I-35W / Vintage Boulevard
  - Height and position of multifamily buildings to the south
- Due to the number of tenants/uses on this site **the travel center development will rely upon signage to effectively direct motorists**



Denton Sign Code

- Signs are needed as part of the urban built environment: they provide directions for residents and visitors and communicate messages for commerce and community.
- However, signs can create nuisances such as visual clutter on city streets, glare for nearby property owners, and distract drivers.
- Sign regulations aim to balance a property owner's sign needs with a community's aesthetic and safety goals by limiting the type, size, number, and setbacks in order to minimize nuisances and risks to public safety.
- For example:
  - Dilapidated signs, signs which interfere with the use of a parking space, and signs which obscure the view of a driver are prohibited
  - Taller and larger signs are allowed on higher speed or larger roadways
  - Too many signs create "visual clutter"
- **All situations cannot be anticipated, so Chapter 33 allows for deviations, provided that the sign package is superior and comprehensive – may be approved as part of a PD or Special Sign District**

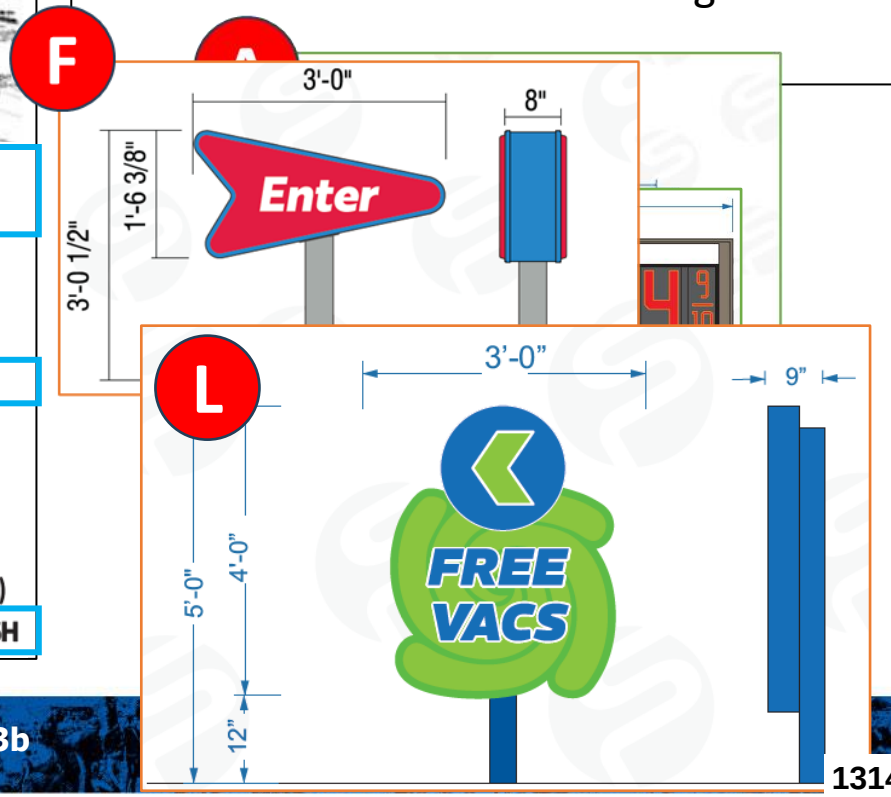
Request



SITE PLAN

The applicant requests approval of this comprehensive sign package and the Vintage Travel Plaza Special Sign Standards (VTPSSS), which:

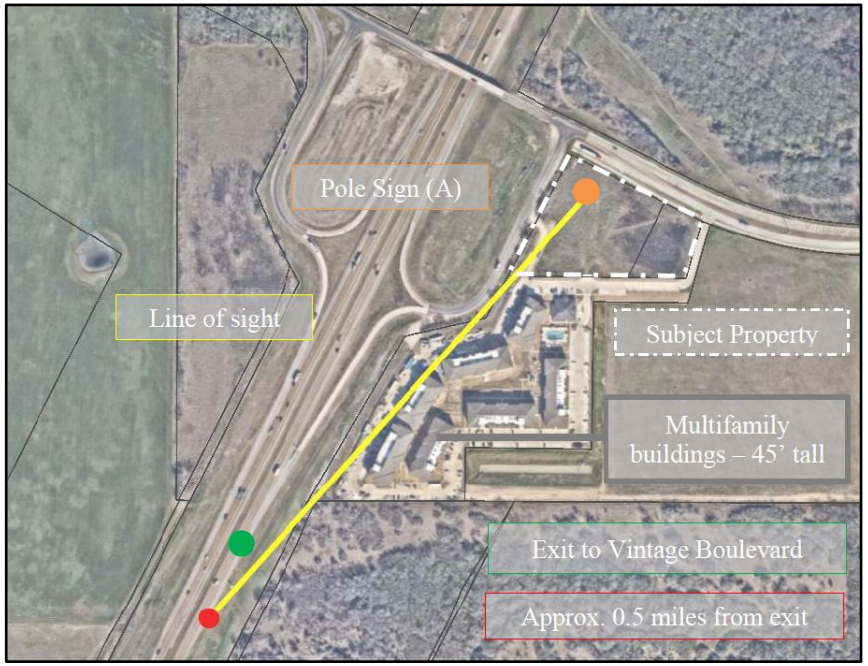
- Restricts sign location and size, not content.
- Limits to 2 new ground signs
- Limits site to 4 directional signs

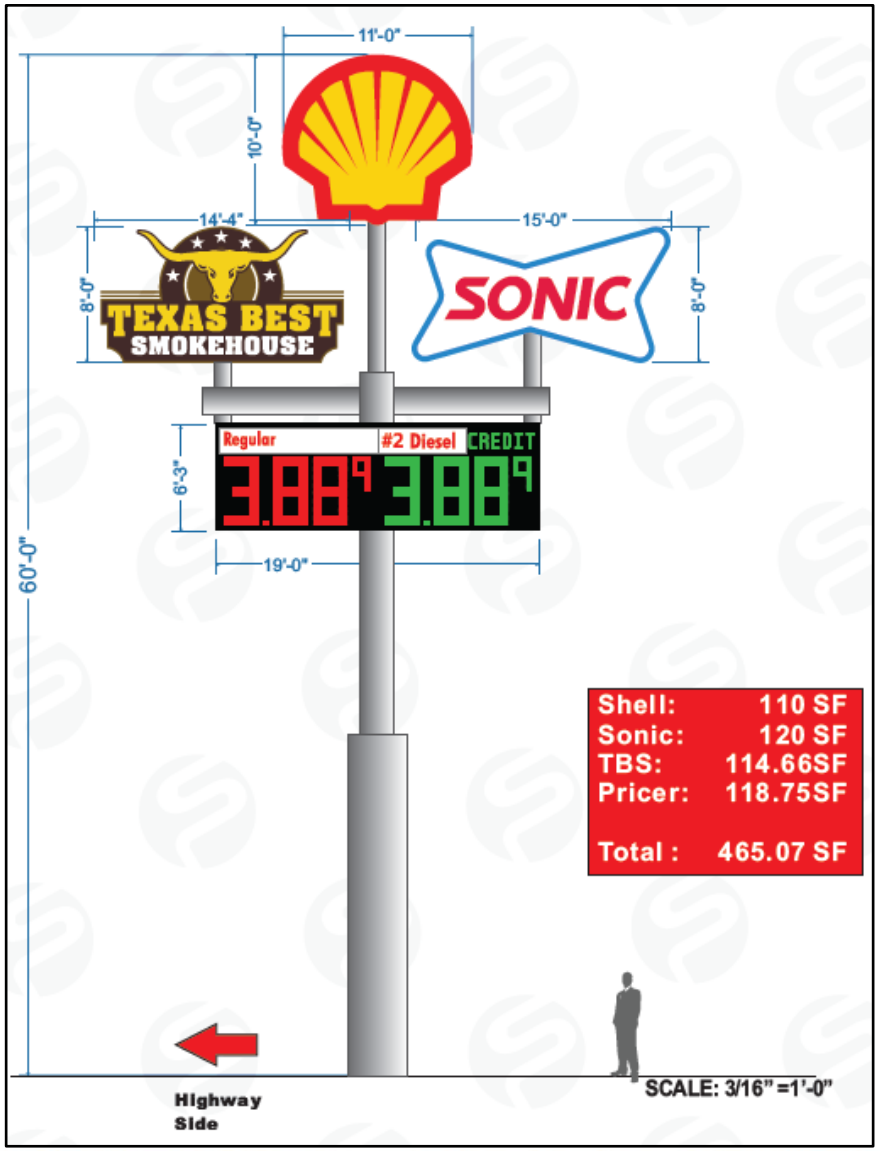


Criteria for Approval, Code of Ordinance 33.14

- **Superior to Denton Sign Code**
  - No other ground signs permitted without a public hearing
  - Cohesive materials, colors, and detailing for a **unified sign package - reduces visual clutter through consistency and uniformity**.

- **Necessary and does not violate spirit of the Code**
  - Larger size **improves visibility** for I-35W northbound traffic
- **Scale & Color**:
  - Property is tucked **northeast of taller buildings**
  - Development consists of **multiple uses/tenants – style and colors match brands**





Criteria for Approval, DDC Subchapter 2

General Approval Criteria for All Applications (Sec. 2.4.5.E)

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

Zoning Criteria for Approval (Sec 2.7.3.D)

1. Compliance with goals of Comprehensive Plan
2. Compliance with the goals of relevant Area Plans
3. Compliance with DDC
4. Provides a greater level of design than would be required if the project were not being developed in a PD District
5. **Appropriate in area, location, and overall planning for the purpose intended**
6. Provision of public facilities and services adequate to serve anticipated population within PD District
7. **Conditions and/or restrictions imposed by the PD District are necessary and sufficient to address significant adverse impacts to surrounding properties or neighborhoods**

Summary:

- ✓ **Proposed sign standards are appropriate for the site's surrounding context**
- ✓ **The proposed comprehensive sign package is consistent with the approved development plan for this site**
- ✓ **This request does not propose to remove any restrictions of the existing PD**
- ✓ **Additional restrictions are imposed to provide a superior layout of signs that what is otherwise permitted within the Denton Sign Code**

Public Outreach

- Newspaper Ad: May 25, 2025 & June 29, 2025
- Property Posted: May 23, 2025 & June 26, 2025
- Mailed Notices:

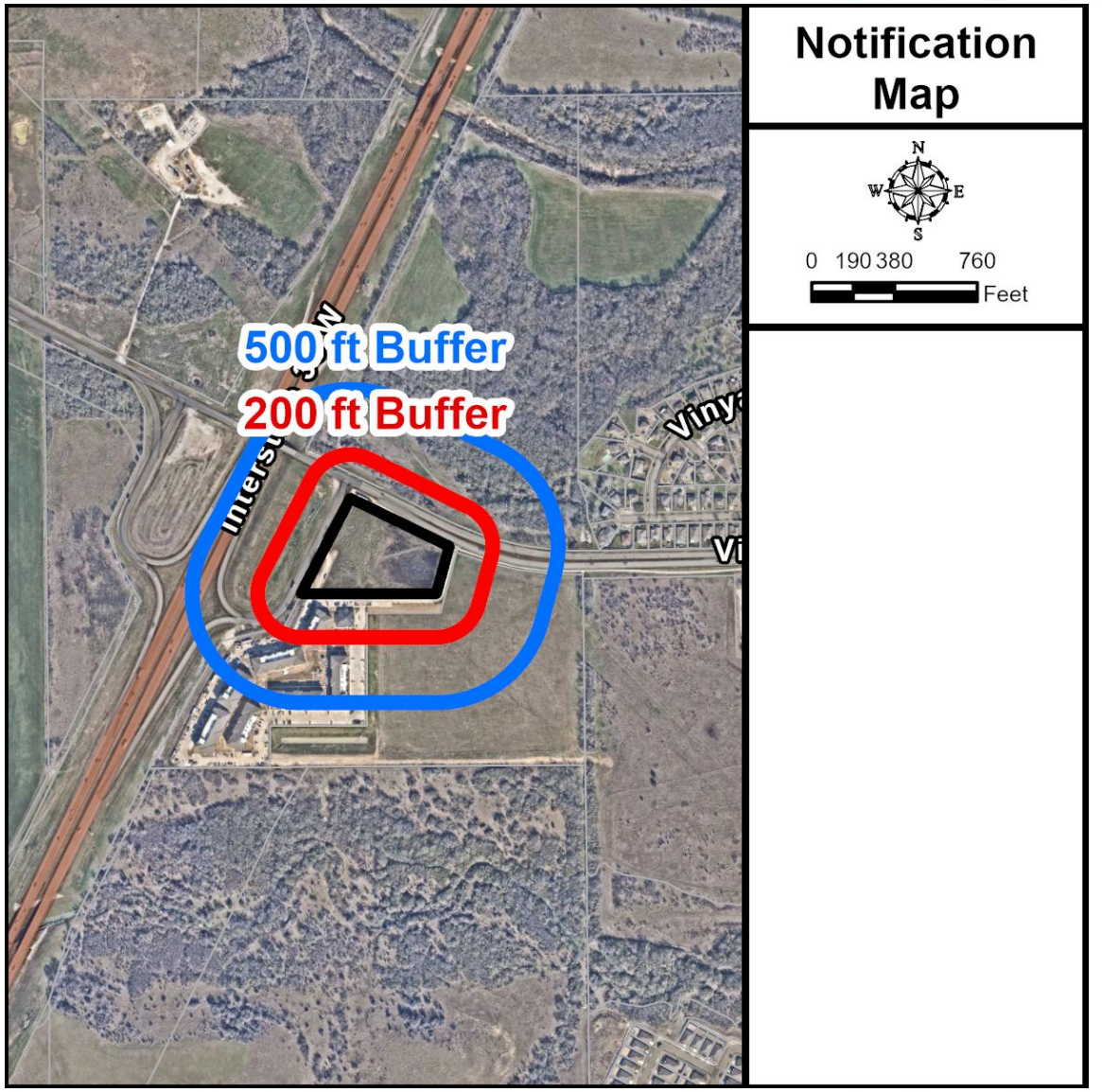
  200 ft. Public Notices mailed: 3

  500 ft. Courtesy Notices mailed: 2
- Responses:

  In Opposition: 0

  In Favor: 0

  Neutral: 0



Recommendation

The Planning and Zoning Commission recommended **approval** [5-0-1] of the request.

Staff recommends **approval** of the request as it complies with the applicable criteria:

- Section 33.18.4 of the Denton Code of Ordinances applicable to the creation of a Special Sign District,
- Section 2.7.3D of the Denton Development Code applicable to Planned Development Amendments, and
- Section 2.4.5E of the Denton Development Code applicable to all applications.

Questions?

Mia Hines, AICP
Senior Planner
Development Services

File #: ID 25-1037, **Version:** 1

AGENDA CAPTION

Consider adoption of an ordinance of the City of Denton considering all matters incident and related to the issuance, sale and delivery of up to $142,565,000 in principal amount of "City of Denton General Obligation refunding and improvement bonds, Series 2025"; authorizing the issuance of the bonds; delegating the authority to certain city officials to execute certain documents relating to the sale of the bonds; approving and authorizing instruments and procedures relating to said bonds; enacting other provisions relating to the subject; and providing an effective date. The Public Utilities Board recommends approval (5-0).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: **Finance**

ACM: **Christine Taylor**

DATE: **July 15, 2025**

SUBJECT

Consider adoption of an ordinance of the City of Denton considering all matters incident and related to the issuance, sale and delivery of up to $142,565,000 in principal amount of "City of Denton General Obligation refunding and improvement bonds, Series 2025"; authorizing the issuance of the bonds; delegating the authority to certain city officials to execute certain documents relating to the sale of the bonds; approving and authorizing instruments and procedures relating to said bonds; enacting other provisions relating to the subject; and providing an effective date. The Public Utilities Board recommends approval (5-0).

BACKGROUND

The General Obligation (GO) Bonds will be the sixth and final issuance of bonds for the 2019 Bond Election and second issuance for the 2023 Bond Election. In addition to these voters approved bond programs, the GO Bonds will include a refunding component. The City's Financial Advisors, Hilltop Securities, identified two potential refunding opportunities this year: Certificates of Obligation, Series 2014 and 2015 and General Obligation Refunding and Improvement Bonds, Series 2014 and 2015. Currently, refunding $40.2 million in Series 2015 produces savings, but the savings in refunding $58.855 million in Series 2014 will be determined the day of the sale. Including refunding Series 2014 in this ordinance provides the flexibility to add the series to the sale if market conditions provide a savings. The total outstanding amount for both series is $99,055,000 and the refunding of Series 2015 includes General Fund, Solid Waste, Water, Wastewater and Electric debt. The projected 2015 savings is approximately $1.39 million based on current market conditions.

GO and CO bond sale costs are a shared expense. CO's require Notice of Intentions (NOI) to be issued early in the bond sale process calculating costs based on current market conditions and CO Utility project totals. The estimated cost used in the NOI process will be used to cover the GO bond sale costs.

The below table summarizes the 2025 GO issuance.

General Fund	$ 43,510,000
Refunding (Utilities)	99,055,000
Issuance Cost*	-
GO Bond Sale Total	$ 142,565,000

* Covered by CO

Since bond market conditions can change rapidly, staff is recommending the City Council approve a delegated parameters sale for the GOs. The parameters ordinance sets the following requirements in order to complete the sale of the GOs. By doing so, City staff will be authorized to execute the sale without additional approval.

- Maximum amount of sale is $ 142,565,000
- Final stated maturity of February 15, 2045
- Maximum net effective interest rate of 5.00%
- Delegation authority ends January 15, 2026

Below is a listing of the GO funded projects:

	BOND SALE
Street Reconstruction	$13,400,000
Street Lighting	3,500,000
Sidewalks	2,000,000
2019 Bond Program Total	**$18,900,000**
Ruddell, Mingo Roadway & Quiet Zones (Prop A)	$ 2,000,000
Oakland Drainage & Upstream Detention Improv (Prop B)	3,000,000
PEC 3&4 Drainage Improvements (Prop B)	3,268,000
Aquatic Improvements (Prop C)	1,000,000
Fire Station # 5 (Prop D)	7,671,000
Fire Station # 6 (Prop D)	7,671,000
Public Art - Public Safety (Prop D)	-
Affordable Housing (Prop E)	-
2023 Bond Program Total	**$24,610,000**
Total GO Projects	**$43,510,000**

RECOMMENDATION

Staff recommends adoption of the ordinance.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On October 15, 2024, the City Council adopted reimbursement ordinance (Ord. 24-166) authorizing General Obligation Bonds and Certificates of Obligation funded projects in preparation of the 2025 Bond Sale.

On June 23, 2025, the Public Utilities Board recommended this item which includes Utilities refundings to the City Council for consideration.

EXHIBITS

1. Agenda Information Sheet
2. Preliminary Official Statement
3. GO Ordinance
4. Presentation

Respectfully submitted:
Matt Hamilton
Assistant Director of Finance

Prepared by:
Randee Klingele
Treasury Manager

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall the Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

HTS Continuing Disclosure Services
A Division of Hilltop Securities

(See "Continuing Disclosure of Information" herein)

PRELIMINARY OFFICIAL STATEMENT

Dated July __, 2025

Ratings:
Fitch: "AA+"
S&P: "AA+"
(See "Other Information - Ratings" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Certificates will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "Tax Matters" herein, including the alternative minimum tax on certain corporations.

THE CERTIFICATES WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

$235,845,000*
CITY OF DENTON, TEXAS
(Denton County)
CERTIFICATES OF OBLIGATION, SERIES 2025

Dated Date: July 15, 2025
Interest Accrues from Delivery Date

Due: February 15, as shown on page 2

PAYMENT TERMS . . . Interest on the $235,845,000* City of Denton, Texas Certificates of Obligation, Series 2025 (the "Certificates") will accrue from the delivery date (the "Delivery Date"), will be payable February 15 and August 15 of each year, commencing February 15, 2026, until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Certificates will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Certificates may be acquired in denominations of $5,000 or integral multiples thereof within a maturity. **No physical delivery of the Certificates will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates. See "The Obligations - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is BOKF, NA, Dallas, Texas (see "The Obligations - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Certificates are issued pursuant to the Constitution and general laws of the State of Texas, (the "State") particularly Subchapter C of Chapter 271, Texas Local Government Code (the Certificate of Obligation Act of 1971), as amended, and Texas Government Code, Chapter 1371, as amended, and constitute direct obligations of the City of Denton, Texas (the "City"), payable from a combination of (i) the levy and collection of a direct annual ad valorem tax, within the limits prescribed by law, on all taxable property within the City, and (ii) a limited pledge of surplus net revenues of the City's Utility System not in excess of $1,000, as provided in the Certificate Ordinance (defined herein) authorizing the Certificates (see "The Obligations - Authority for Issuance").

PURPOSE . . . Proceeds from the sale of the Certificates will be used for the purchase, construction and acquisition of certain real and personal property, to wit: (a) acquisition of vehicles and equipment for the fire, police, building inspections, community improvement services, animal services, streets and traffic control, facilities management, airport, technology services, fleet management, warehouse management, and parks and recreation departments; (b) renovations to, and equipping of, existing municipal buildings, including the acquisition and installation of replacement heating, venting and air conditioning equipment, roofing and flooring; (c) acquiring, constructing and installing building security systems, including security system technology equipment and software, for municipal buildings; (d) constructing, reconstructing, renovating, installing and equipping municipal parks; (e) acquisition and installation of technology equipment, including radio equipment, computer equipment and software, for various municipal departments; (f) constructing and improving streets, including traffic signalization, landscaping, drainage, sidewalks, utility line relocations and the acquisition of land and rights-of-way therefor; (g) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's drainage and storm sewer systems; (h) acquisition of vehicles and equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's solid waste disposal system; (i) renovations to existing public safety facility for the police department; (j) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's waterworks and wastewater system; and (k) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's electric light and power system; and also for the purpose of paying all or a portion of the City's contractual obligations for professional services, including engineers, architects, attorneys, map makers, auditors, and financial advisors, in connection with said projects and for paying the costs associated with the issuance of the Certificates (see "Plan of Financing").

PRELIMINARY

MATURITY SCHEDULE

See page 2

SEPARATE ISSUES . . . The Certificates are being offered by the City concurrently with the "City of Denton, Texas General Obligation Refunding and Improvement Bonds, Series 2025" (the "Bonds") under a common official statement, and the Certificates and Bonds are hereinafter sometimes referred to collectively as the "Obligations." The Certificates and Bonds are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders, the federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations and other features.

LEGALITY . . . The Certificates are offered for delivery when, as and if issued and received by the Initial Purchaser subject to the approving opinion of the Attorney General of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, Dallas, Texas (see Appendix C, "Forms of Bond Counsel's Opinions").

DELIVERY . . . It is expected that the Certificates will be available for delivery through The Depository Trust Company on August 26, 2025.

SEALED BIDS DUE JULY 23, 2025, AT 9:45 AM, CDT**

* Preliminary, subject to change. See "Adjustment of Principal Amount and/or Types of Bids" in the Notice of Sale for the Certificates.

** Place and Time of Bid Opening . . . The City will accept bids for the sale of the Certificates on a day during the period beginning July 23, 2025 and initially ending August 6, 2025. At least 12 hours prior to the sale of the Certificates, Hilltop Securities Inc., as Financial Advisor to the City, will communicate, through Parity and Bloomberg, the date and time for submission of bids. The Financial Advisor, acting on behalf of the City, shall accept bids up to the time specified in the notice as hereinbefore described.

MATURITY SCHEDULE* **CUSIP Prefix: 248867 (1)**

Principal Amount	15-Feb Maturity	Interest Rate	Yield	CUSIP Suffix (1)	Principal Amount	15-Feb Maturity	Interest Rate	Yield	CUSIP Suffix (1)
$ 9,455,000	2026				$ 12,290,000	2041			
9,565,000	2027				12,960,000	2042			
10,070,000	2028				13,655,000	2043			
10,570,000	2029				14,390,000	2044			
11,120,000	2030				15,160,000	2045			
8,845,000	2031				1,170,000	2046			
9,290,000	2032				1,235,000	2047			
9,770,000	2033				1,300,000	2048			
10,265,000	2034				1,370,000	2049			
10,795,000	2035				1,445,000	2050			
9,460,000	2036				1,520,000	2051			
9,965,000	2037				1,605,000	2052			
10,495,000	2038				1,690,000	2053			
11,060,000	2039				1,780,000	2054			
11,670,000	2040				1,880,000	2055			

(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS") managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Financial Advisor, or the Initial Purchaser of the Certificates take any responsibility for the accuracy of such numbers.

REDEMPTION . . . The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 2036, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2035, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "The Obligations – Optional Redemption").

PRELIMINARY

* Preliminary, subject to change. See "Adjustment of Principal Amount and/or Types of Bids" in the Notice of Sale for the Certificates.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall the Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

HTS Continuing Disclosure Services
A Division of Hilltop Securities

(See "Continuing Disclosure of Information" herein)

PRELIMINARY OFFICIAL STATEMENT

Dated July __, 2025

Ratings:
Fitch: "AA+"
S&P: "AA+"
(See "Other Information - Ratings" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "Tax Matters" herein, including the alternative minimum tax on certain corporations.

THE BONDS WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

$79,795,000*
CITY OF DENTON, TEXAS
(Denton County)
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2025

Dated Date: July 15, 2025
Interest Accrues from Delivery Date

Due: February 15, as shown on page 4

PAYMENT TERMS . . . Interest on the $79,795,000* City of Denton, Texas General Obligation Refunding and Improvement Bonds, Series 2025 (the "Bonds") will accrue from the delivery date (the "Delivery Date"), will be payable February 15 and August 15 of each year, commencing February 15, 2026, until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof within a maturity. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "The Obligations - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is BOKF, NA, Dallas, Texas (see "The Obligations - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Bonds are issued pursuant to the Constitution and general laws of the State of Texas, (the "State") including particularly Texas Government Code, Chapters 1207, 1371 and 1331, as amended, and are direct obligations of the City of Denton, Texas (the "City"), payable from an annual ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City, as provided in the Bond Ordinance (defined herein) authorizing the Bonds (see "The Obligations - Authority for Issuance" and "The Obligations – Security and Source of Payment").

PURPOSE . . . Proceeds of the Bonds are expected to be used for (i) various street improvements, (ii) drainage and flood control improvements; (iii) park system improvements; (iv) fire public safety facilities; (v) refunding the obligations described in Schedule I – Schedule of Refunded Obligations (the "Refunded Obligations") for debt service savings, and (vi) paying the costs associated with the issuance of the Bonds. (see "Plan of Financing").

PRELIMINARY

MATURITY SCHEDULE

See page 4

SEPARATE ISSUES . . . The Bonds are being offered by the City concurrently with the "City of Denton, Texas Certificates of Obligation, Series 2025" (the "Certificates"), under a common Official Statement, and the Bonds and Certificates are hereinafter sometimes referred to collectively as the "Obligations." The Bonds and Certificates are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders, the federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations and other features.

LEGALITY . . . The Bonds are offered for delivery when, as and if issued and received by the Initial Purchaser subject to the approving opinion of the Attorney General of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, Dallas, Texas (see Appendix C, "Forms of Bond Counsel's Opinions").

DELIVERY . . . It is expected that the Bonds will be available for delivery through The Depository Trust Company on August 26, 2025.

SEALED BIDS DUE JULY 23, 2025, AT 10:15 AM, CDT**

* Preliminary, subject to change. See "Adjustment of Principal Amount and/or Types of Bids" in the Notice of Sale for the Bonds.

** Place and Time of Bid Opening . . . The City will accept bids for the sale of the Bonds on a day during the period beginning July 23, 2025 and initially ending August 6, 2025. At least 12 hours prior to the sale of the Bonds, Hilltop Securities Inc., as Financial Advisor to the City, will communicate, through Parity and Bloomberg, the date and time for submission of bids. The Financial Advisor, acting on behalf of the City, shall accept bids up to the time specified in the notice as hereinbefore described.

MATURITY SCHEDULE* **CUSIP Prefix: 248867 (1)**

Principal Amount	15-Feb Maturity	Interest Rate	Yield	CUSIP Suffix (1)	Principal Amount	15-Feb Maturity	Interest Rate	Yield	CUSIP Suffix (1)
$ 3,570,000	2026				$ 2,025,000	2036			
3,640,000	2027				2,125,000	2037			
3,820,000	2028				2,245,000	2038			
5,245,000	2029				2,370,000	2039			
5,510,000	2030				2,500,000	2040			
5,780,000	2031				2,635,000	2041			
6,095,000	2032				2,770,000	2042			
6,400,000	2033				2,920,000	2043			
6,740,000	2034				3,080,000	2044			
7,075,000	2035				3,250,000	2045			

(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS") managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Financial Advisor, or the Initial Purchaser of the Certificates take any responsibility for the accuracy of such numbers.

REDEMPTION . . . The City reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 2036, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2035, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "The Obligations – Optional Redemption").

PRELIMINARY

* Preliminary, subject to change. See "Adjustment of Principal Amount and/or Types of Bids" in the Notice of Sale for the Bonds.

This Official Statement, which includes the cover pages, the Schedule and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation, or sale.

No dealer, broker, salesperson, or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon.

For purposes of compliance with Rule 15c 2-12 of the Securities and Exchange Commission (the "Rule"), this document constitutes an Official Statement of the City with respect to the Obligations that has been "deemed final" by the City as of its date except for the omission of no more than the information permitted by the Rule.

The information set forth herein has been obtained from the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the representation, promise, or guarantee of the Financial Advisor. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described herein since the date hereof. See "Other Information - Continuing Disclosure of Information" for a description of the City's undertaking to provide certain information on a continuing basis.

Neither the City nor its Financial Advisor make any representation as to the accuracy, completeness, or adequacy of the information supplied by The Depository Trust Company for use in this Official Statement.

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE, AND ACHIEVEMENTS TO BE DIFFERENT FROM FUTURE RESULTS, PERFORMANCE, AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS.

THE OBLIGATIONS ARE EXEMPT FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE OBLIGATIONS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THE OBLIGATIONS HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

PRELIMINARY

TABLE OF CONTENTS

PRELIMINARY OFFICIAL STATEMENT 1
SUMMARY 6
CITY OFFICIALS, STAFF AND CONSULTANTS 9
- ELECTED OFFICIALS 9
- SELECTED ADMINISTRATIVE STAFF 9
- CONSULTANTS AND ADVISORS 9

INTRODUCTION 10
PLAN OF FINANCING 10
TAX INFORMATION 17
- TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT 23
- TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY 24
- TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY 25
- TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY ... 25
- TABLE 5 - TEN LARGEST TAXPAYERS 25
- TABLE 6 - ESTIMATED OVERLAPPING TAX DEBT 26

DEBT INFORMATION 27
- TABLE 7 – PRO FORMA GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS 27
- TABLE 8 - INTEREST AND SINKING FUND BUDGET PROJECTION 28
- TABLE 9 - COMPUTATION OF SELF-SUPPORTING DEBT 28
- TABLE 10 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS 28
- TABLE 11 - OTHER OBLIGATIONS 29

FINANCIAL INFORMATION 40
- TABLE 12 - CHANGES IN NET POSITION OF GOVERNMENTAL FUNDS 40
- TABLE 12A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY 41
- TABLE 13 - MUNICIPAL SALES TAX HISTORY 42
- FINANCIAL POLICIES 42

INVESTMENTS 43
- TABLE 14- CURRENT INVESTMENTS 45

TAX MATTERS 46
CONTINUING DISCLOSURE OF INFORMATION 48
OTHER INFORMATION 49
- RATINGS 49
- LITIGATION 49
- REGISTRATION AND QUALIFICATION OF OBLIGATIONS FOR SALE 50
- LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS 50
- LEGAL OPINIONS AND NO-LITIGATION CERTIFICATE 50
- AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION 51
- FINANCIAL ADVISOR 51
- INITIAL PURCHASER OF THE CERTIFICATES 51
- INITIAL PURCHASER OF THE BONDS 51
- CERTIFICATION OF THE OFFICIAL STATEMENT 52
- FORWARD-LOOKING STATEMENTS DISCLAIMER 52
- LINKS TO WEBSITES 52
- MISCELLANEOUS 52

SCHEDULE OF REFUNDED OBLIGATIONS ..... Schedule I

APPENDICES
- GENERAL INFORMATION REGARDING THE CITY ..... A
- EXCERPTS FROM THE ANNUAL FINANCIAL REPORT ..... B
- FORMS OF BOND COUNSEL'S OPINIONS C

The cover pages hereof, this page and the appendices included herein and any addenda, supplement or amendment hereto, are part of the Preliminary Official Statement.

PRELIMINARY OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Preliminary Official Statement. The offering of the Bonds and Certificates to potential investors is made only by means of this entire Preliminary Official Statement. No person is authorized to detach this summary from this Preliminary Official Statement or to otherwise use it without the entire Preliminary Official Statement.

THE CITY	The City of Denton (the "City") is a political subdivision and municipal corporation of the State of Texas (the "State"), located in Denton County, Texas. The City covers approximately 97.411 square miles (see "Introduction - Description of the City").
THE BONDS	The City's $79,795,000* General Obligation Refunding and Improvement Bonds, Series 2025 are to mature on February 15 in the years 2026 through 2045 (see "The Obligations - Description of the Obligations").
THE CERTIFICATES	The City's $235,845,000* Certificates of Obligation, Series 2025 are to mature on February 15 in the years 2026 through 2055 (see "The Obligations - Description of the Obligations").
PAYMENT OF INTEREST	Interest on the Obligations accrues from the Delivery Date (defined herein) and is payable February 15, 2026 and each August 15 and February 15 thereafter until maturity or prior redemption (see "The Obligations - Description of the Obligations" and "The Obligations - Optional Redemption").
AUTHORITY FOR ISSUANCE.....	The Certificates are issued pursuant to the Constitution and general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and Texas Government Code, Chapter 1371, as amended, and an ordinance (the "Authorizing Certificate Ordinance") of the City in which the City Council delegated to the City Manager or the Chief Financial Officer (each, a "Pricing Officer"0 authority to complete the sale of the Certificates. The terms of the sale will be included in a "Pricing Certificate," which will complete the sale of the Certificates (the Authorizing Certificate Ordinance and the Pricing Certificate for the Certificates are jointly referred to as the "Certificate Ordinance") (see "The Obligations - Authority for Issuance"). The Bonds are issued pursuant to the Constitution and general laws of the State, including particularly Texas Government Code, Chapters 1207, 1371 and 1331, as amended, and an ordinance (the "Authorizing Bond Ordinance") of the City in which the City Council delegated to a Pricing Officerauthority to complete the sale of the Bonds. The terms of the sale will be included in a "Pricing Certificate," which will complete the sale of the Bonds (the Authorizing Bond Ordinance and the Pricing Certificate for the Bonds are jointly referred to as the "Bond Ordinance") (see "The Obligations - Authority for Issuance").
SECURITY FOR THE CERTIFICATES.....	The Certificates constitute direct obligations of the City, payable from a combination of (i) a direct annual ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City, and (ii) a limited pledge (not to exceed $1,000) of surplus net revenues of the City's Utility System (see "The Obligations - Security and Source of Payment").
SECURITY FOR THE BONDS	The Bonds constitute direct obligations of the City, payable from a direct annual ad valorem tax levied, within the limits prescribed by law, on all taxable property located within the City (see "The Obligations - Security and Source of Payment").
REDEMPTION	The City reserves the right, at its option, to redeem Bonds and Certificates, as the case may be, having stated maturities on and after February 15, 2036, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2035, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "The Obligations - Optional Redemption").
TAX EXEMPTION.....	In the opinion of Bond Counsel, the interest on the Obligations will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "Tax Matters" herein.

PRELIMINARY

* Preliminary, subject to change.

USE OF PROCEEDS ..... Proceeds from the sale of the Certificates will be used for the purchase, construction and acquisition of certain real and personal property, to wit: (a) acquisition of vehicles and equipment for the fire, police, building inspections, community improvement services, animal services, streets and traffic control, facilities management, airport, technology services, fleet management, warehouse management, and parks and recreation departments; (b) renovations to, and equipping of, existing municipal buildings, including the acquisition and installation of replacement heating, venting and air conditioning equipment, roofing and flooring; (c) acquiring, constructing and installing building security systems, including security system technology equipment and software, for municipal buildings; (d) constructing, reconstructing, renovating, installing and equipping municipal parks; (e) acquisition and installation of technology equipment, including radio equipment, computer equipment and software, for various municipal departments; (f) constructing and improving streets, including traffic signalization, landscaping, drainage, sidewalks, utility line relocations and the acquisition of land and rights-of-way therefor; (g) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's drainage and storm sewer systems; (h) acquisition of vehicles and equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's solid waste disposal system; (i) renovations to existing public safety facility for the police department; (j) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's waterworks and wastewater system; and (k) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's electric light and power system; and also for the purpose of paying all or a portion of the City's contractual obligations for professional services, including engineers, architects, attorneys, map makers, auditors, and financial advisors, in connection with said projects and for paying the costs associated with the issuance of the Certificates (see "Plan of Financing").

Proceeds of the Bonds are expected to be used for (i) various street improvements, (ii) drainage and flood control improvements; (iii) park system improvements; (iv) fire public safety facilities; (v) refunding the obligations described in Schedule I – Schedule of Refunded Obligations (the "Refunded Obligations") for debt service savings, and (vi) paying the costs associated with the issuance of the Bonds. (see "Plan of Financing").

RATINGS ..... The Obligations and the presently outstanding general obligation debt of the City are rated "AA+" by Fitch Ratings ("Fitch") and "AA+" by S&P Global Ratings ("S&P"), a division of S&P Global Inc. See "Other Information – Ratings" herein.

BOOK-ENTRY-ONLY SYSTEM ..... The definitive Obligations will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Obligations may be acquired in denominations of $5,000 or integral multiples thereof within a maturity. No physical delivery of the Obligations will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Obligations will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Obligations (see "The Obligations - Book-Entry-Only System").

PAYMENT RECORD ..... The City has never defaulted on the payment of its tax-supported indebtedness.

PRELIMINARY

SELECTED FINANCIAL INFORMATION

Fiscal Year Ended 9/30	Estimated Population [1]	Net Taxable Assessed Valuation [2]	Net Taxable Assessed Valuation Per Capita	Net Tax Debt Outstanding at End of Fiscal Year [8]	Per Capita Net Funded Tax Debt	Ratio Net Tax Debt to Net Taxable Assessed Valuation	% of Total Tax Collections
2021	143,775	$ 13,581,648,271 [3]	94,465	$ 308,521,854	2,146	2.27%	99.72%
2022	146,950	14,403,105,063 [4]	98,014	354,343,240	2,411	2.46%	99.75%
2023	150,624	16,721,123,624 [5]	111,012	392,635,000	2,607	2.35%	99.55%
2024	150,842	19,219,843,947 [6]	127,417	522,720,000	3,465	2.72%	99.38%
2025	155,375	21,110,331,781 [7]	135,867	526,025,000 [9]	3,386	2.49%	In Process [10]

(1) Source: City Officials.
(2) Valuations shown are certified taxable assessed values reported by the Denton Central Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records. Source: Denton Central Appraisal District as of July 20, 2024.
(3) Includes tax incremental value of approximately $198,541,948 that is not available for the City's general obligations and debt of City.
(4) Includes tax incremental value of approximately $236,666,283 that is not available for the City's general obligations and debt of City.
(5) Includes tax incremental value of approximately $263,821,022114 that is not available for the City's general obligations and debt of City.
(6) Includes tax incremental value of approximately $321,617,493 that is not available for the City's general obligations and debt of City.
(7) Includes tax incremental value of approximately $644,341,698 that is not available for the City's general obligations and debt of City.
(8) Excludes self-supported general obligation debt.
(9) Projected. Includes a portion of the Obligations. Excludes the Refunded Obligations. Preliminary, subject to change.
(10) In process of collection.

PRELIMINARY

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

CITY OFFICIALS, STAFF AND CONSULTANTS

ELECTED OFFICIALS

City Council	Term Expires
Gerard Hudspeth Mayor	May, 2026
Vicki Byrd Councilmember, District 1	May, 2027
Brian Beck Councilmember, District 2	May, 2027
Suzi Rumohr Mayor Pro Tem, District 3	May, 2027
Joe Holland Councilmember, District 4	May, 2027
Brandon Chase McGee Councilmember, At Large Place 5	May, 2026
Jill Jester Councilmember, At Large Place 6	May, 2026

SELECTED ADMINISTRATIVE STAFF

Name	Position
Sara Hensley	City Manager
Cassandra Ogden	Assistant City Manager
Frank Dixon	Assistant City Manager
Christine Taylor	Assistant City Manager
Jessica Williams	Chief Financial Officer
Matt Hamilton	Assistant Director of Finance
Vis Bouaphanthavong	Assistant Director of Finance
Lauren Thoden	City Secretary

PRELIMINARY

CONSULTANTS AND ADVISORS

Auditors ..... Weaver and Tidwell, L.L.P.
Dallas, Texas

Bond Counsel ..... McCall, Parkhurst & Horton L.L.P.
Dallas, Texas

Financial Advisor..... Hilltop Securities Inc.
Fort Worth, Texas

For additional information regarding the City, please contact:

Jessica Williams, Chief Financial Officer
Mack Reinwand-City Attorney
City of Denton
215 E. McKinney Street
Denton, Texas 76201
(940) 349-8244

or

Laura Alexander
Hilltop Securities Inc.
777 Main Street, Suite 1525
Fort Worth, Texas 76102
(817) 332-9710

PRELIMINARY OFFICIAL STATEMENT

RELATING TO

CITY OF DENTON, TEXAS

$235,845,000*
CERTIFICATES OF OBLIGATION, SERIES 2025

$79,795,000*
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2025

INTRODUCTION

This Preliminary Official Statement, which includes the Schedule and Appendices hereto, provides certain information regarding the issuance of $235,845,000* City of Denton, Texas Certificates of Obligation, Series 2025 (the "Certificates") and $79,795,000* City of Denton, Texas General Obligation Refunding and Improvement Bonds, Series 2025 (the "Bonds"). The Bonds and the Certificates (collectively the "Obligations") are separate and distinct securities offerings being authorized for issuance under separate ordinances (the "Bond Ordinance" and the "Certificate Ordinance", respectively, each as defined below, and collectively the "Ordinances") adopted by the City Council of the City, but are being offered and sold pursuant to a common Official Statement, and while the Bonds and Certificates share certain common attributes, each issue is separate and apart from the other and should be reviewed and analyzed independently, including the kind and type of obligation being issued, its terms of payment, the security for its payment, the rights of the holders, the federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations and the covenants and agreements made with respect thereto. The City Council adopted an ordinance on July 15, 2025 authorizing the issuance of the Bonds (the "Authorizing Bond Ordinance"). In the Authorizing Bond Ordinance, as permitted by the provisions of Chapter 1371, Texas Government Code, as amended, the City Council delegated the authority to the City Manager or the Chief Financial Officer (each, a "Pricing Officer") to establish the terms and details of the Bonds and to effect the sale of the Bonds pursuant to a "Pricing Certificate" (the Authorizing Bond Ordinance and the Pricing Certificate for the Bonds are jointly referred to as the "Bond Ordinance"). The City Council adopted an ordinance on July 15, 2025 authorizing the issuance of the Certificates (the "Authorizing Certificate Ordinance"). In the Authorizing Certificate Ordinance, as permitted by the provisions of Chapters 1371, Texas Government Code, as amended, the City Council delegated the authority to a Pricing Officer to establish the terms and details of the Certificates and to effect the sale of the Certificates pursuant to a "Pricing Certificate" (the Authorizing Certificate Ordinance and the Pricing Certificate for the Certificates are jointly referred to as the "Certificate Ordinance"). Capitalized terms used in this Preliminary Official Statement have the same meanings assigned to such terms in each respective Ordinance, except as otherwise indicated herein.

There follows in this Preliminary Official Statement descriptions of the Obligations and certain information regarding the City and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the City's Financial Advisor, Hilltop Securities Inc., Fort Worth, Texas.

DESCRIPTION OF THE CITY . . . The City of Denton, Texas (the "City") is a political subdivision located in Denton County operating as a home-rule city under the laws of the State of Texas (the "State") and a charter approved by the voters in 1959. The City operates under the Council/Manager form of government where the Mayor and six Councilmembers are elected for staggered two-year terms. The City Council formulates operating policy for the City while the City Manager is the chief administrative officer. The City is approximately 97.411 square miles in area.

PLAN OF FINANCING

PURPOSE . . . Proceeds from the sale of the Certificates will be used for the purchase, construction and acquisition of certain real and personal property, to wit: (a) acquisition of vehicles and equipment for the fire, police, building inspections, community improvement services, animal services, streets and traffic control, facilities management, airport, technology services, fleet management, warehouse management, and parks and recreation departments; (b) renovations to, and equipping of, existing municipal buildings, including the acquisition and installation of replacement heating, venting and air conditioning equipment, roofing and flooring; (c) acquiring, constructing and installing building security systems, including security system technology equipment and software, for municipal buildings; (d) constructing, reconstructing, renovating, installing and equipping municipal parks; (e) acquisition and installation of technology equipment, including radio equipment, computer equipment and software, for various municipal departments; (f) constructing and improving streets, including traffic signalization, landscaping, drainage, sidewalks, utility line relocations and the acquisition of land and rights-of-way therefor; (g) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's drainage and storm sewer systems; (h) acquisition of vehicles and equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's solid waste disposal system; (i) renovations to existing public safety facility for the police department; (j) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's waterworks and wastewater system; and (k) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's electric light and power system; and also for the purpose of paying all or a portion of the City's contractual obligations for professional services, including engineers, architects, attorneys, map makers, auditors, and financial advisors, in connection with said projects and for paying the costs associated with the issuance of the Certificates.

Proceeds of the Bonds are expected to be used for (i) various street improvements, (ii) drainage and flood control improvements; (iii) park system improvements; (iv) fire public safety facilities; (v) refunding the obligations described in Schedule I – Schedule of Refunded Obligations (the "Refunded Obligations") for debt service savings, and (vi) paying the costs associated with the issuance of the Bonds.

PRELIMINARY

* Preliminary, subject to change.

REFUNDED OBLIGATIONS . . . The principal and interest due on the Refunded Obligations are to be paid on the scheduled redemption dates of such Refunded Obligations, from funds to be deposited pursuant to an escrow agreement (the "Escrow Agreement") between the City and BOKF, NA (the "Escrow Agent"). The Bond Ordinance provides that from a portion of proceeds of the sale of the Bonds received from the Purchaser of the Bonds together with other funds of the City, if any, the City will deposit with the Escrow Agent the amount necessary to accomplish the discharge and final payment of the Refunded Obligations on their respective redemption dates as described in "Schedule I - Schedule of Refunded Obligations". Such funds will be held by the Escrow Agent in an escrow fund (the "Escrow Fund") irrevocably pledged to the payment of principal of and interest on the Refunded Obligations and will be used to purchase certain obligations of the United States of America and obligations of agencies or instrumentalities of the United States of America, including obligations that are unconditionally guaranteed by such agency or instrumentality, that are noncallable and that were, on the date the Bond Ordinance was adopted, rated as to investment quality by a nationally recognized rating firm not less than "AAA" (the "Escrowed Securities"). Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of the principal and interest on the Refunded Obligations and amounts therein will not be available to pay the Bonds.

Public Finance Partners LLC (the "Verification Agent") will verify at the time of delivery of the Bonds to the Purchaser of the Bonds, the mathematical accuracy of the schedules that demonstrate that the Escrowed Securities will mature and pay interest in such amounts which, together with uninvested funds in the Escrow Fund, will be sufficient to pay, when due, the amount necessary to accomplish the discharge and final payment of principal of and interest on the Refunded Obligations on their respective redemption dates (see "Other Information - Verification of Arithmetical and Mathematical Computations").

By the deposit of the Escrowed Securities and cash, if any, with the Escrow Agent pursuant to the Escrow Agreement, the City will have effected the legal defeasance of the Refunded Obligations, pursuant to Chapter 1207 and the ordinances authorizing the issuance of the Refunded Obligations. It is the opinion of Bond Counsel that, as a result of such defeasance, and in reliance upon the report of the Verification Agent, the Refunded Obligations will no longer be payable from ad valorem taxes and other sources of security, if any, but will be payable solely from the principal of and interest on the Escrowed Securities and cash, if any, on deposit in the Escrow Fund and held for such purpose by the Escrow Agent, and that the Refunded Obligations will be defeased and are not to be included in or considered to be indebtedness of the City for the purpose of a limitation of indebtedness or for any other purpose. See "APPENDIX C - Forms of Bond Counsel's Opinions" herein.
.

PRELIMINARY

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

* Preliminary, subject to change.

THE OBLIGATIONS

DESCRIPTION OF THE OBLIGATIONS . . . The Obligations are dated July 15, 2025, and mature on February 15 in each of the years and in the amounts shown on page 2 and page 4 hereof. Interest will accrue from the date of initial delivery thereof (the "Delivery Date"), will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on February 15 and August 15 of each year, commencing February 15, 2026 until maturity or prior redemption. The definitive Obligations will be issued only in fully registered form in any integral multiple of $5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Obligations will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Obligations will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Obligations. See "The Obligations - Book-Entry-Only System" herein.

AUTHORITY FOR ISSUANCE . . . The Certificates are being issued pursuant to the Constitution and general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and Texas Government Code, Chapter 1371, as amended, and the Certificate Ordinance.

The Bonds are being issued pursuant to the Constitution and general laws of the State, particularly Chapters 1207, 1371 and 1331, Texas Government Code, as amended, and the Bond Ordinance.

SECURITY AND SOURCE OF PAYMENT . . .

The Certificates . . . The Certificates constitute direct obligations of the City, payable from a combination of (i) a direct annual ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City, and (ii) a limited pledge (not to exceed $1,000) of surplus net revenues of the City's Utility System (consisting of the electric system and the waterworks and sewer system).

The Bonds . . . The Bonds constitute direct obligations of the City and the principal thereof and interest thereon are payable from an annual ad valorem tax levied by the City, within the limits prescribed by law, upon all taxable property in the City, as provided in the Bond Ordinance.

TAX RATE LIMITATION . . . All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt, including the Obligations, within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to $2.50 per $100 Taxable Assessed Valuation for all City purposes. The Home Rule Charter of the City adopts the constitutionally authorized maximum tax rate of $2.50 per $100 Taxable Assessed Valuation. Administratively, the Attorney General of the State will permit allocation of $1.50 of the $2.50 maximum tax rate for all general obligation debt, as calculated at the time of issuance and based on 90% tax collection factor.

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem the Obligations having stated maturities on and after February 15, 2036 in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2035 or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Bonds or Certificates are to be redeemed, the City may select the maturities of Bonds or Certificates, as the case may be, to be redeemed. If less than all the Bonds or Certificates of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Bonds or Certificates, as the case may be, are in Book-Entry-Only form) shall determine by lot the Bonds or Certificates, or portions thereof, within such maturity to be redeemed. If a Bond or Certificate (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Bond or Certificate (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

With respect to any optional redemption of the Bonds or Certificates, as the case may be, unless certain prerequisites to such redemption required by the respective Ordinance have been met and money sufficient to pay the principal of and premium, if any, and interest on the Bonds or Certificates, as the case may be, to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption will, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the City will not redeem such Bonds or Certificates, as the case may be, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that the Bonds or Certificates, as the case may be, have not been redeemed.

PRELIMINARY

NOTICE OF REDEMPTION . . . Not less than 30 days prior to a redemption date for the Obligations, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Obligations to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. IF AN OBLIGATION (OR ANY PORTION OF ITS PRINCIPAL SUM) SHALL HAVE BEEN DULY CALLED FOR REDEMPTION AND NOTICE OF SUCH REDEMPTION DULY GIVEN, THEN UPON THE REDEMPTION DATE SUCH OBLIGATION (OR THE PORTION OF ITS PRINCIPAL SUM TO BE REDEEMED) SHALL BECOME DUE AND PAYABLE, AND, IF MONIES FOR THE PAYMENT OF THE REDEMPTION PRICE ARE HELD FOR THE PURPOSE OF SUCH PAYMENT BY THE PAYING AGENT/REGISTRAR AND ALL OTHER CONDITIONS TO REDEMPTION ARE SATISFIED, INTEREST SHALL CEASE TO ACCRUE AND BE PAYABLE FROM AND AFTER THE REDEMPTION DATE ON THE PRINCIPAL AMOUNT REDEEMED.

DEFEASANCE . . . The Ordinances provide that any Obligation and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Obligation") within the meaning of such Ordinance when payment of the principal of such Obligation, plus interest thereon to the due date either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (a "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Government Obligations which mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its services until all Defeased Obligations shall have become due and payable, and thereafter the City will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such defeased bonds, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Government Obligations. At such time as an Obligation shall be deemed to be a Defeased Obligation hereunder, as aforesaid, such Obligation and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in the Ordinance, and such principal and interest shall be payable solely from such money or Government Obligations.

Any moneys so deposited with or made available to the Paying Agent/Registrar may at the written direction of the City also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from such Government Obligations received by the Paying Agent/Registrar which is not required for the payment of the Obligations and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing to the City. Any Future Escrow Agreement pursuant to which the money and/or Government Obligations are held for the payment of Defeased Obligations may contain provisions permitting the investment or reinvestment of such moneys in Government Obligations or the substitution of other Government Obligations upon the satisfaction of the requirements specified in (1) or (2) above.

The Ordinances provide that "Government Obligations" means any securities and obligations now or hereafter authorized by state law that are eligible to discharge obligations such as the Obligations. The Pricing Officer may restrict such eligible securities and obligations as deemed appropriate. In the event the Pricing Officer restricts such eligible securities and obligations, the final Official Statement will reflect the new authorized Government Obligations. Current State law permits defeasance with the following types of securities: (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the Issuer adopts or approves the proceedings authorizing the financial arrangements, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Issuer adopts or approves the proceedings authorizing the financial arrangements, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent. There is no assurance that current State law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Obligations. Because the Ordinances do not contractually limit such investments, registered owners will be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Government Obligations or those for any other Government Obligations will be maintained at any particular rating category.

Upon such deposit as described above, such Defeased Obligations shall no longer be regarded to be outstanding obligations payable from ad valorem taxes levied by the City or from the other revenues pledged to their payment in the Ordinances, but will be payable only from the funds and Government Obligations deposited in escrow and will not be considered debt of the City for any purpose. After firm banking and financial arrangements for the discharge and final payment or redemption of the Obligations have been made as described above, all rights of the City to initiate proceedings to call the Obligations for redemption or take any other action amending the terms of the Obligations are extinguished; provided, however, that the right to call the Obligations for redemption is not extinguished if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Obligations for redemption; and (ii) gives notice of the reservation of that right to the owners of the Obligations immediately following the making of the firm banking and financial arrangements; (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

PRELIMINARY

BOOK-ENTRY-ONLY SYSTEM . . . *This section describes how ownership of the Obligations is to be transferred and how the principal of, premium, if any, and interest on the Obligations are to be paid to and accredited by DTC while the Obligations are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The City believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.*

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Obligations, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Obligations), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Obligations in the aggregate principal amount thereof and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of each Obligation ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owners entered into the transaction. Transfers of ownership interest in the Obligations are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Obligations; DTC's records reflect only the identity of the Direct Participant to whose account such Obligations are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligation documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Obligations within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

PRELIMINARY

Neither DTC nor Cede & Co. will consent or vote with respect to the Obligations unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Obligations will be made to DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent/Registrar on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to DTC is the responsibility of the City, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Obligations at any time by giving reasonable notice to the City and the Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Obligation certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Obligations will be printed and delivered.

Use of Certain Terms in Other Sections of this Official Statement. In reading this Official Statement it should be understood that while the Obligations are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Obligations, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Ordinances will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the City, the Financial Advisor or the Initial Purchasers.

EFFECT OF TERMINATION OF BOOK-ENTRY-ONLY SYSTEM . . . In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the City, printed Obligations will be issued to the holders and the Obligations will be subject to transfer, exchange and registration provisions as set forth in the Ordinances and summarized under "The Obligations - Transfer, Exchange and Registration" below.

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar for the Bonds and the Certificates is BOKF, NA, Dallas, Texas. In the Ordinances, the City retains the right to replace the Paying Agent/Registrar. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds and Certificates are duly paid and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Bonds and Certificates. Upon any change in the Paying Agent/Registrar for the Bonds and Certificates, the City agrees to promptly cause a written notice thereof to be sent to each registered owner of the Bonds and Certificates, as applicable, by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

In the event the use of the Book-Entry-Only system is discontinued, principal of the Bonds and Certificates is payable to the registered holder appearing on the registration books of the Paying Agent/Registrar (the "Registered Owner") at the designated corporate trust office of the Paying Agent/Registrar upon surrender of the Bonds and Certificates for payment; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Obligations, all payments will be made as described under "The Obligations - Book-Entry-Only System" herein. Interest on the Bonds and Certificates is payable to the Register Owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (identified below) and such interest shall be paid by the Paying Agent/Registrar by check mailed, first class postage prepaid, to the Register Owner or by such other arrangement, acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of the Registered Owner. If the date for the payment of the principal of or interest on the Bonds and Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the designated corporate office of the Paying Agent/Registrar is located is authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

TRANSFER, EXCHANGE AND REGISTRATION . . . In the event the Book-Entry-Only System should be discontinued, printed Obligations will be delivered to the Registered Owners and thereafter the Obligations may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender of such printed Obligations to the Paying Agent/Registrar and such transfer or exchange shall be without expense or service charge to the Registered Owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Obligations may be assigned by the execution of an assignment form on the Obligations or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Obligations will be delivered by the Paying Agent/Registrar, in lieu of the Obligations being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new Registered Owner or his designee. To the extent possible, new Obligations issued in an

PRELIMINARY

exchange or transfer of Obligations will be delivered to the Registered Owner or assignee of the Registered Owner in not more than three business days after the receipt of the Obligations to be canceled, and the written instrument of transfer or request for exchange duly executed by the Registered Owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Obligations registered and delivered in an exchange or transfer shall be in any integral multiple of $5,000 for any one maturity and for a like aggregate principal amount as the Obligations surrendered for exchange or transfer. See "The Obligations—Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Obligations. Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Obligation called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Registered Owner of the uncalled balance of an Obligation.

RECORD DATE FOR INTEREST PAYMENT . . . The record date ("Record Date") for the interest payable on the Bonds and Certificates on any interest payment date means the close of business on the last business day of the month next preceding such interest payment date.

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

AMENDMENTS . . . In each Ordinance, the City has reserved the right to amend the Ordinance without the consent of any holder of the respective Obligation for the purpose of amending or supplementing the Ordinance to (i) cure any ambiguity, defect or omission therein that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of the Ordinance that do not materially adversely affect the interests of the holders, (iv) qualify the Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect or (v) make such other provisions in regard to matters or questions arising under the Ordinance that are not inconsistent with the provisions thereof and which, in the opinion of Bond Counsel for the City, do not materially adversely affect the interests of the holders.

Each Ordinance further provides that the holders of the Bonds or Certificates, as applicable, aggregating in principal amount a majority of the outstanding Bonds or Certificates, as the case may be, shall have the right from time to time to approve any amendment not described above to the applicable Ordinance if it is deemed necessary or desirable by the City; provided, however, that without the consent of 100% of the holders in original principal amount of the then outstanding Bonds or Certificates so affected, no amendment may be made for the purpose of: (i) making any change in the maturity of any of the outstanding Bonds or Certificates; (ii) reducing the rate of interest borne by any of the outstanding Bonds or Certificates; (iii) reducing the amount of the principal of, or redemption premium, if any, payable on any outstanding Bonds or Certificates; (iv) modifying the terms of payment of principal or of interest or redemption premium on outstanding Bonds or Certificates, or imposing any condition with respect to such payment; or (v) changing the minimum percentage of the principal amount of the Bonds or Certificates necessary for consent to such amendment. Reference is made to the Ordinances for further provisions relating to the amendment thereof.

REMEDIES . . . Each Ordinance establishes specific events of default with respect to the respective series of Obligations. If the City defaults in the payment of the principal of or interest on the Bonds or Certificates when due or the City defaults in the observance or performance of any of the covenants, conditions, or obligations of the City, the failure to perform which materially, adversely affects the rights of the owners thereof, including but not limited to, their prospect or ability to be repaid in accordance with the respective Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any owner to the City, each Ordinance provides that any registered owner of a respective Obligation is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the City to make such payment or observe and perform such covenants, obligations, or conditions. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the respective Obligations or Ordinance and the City's obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Obligations in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Ordinances do not provide for the appointment of a trustee to represent the interest of the owners of the respective Obligations upon any failure of the City to perform in accordance with the terms of the Ordinances, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners. The Texas Supreme Court has ruled in *Tooke v. City of Mexia* 197 S.W.3d 325 (Tex. 2006) that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Furthermore, Tooke, and subsequent jurisprudence, held that a municipality is not immune from suit for torts committed in the performance of its proprietary functions, as it is for torts committed in the performance of its governmental functions (the "Proprietary-Governmental Dichotomy"). Governmental functions are those that are enjoined on a municipality by law and are given by the State as a part of the State's sovereignty, to be exercised by the municipality in the interest of the general public, while proprietary functions are those that a municipality may, in its discretion, perform in the interest of the inhabitants of municipality. In *Wasson Interests, Ltd., V. City of Jacksonville*, No. 489 S.W.3d 427 (Tex. 2016), ("Wasson") the Texas Supreme Court (the "Court") addressed whether the distinction between governmental and

PRELIMINARY

proprietary acts (as found in tort-based causes of action) applies to the breach of contract claims against municipalities. The Court analyzed the rationale behind the Proprietary-Governmental Dichotomy to determine that "a city's proprietary functions are not done pursuant to the "will of the people" and protecting such municipalities "via the State's immunity is not an efficient way to ensure efficient allocation of State resources". While the Court recognized that the distinction between government and proprietary functions is not clear, the Wasson opinion held the Proprietary-Governmental Dichotomy applies in contract-claims context. Therefore, in regard to municipal contract cases (as in tort claims), it is incumbent on the courts to determine whether a function is proprietary or governmental based upon the statutory guidance and definitions found in the Texas Civil Practice and Remedies Code. Notwithstanding the foregoing new case law issued by the Court, such sovereign immunity issues have not been adjudicated in relation to bond matters (specifically, in regard to the issuance of municipal debt). Each situation will be prospectively evaluated based on the facts and circumstances surrounding the contract in question to determine if a suit, and subsequently, a judgment, is justiciable against a municipality. Because it is unclear whether the Texas legislature has effectively waived the City's sovereign immunity from a suit for money damages, owners of Obligations may not be able to bring such a suit against the City for breach of the Obligations or Ordinance covenants in the absence of City action. Chapter 1371, Texas Government Code ("Chapter 1371"), which pertains to the issuance of public securities by issuers such as the City, permits the City to waive sovereign immunity in the proceedings authorizing its debt, but in connection with the issuance of the Obligations, the City has not waived sovereign immunity. Even if a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City's property. Further, the Registered Owners cannot themselves foreclose on property within the City or sell property within the City to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds or the Certificates. Furthermore, the City is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Obligationholders of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinions of Bond Counsel will note that all opinions relative to the enforceability of the Obligations are qualified with respect to the customary rights of debtors relative to their creditors, by principles of governmental immunity, and by general principles of equity which permit the exercise of judicial discretion.

Initially, the only Registered Owner of the Bonds and Certificates will be Cede & Co., as DTC's nominee. See "The Obligations - Book-Entry-Only System" herein for a description of the duties of DTC with regard to ownership of the Bonds and Certificates.

TAX INFORMATION

AD VALOREM TAX LAW . . . The appraisal of property within the City is the responsibility of the Denton Central Appraisal District (the "Appraisal District"). Excluding agricultural and open-space land, which may be taxed on the basis of productive capacity, the Appraisal District is required under V.T.C.A., Title 1, Tax Code, as amended (the "Property Tax Code") to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining the market value of property, different methods of appraisal may be used, including the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and the method considered most appropriate by the chief appraiser is to be used. State law requires the appraised value of a residence homestead to be based solely on the property's value as a residence homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a residence homestead for a tax year to an amount that would not exceed the lesser of (1) the market value of the property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of (a) 10% of the property's appraised value in the preceding tax year, plus (b) the property's appraised value in the preceding tax year, plus (c) the market value of all new improvements to the property. The value placed upon property within the Appraisal District is subject to review by an Appraisal Review Board, consisting of members appointed by the Board of Directors of the Appraisal District. The Appraisal District is required to review the value of property within the Appraisal District at least every three years. The City may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the City by petition filed with the Appraisal Review Board.

Reference is made to the Property Tax Code, for identification of property subject to taxation; property exempt or which may be exempted from taxation, if claimed; the appraisal of property for ad valorem taxation purposes; and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Article VIII of the State Constitution ("Article VIII") and State law provide for certain exemptions from property taxes, the valuation of agricultural and open-space lands at productivity value, and the exemption of certain personal property from ad valorem taxation.

Under Section 1-b, Article VIII, and State law, the governing body of a political subdivision, at its option, may grant an exemption of not less than $3,000 of the market value of the residence homestead of persons 65 years of age or older and the disabled from all ad valorem taxes thereafter levied by the political subdivision. Once authorized, such exemption may be repealed or decreased or increased in amount (i) by the governing body of the political subdivision or (ii) by a favorable vote of a majority of the qualified voters at an election called by the governing body of the political subdivision, which election must be called upon receipt of a petition signed by at least 20% of the number of qualified voters who voted in the preceding election of the political subdivision. In the case of a decrease, the amount of the exemption may not be reduced to less than $3,000 of the market value.

PRELIMINARY

The surviving spouse of an individual who qualifies for the foregoing exemption for the residence homestead of a person 65 or older (but not the disabled) is entitled to an exemption for the same property in an amount equal to that of the exemption for which the deceased spouse qualified if (i) the deceased spouse died in a year in which the deceased spouse qualified for the exemption, (ii) the surviving spouse was at least 55 years of age at the time of the death of the individual's spouse and (iii) the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse.

In addition to any other exemptions provided by the Property Tax Code, the governing body of a political subdivision, at its option, may grant an exemption of up to 20% of the market value of residence homesteads, with a minimum exemption of $5,000.

In the case of residence homestead exemptions granted under Section 1-b, Article VIII, ad valorem taxes may continue to be levied against the value of homesteads exempted where ad valorem taxes have previously been pledged for the payment of debt if cessation of the levy would impair the obligation of the contract by which the debt was created.

Under Article VIII and State law, the governing body of a county, municipality or junior college district may provide for a freeze on total amount of ad valorem taxes levied on the residence homestead of a disabled person or persons 65 years of age or older above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon receipt of a petition signed by five percent of the registered voters of the county, municipality or junior college district, an election must be held to determine by majority vote whether to establish such a limitation on taxes paid on residence homesteads of persons 65 years of age or who are disabled. Upon providing for such exemption, the total amount of taxes imposed on such homestead cannot be increased except for improvements (other than maintenance, repairs or improvements required to comply with governmental requirements) and such freeze is transferable to a different residence homestead. Also, a surviving spouse of a taxpayer who qualifies for the freeze on ad valorem taxes is entitled to the same exemption so long as the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse and the spouse was at least 55 years of age at the time of the death of the individual's spouse. Once established such freeze cannot be repealed or rescinded.

State law and Section 2, Article VIII, mandate an additional property tax exemption for disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces; the exemption applies to either real or personal property with the amount of assessed valuation exempted ranging from $5,000 to a maximum of $12,000, dependent upon the degree of disability or whether the exemption is applicable to a surviving spouse or children; provided, however, that beginning in the 2009 tax year, a disabled veteran who receives from the United States Department of Veterans Affairs or its successor 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead. In addition, effective January 1, 2012, and subject to certain conditions, surviving spouses of a deceased veteran who had received a disability rating of 100% will be entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries.

Article VIII provides that eligible owners of both agricultural land (Section 1-d) and open-space land (Section 1-d-1), including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified under both Section 1-d and 1-d-1.

Nonbusiness personal property, such as automobiles or light trucks, are exempt from ad valorem taxation unless the governing body of a political subdivision elects to tax this property. Boats owned as nonbusiness property are exempt from ad valorem taxation.

Article VIII, Section 1-j, provides for "freeport property" to be exempted from ad valorem taxation. Freeport property is defined as goods detained in Texas for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication. Notwithstanding such exemption, counties, school districts, junior college districts and cities may tax such tangible personal property provided official action to tax the same was taken before April 1, 1990. Decisions to continue to tax may be reversed in the future; decisions to exempt freeport property are not subject to reversal.

Article VIII, Section 1-n of the Texas Constitution provides for the exemption from taxation of "goods-in-transit." "Goods-in-transit" is defined by Section 11.253 of the Property Tax Code, as personal property acquired or imported into Texas and transported to another location in the State or outside of the State within 175 days of the date the property was acquired or imported into Texas. The exemption excludes oil, natural gas, petroleum products, aircraft and special inventory, including motor vehicle, vessel and out-board motor, heavy equipment and manufactured housing inventory. Section 11.253 permits local governmental entities, on a local option basis, to take official action by January 1 of the year preceding a tax year, after holding a public hearing, to tax "goods-in-transit" during the following tax year. After taking such official action, the goods-in-transit remain subject to taxation by the local governmental entity until the governing body of the governmental entity rescinds or repeals its previous actions to tax goods-in-transit. A taxpayer may only receive either the freeport exemption or the "goods-in-transit" exemption for items of personal property.

PRELIMINARY

The City or Denton County may create one or more tax increment financing districts ("TIF") within the City or Denton County, as applicable, and freeze the taxable values of property in the TIF at the value at the time of its creation. Other overlapping taxing units levying taxes in the TIF may agree to contribute all or part of future ad valorem taxes levied and collected against the value of property in the TIF in excess of the "frozen values" to pay or finance the costs of certain public improvements in the TIF. Taxes levied by the City against the values of real property in the TIF in excess of the "frozen" value are not available for general city use but are restricted to paying or financing "project costs" within the TIF. The City also may enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The City in turn agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years. The City has active reinvestment zones for tax abatements and tax increment financing zones for tax increment financing purposes. See "Tax Information - Tax Incentive Policy, – Property Tax Abatement" and "- Tax Increment Financing and Public Improvement District" and "Table 1 - Valuation, Exemptions and General Obligation Debt".

The City is also authorized, pursuant to Chapter 380, Texas Local Government Code, as amended ("Chapter 380"), to establish programs to promote state or local economic development and to stimulate business and commercial activity in the City. In accordance with a program established pursuant to Chapter 380, the City may make loans or grants of public funds such as ad valorem taxes or sales taxes for economic development purposes, however no obligations secured by ad valorem taxes may be issued for such purposes unless approved by voters of the City. The City has entered into several Chapter 380 Agreements. See "Tax Information - Chapter 380 Agreements".

NO-NEW-REVENUE TAX RATE AND VOTER-APPROVAL TAX RATE . . . The Following terms as used in this section have the meanings provided below:

"adjusted" means lost values are not included in the calculation of the prior year's taxes and new values are not included in the current year's taxable values.

"de minimis rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted), plus the rate that produces an additional $500,000 in tax revenue when applied to the current year's taxable value, plus the debt service tax rate.

"no-new-revenue tax rate" means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year's total tax levy (adjusted) from the current year's total taxable values (adjusted).

"special taxing unit" means a city for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per $100 of taxable value.

"unused increment rate" means the cumulative difference between a city's voter-approval tax rate and its actual tax rate for each of the tax years 2020 through 2022, which may be applied to a city's tax rate in tax years 2021 through 2023 without impacting the voter-approval tax rate.

"voter-approval tax rate" mean the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted) multiplied by 1.035, plus the debt service tax rate, plus the "unused increment rate".

The City's tax rate consists of two components: (1) a rate for funding of maintenance and operations expenditures in the current year (the "maintenance and operations tax rate"), and (2) a rate for funding debt service in the current year (the "debt service tax rate"). Under State law, the assessor for the City must submit an appraisal roll showing the total appraised, assessed, and taxable values for all property in the City to the City Council by August 1 of each year, or as soon as practicable thereafter.

A city must annually calculate its "voter-approval tax rate" and "no-new-revenue tax rate" (as such terms are defined above) in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the city and the county tax assessor-collector for each county in which all or part of the city is located. A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year.

As described below, the Property Tax Code provides that if a city adopts a tax rate that exceeds its voter-approval tax rate or, in certain cases, its "de minimis rate", an election must be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

A city may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate until each appraisal district in which such city participates has delivered notice to each taxpayer of the estimated total amount of property taxes owed and the city has held a public hearing on the proposed tax increase.

PRELIMINARY

For cities with a population of 30,000 or more as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the voter-approval tax rate, that city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

For cities with a population less than 30,000 as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the greater of (i) the voter-approval tax rate or (ii) the de minimis rate, the city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate. However, for any tax year during which a city has a population of less than 30,000 as of the most recent federal decennial census and does not qualify as a special taxing unit, if a city's adopted tax rate is equal to or less than the de minimis rate but greater than both (a) the no-new-revenue tax rate, multiplied by 1.08, plus the debt service tax rate or (b) the city's voter-approval tax rate, then a valid petition signed by at least three percent of the registered voters in the city would require that an election be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

Any city located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its "voter-approval tax rate" using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such city's total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides cities and counties in the State the option of assessing a maximum one-half percent (1/2%) sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the no-new-revenue tax rate and voter-approval tax rate must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year.

The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the City's ability to set a debt service tax rate in each year sufficient to pay debt service on all of the City's tax-supported debt obligations, including the Obligations.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

PROPERTY ASSESSMENT AND TAX PAYMENT . . . Property within the City is generally assessed as of January 1 of each year. Business inventory may, at the option of the taxpayer, be assessed as of September 1. Oil and gas reserves are assessed on the basis of a valuation process that uses pricing information contained in the most recently published Early Release Overview of the Annual Energy Outlook published by the United States Energy Information Administration, as well as appraisal formulas developed by the State Comptroller of Public Accounts. Taxes become due October 1 of the same year, and become delinquent on February 1 of the following year. Taxpayers 65 years old or older are permitted by State law to pay taxes on homesteads in four installments with the first due on February 1 of each year and the final installment due on August 1.

PENALTIES AND INTEREST . . . Charges for penalty and interest on the unpaid balance of delinquent taxes are made as follows:

Month	Cumulative Penalty	Cumulative Interest	Total
February	6%	1%	7%
March	7	2	9
April	8	3	11
May	9	4	13
June	10	5	15
July	12	6	18

After July, the penalty remains at 12%, and interest accrues at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid. A delinquent tax continues to incur the penalty interest as long as the tax remains unpaid, regardless of whether a judgment for the delinquent tax has been rendered. The purpose of imposing such interest is to compensate the taxing unit for revenue lost because of the delinquency. In addition, if an account is delinquent in July, an attorney's collection fee of up to 20% may be added to the total tax penalty and interest charge. Under certain circumstances, taxes which become delinquent on the homestead of a taxpayer 65 years old or older incur a penalty of 8% per annum with no additional penalties or interest assessed. In general, property subject to the City's lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. Federal law does not allow for the collection of penalty and interest against an estate in bankruptcy. Federal bankruptcy law provides that an automatic stay of action by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

PRELIMINARY

CITY APPLICATION OF TAX CODE . . . The City grants an exemption to the market value of the residence homestead of persons 65 years of age or older of $50,000. Disabled taxpayers also receive a $50,000 exemption.

The City grants an additional one-half of one percent, or a minimum of $5,000 exemption of the market value of residence homesteads.

See Table 1 for a listing of the amounts of the exemptions described above.

Ad valorem taxes are not levied by the City against the exempt value of residence homesteads for the payment of debt.
The City does not tax nonbusiness personal property.

Denton County began collecting taxes for the City during the fiscal year 2006-07.

The City does not allow split payments, and discounts are not allowed.

The City does not tax freeport property.

The City collects the additional one-half cent sales tax for reduction of ad valorem taxes.

The City does tax "goods-in-transit".

The City has adopted the tax freeze (limitation) for citizens who are disabled or are 65 years of age or older.

The City has adopted a tax abatement policy.

The City participates in two tax increment reinvestment zones, which were created in 2010 and 2012.

TAX INCREMENT FINANCING AND PUBLIC IMPROVEMENT DISTRICT . . . The City participates in two tax increment reinvestment zones, Reinvestment Zone Number One, City of Denton, Texas (the "Downtown TIRZ"), and Reinvestment Zone Number Two, City of Denton, Texas (the "Westpark TIRZ"), which were created in 2010 and 2012, respectively.

- Grant agreements committing funds in an aggregate amount not to exceed $250,000 of Downtown TIRZ funds have been approved in this Fiscal Year 2024-25.

- The Westpark TIRZ Board approved a second reimbursement to the developer, Westray Group, LP, for predevelopment costs, drainage improvements and project costs for a total of $3,280,285.75 of Westpark TIRZ funds.

The City participates in two Public Improvement Districts ("PIDs"), Rayzor Ranch Public Improvement District No. 1 and the Denton Tourism Public Improvement District. These PIDs, created in 2014 and 2024 respectively, are authorized by Chapter 372 of the Texas Local Government Code.

Additional information on the tax increment reinvestment zones and the PIDs can be found in the Annual Comprehensive Financial Report, Notes to Basic Financial Statements, IV. Detailed Notes on All Funds, B. Property Tax Revenue.

TAX INCENTIVE POLICY . . . The City enters into economic development incentive agreements consisting of property tax abatement agreements and Chapter 380 agreements with entities to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax, and enhance the property tax base and economic vitality of the City. A summary of newly initiated agreements and terminated agreements follows.

PROPERTY TAX ABATEMENTS . . . No new property tax abatements were approved, initiated, or terminated in 2025.

CHAPTER 380 AGREEMENTS . . . Four Chapter 380 Agreements have been approved in this Fiscal Year 2024-25.

- Bloomfield Homes, LP was awarded a ten-year 33% sales and use tax rebate for construction of homes at the Glenwood Meadows and Country Lakes additions.

- Enginetech North America Corporation was awarded a total not to exceed $339,545, five-year 50% rebate of business personal property estimated at $79,545 and a one-time headquarters grant in the amount of $50,000. In addition, the company was awarded a stratified job-based grant not to exceed $194,000 and a residency grant, not to exceed $16,000.

- Mayday Manufacturing Company was awarded a total not to exceed $577,944, ten-year 60% ad valorem tax rebate for business expansion and an expansion grant for $25,000 on June 17, 2025. The Company currently maintains a manufacturing facility in Denton and employs approximately 400 employees. Mayday plans to expand its existing facility and estimates that its investment in the building, machinery, and equipment will generate $14.5 million in new capital investment. The project plans to create 50 new full-time jobs with an average salary of $54,020.

PRELIMINARY

- [United States Cold Storage (USCS) was awarded a total not to exceed $1,067,871, eight-year 60% ad valorem tax rebate for business expansion and a sales and use tax rebate at 75% for the construction and equipping of the facility. USCS currently maintains a cold storage facility in Denton and employs 148 with an average salary of $53,053. The second phase to its existing refrigerated warehouse facility is estimated to generate approximately $35 million in new ad valorem value in Denton. The project plans to create 172 full-time jobs with a weighted average salary of $57,164.] [On City Council agenda July 15, 2025]

Additional information on all of the tax abatement and Chapter 380 agreements may be found in Appendix B – Excerpts from the City of Denton, Texas Annual Comprehensive Financial Report, Notes to Basic Financial Statements, V. Other Information, F Tax Abatements.

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

PRELIMINARY

TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2024/25 Market Valuation Established by Denton Central Appraisal District		$ 26,988,883,654
Less Exemptions/Reductions at 100% Market Value:		
Residence Homestead Exemptions	$ 112,313,105	
Over 65 Exemptions	467,594,287	
Disabled Persons Exemptions	10,001,680	
Disabled Veterans Exemptions	216,881,386	
Agricultural Land Use Productivity	553,129,226	
Historical/Other Exemptions	6,904,654	
Freeport Exemptions	489,751,943	
Abatement Exemptions	23,979,579	
Pollution Exemptions	23,616,747	
Charitable Organization Exemptions	35,526,907	
Homestead Cap Adjustment	798,086,796	
Misc and Personal Property	44,379,082	
Totally Exempt Property	2,452,044,783	5,234,210,175
2024/25 Taxable Assessed Valuation (as of 7-20-2024)		$ 21,754,673,479
2024/25 Incremental Taxable Assessed Value of Real Property within Reinvestment Zones		(644,341,698)
2024/25 Net Taxable Assessed Valuation available for General Obligations and Debt of City (as of 7-20-2024)		$ 21,110,331,781
City Funded Debt Payable from Ad Valorem Taxes [1]		
General Obligation Bonds (as of 4-1-25)	$ 407,355,000 [2]	
Certificates of Obligation (as of 4-1-25)	816,310,000 [2]	
The Bonds	79,795,000 [3]	
The Certificates	235,845,000 [3]	
Funded Debt Payable from Ad Valorem Taxes		$ 1,539,305,000
Less Self-Supporting General Obligation Debt [4]		
Utility System General Obligation Debt	$ 962,885,000 [5][7]	
Solid Waste System General Obligation Debt	50,395,000 [6][7]	1,013,280,000
Net Tax Supported Debt Payable from Ad Valorem Taxes		$ 526,025,000
Interest and Sinking Fund as of 4-1-25 (estimated)		$ 16,988,143
Ratio Total Funded Debt to Net Taxable Assessed Valuation		7.29%
Ratio Net Funded Debt to Net Taxable Assessed Valuation		2.49%

2025 Estimated Population - 155,375
Per Capita Net Taxable Assessed Valuation - $135,867
Per Capita Total Funded Debt - $9,907
Per Capita Net Funded Debt - $3,386

PRELIMINARY

(1) The above statement of indebtedness does not include $163,165,000 Utility System Revenue Bonds, $131,050,000 Utility System Revenue Refunding Bonds, $300,000,000 Utility System Revenue Extendable Commercial Paper Notes, Series A, $25,720,000 Utility System Revenue Notes, or the $10,135,000 Utility System Revenue Bonds as these bonds and notes are payable solely from the net revenues of the Utility System (the "System"), as defined in the ordinances authorizing such bonds and notes.

(2) Excludes the Refunded Obligations. Preliminary, subject to change.

(3) Preliminary, subject to change.

(4) As a matter of policy, the City pays debt service on its general obligation debt issued to fund improvements to its Utility System and Solid Waste System from surplus revenues of these Systems (see "Table 7 – General Obligation Debt Service Requirements" and "Table 9 – Computation of Self-Supporting Debt"). This policy may be subject to change in the future.

(5) The City's Utility System is comprised of the City's entire existing electric, light and power system and the waterworks and sewer system. Drainage is managed under the waterworks and wastewater system. The City's Utility System General Obligation Debt has been issued to finance or refinance Utility System improvements and contractual obligations and is paid, or is expected to be paid, from Utility System revenues. In addition, the City has $163,165,000 Utility System Revenue Bonds, $131,050,000 Utility System Revenue Refunding Bonds, $25,270,000 Utility System Revenue Notes and $10,135,000 Utility System Revenue bonds outstanding payable from a pledge of Utility System revenues.

(6) The City's Solid Waste System General Obligation Debt has been issued to finance or refinance Solid Waste System improvements and is paid, or is expected to be paid, from Solid Waste System revenues. The City has no outstanding Solid Waste System Revenue Bonds.

(7) Includes a portion of the Obligations. Preliminary, subject to change.

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY [1]

	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2025		2024		2023	
Category	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	$13,235,361,992	49.04%	$12,640,265,177	55.07%	$10,290,861,945	53.71%
Real, Residential, Multi-Family	3,246,994,776	12.03%	3,010,316,741	13.12%	2,581,359,659	13.47%
Real, Vacant Lots/Tracts	330,248,139	1.22%	382,596,204	1.67%	423,344,124	2.21%
Real, Acreage (Land Only)	559,319,855	2.07%	576,294,402	2.51%	429,021,486	2.24%
Real, Farm and Ranch Improvements	253,790,382	0.94%	215,962,158	0.94%	182,206,679	0.95%
Real, Commercial and Industrial	4,254,925,028	15.77%	3,803,222,853	16.57%	3,299,538,286	17.22%
Real, Oil, Gas, and Other Mineral Reserves	48,857,763	0.18%	120,209,519	0.52%	87,640,017	0.46%
Real and Tangible Personal, Utilities	194,805,531	0.72%	178,025,520	0.78%	152,340,178	0.80%
Tangible Personal, Commercial and Industrial	2,040,653,199	7.56%	1,703,709,612	7.42%	1,507,941,787	7.87%
Tangible Personal, Other	34,036,056	0.13%	23,932,876	0.10%	23,831,628	0.12%
Real and Special Property, Inventory	233,176,418	0.86%	298,489,803	1.30%	181,149,319	0.95%
Totally Exempt	2,556,714,515	9.47%	-	0.00%	-	0.00%
Total Appraised Value Before Exemptions	$26,988,883,654	100.00%	$22,953,024,865	100.00%	$19,159,235,108	100.00%
Less: Total Exemptions/Reductions	(5,234,210,175)		(3,077,816,211)		(2,177,190,370)	
Less: Tax Increment Value	(644,341,698)		(655,364,707)		(260,921,114)	
Net Taxable Assessed Value	$21,110,331,781		$19,219,843,947		$16,721,123,624	

	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2022		2021	
Category	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	$ 8,179,274,977	51.07%	$ 7,448,956,811	32.45%
Real, Residential, Multi-Family	2,192,401,019	13.69%	2,079,085,736	9.06%
Real, Vacant Lots/Tracts	314,300,099	1.96%	281,625,453	1.23%
Real, Acreage (Land Only)	361,523,875	2.26%	365,649,752	1.59%
Real, Farm and Ranch Improvements	157,873,244	0.99%	119,135,103	0.52%
Real, Commercial and Industrial	3,032,461,538	18.93%	2,965,114,413	12.92%
Real, Oil, Gas, and Other Mineral Reserves	48,516,939	0.30%	32,916,830	0.14%
Real and Tangible Personal, Utilities	142,991,907	0.89%	133,632,949	0.58%
Tangible Personal, Commercial and Industrial	1,425,520,232	8.90%	1,393,035,792	6.07%
Tangible Personal, Other	23,969,949	0.15%	24,210,105	0.11%
Real Property, Inventory	137,388,170	0.86%	101,288,806	0.44%
Total Appraised Value Before Exemptions	$16,016,221,949	100.00%	$14,944,651,750	65.11%
Less: Total Exemptions/Reductions	(1,376,450,603)		(1,377,732,859)	
Less: Tax Increment Value	(236,666,283)		14,729,380	
Net Taxable Assessed Value	$14,403,105,063		$13,581,648,271	

PRELIMINARY

(1) Valuations shown are certified taxable assessed values reported by the Denton Central Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records. For the Fiscal Year ended 2025, the values were reported on July 20, 2024 based on information as of January 1, 2024.

TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population [1]	Net Taxable Assessed Valuation [2]	Net Taxable Assessed Valuation Per Capita	Net Tax Debt Outstanding at End of Year [8]	Ratio Net Tax Debt to Net Taxable Assessed Valuation	Net Funded Tax Debt Per Capita
2021	143,775	$ 13,581,648,271 [3]	$ 94,465	$ 308,521,854	2.27%	$ 2,146
2022	146,950	14,403,105,063 [4]	98,014	354,343,240	2.46%	2,411
2023	150,624	16,721,123,624 [5]	111,012	392,635,000	2.35%	2,607
2024	150,842	19,219,843,947 [6]	127,417	522,720,000	2.72%	3,465
2025	155,375	21,110,331,781 [7]	135,867	526,025,000 [9]	2.49%	3,386

(1) Source: City Officials.
(2) Valuations shown are certified taxable assessed values reported by the Denton Central Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records. Source: Denton Central Appraisal District as of July 20, 2024.
(3) Includes tax incremental value of approximately $198,541,948 that is not available for the City's general obligations and debt of City.
(4) Includes tax incremental value of approximately $236,666,283 that is not available for the City's general obligations and debt of City.
(5) Includes tax incremental value of approximately $263,821,022 that is not available for the City's general obligations and debt of City.
(6) Includes tax incremental value of approximately $321,617,493 that is not available for the City's general obligations and debt of City.
(7) Includes tax incremental value of approximately $644,341,698 that is not available for the City's general obligations and debt of City.
(8) Excludes self-supported general obligation debt.
(9) Projected. Includes a portion of the Obligations. Excludes the Refunded Obligations. Preliminary, subject to change.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	Distribution		Tax Levy [1]	% Current Collections	% Total Collections
		General Fund	Interest and Sinking Fund			
2021	$ 0.59045	$ 0.38036	$ 0.21009	$ 77,744,137	99.74%	99.72%
2022	0.56582	0.35044	0.21538	79,382,757	99.68%	99.75%
2023	0.56068	0.35643	0.20425	91,758,521	99.44%	99.55%
2024	0.56068	0.35478	0.20590	106,515,412	99.54%	99.38%
2025	0.58542	0.33478	0.25064	120,544,405	In Process of Collection	

(1) Tax levy for the year 2024 is based on the adjusted certified value. Prior years represent adjusted values that include all supplements through July 20, 2024. Includes tax incremental reinvestment zone revenues.

TABLE 5 - TEN LARGEST TAXPAYERS [1]

Name of Taxpayer	Nature of Property	2024/25 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Paccar Inc.	Diesel Truck Manufacturing	$116,192,452	0.53%
Denton ICC 35 LLC	Business Park	97,208,595	0.45%
TRDWind Timberlinks Borrower LLC	Apartments	85,836,660	0.39%
Exeter Denton Land LP	Distribution	85,324,312	0.39%
RR Town Center Associates LLC	Retail	75,976,215	0.35%
Epic Development Inc.	Apartments	74,521,343	0.34%
NREA Gardens, DST	Retail	72,600,000	0.33%
32Hundred Windsor Gardens LP & JRM Windsor LLC	Apartments	72,056,824	0.33%
Winco Foods LLC	Food Distribution	71,000,000	0.33%
Tetra Pak	Packaging Manufacturer	69,794,956	0.32%
		$ 820,511,357	3.77%

(1) Source: Denton Central Appraisal District.

PRELIMINARY

GENERAL OBLIGATION DEBT LIMITATION . . . No general obligation debt limitation is imposed on the City under current State law or the City's Home Rule Charter (see "The Obligations – Tax Rate Limitation" for a description of the limitations on ad valorem tax rates).

TABLE 6 - ESTIMATED OVERLAPPING TAX DEBT

Expenditures of the various taxing entities within the territory of the City are paid out of ad valorem taxes levied by such entities on properties within the City. Such entities are independent of the City and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax debt ("Tax Debt") was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain entities listed may have issued additional Tax Debt since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional Tax Debt, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the City.

Taxing Jurisdiction	2024/25 Taxable Assessed Value	2024/25 Tax Rate	Total Funded Debt	Estimated % Applicable	City's Overlapping Funded Debt As of 4-1-25	Authorized But Unissued Debt As Of 4-1-25
City of Denton	$21,110,331,781 (1)	$0.56068	$ 526,025,000 (2)	100.00%	$ 526,025,000 (2)	$ 213,625,000 (3)
Denton Independent School District	32,656,484,957	1.15700	2,018,741,731	56.62%	1,143,011,568	381,996,928
Denton County	192,688,469,909	0.18800	710,948,390	11.80%	83,891,910	438,690,625
Argyle Independent School District	5,683,230,487	1.28700	450,359,638	6.34%	28,552,801	426,670,000
Aubrey Independent School District	3,283,813,994	1.25500	340,061,255	0.00%	-	119,385,000
Krum Independent School District	1,884,118,681	1.23000	123,256,450	5.50%	6,779,105	136,200,000
Lake Dallas Independent School District	3,152,619,082	1.25500	162,233,609	0.00%	-	-
Pilot Point Independent School District	1,527,993,704	1.02600	40,544,657	0.00%	-	-
Ponder Independent School District	1,074,215,744	1.24200	61,103,375	6.72%	4,106,147	-
Sanger Independent School District	2,381,695,935	1.14300	138,767,289	0.20%	277,535	-
Total Direct and Overlapping Funded Debt					$ 1,792,644,065	
Ratio of Direct and Overlapping Funded Debt to Taxable Assessed Valuation					8.49%	
Per Capita Overlapping Funded Debt					$ 5,738.76	

(1) Excludes tax incremental value of approximately $644,341,698 that is not available for the City's general obligations and debt of City.
(2) Includes a portion of the Obligations. Excludes self-supporting. See Tables 1 and 9 herein for more detailed information on the City's general obligation self-supporting debt. Preliminary, subject to change.
(3) Reflects remaining authorization after the issuance of the Bonds. Preliminary, subject to change.

PRELIMINARY

TABLE 7 – PRO FORMA GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9/30	Outstanding Debt Service [1]			The Bonds [2]		The Certificates [3]		Total Outstanding Debt	Less: Self-Supporting Solid Waste Debt Service [4]	Less: S Suppor Utilit Debt Ser
	Principal	Interest	Total	Principal	Interest	Principal	Interest			
2025	$ 71,715,000	$ 56,655,413	$ 128,370,413	$ -	$ -	$ -	$ -	$ 128,370,413	$ 5,027,072	$ 70,3
2026	65,150,000	50,373,031	115,523,031	3,570,000	3,841,411	9,455,000	11,525,410	143,914,852	6,212,805	78,9
2027	65,510,000	47,313,756	112,823,756	3,640,000	3,785,050	9,565,000	11,420,625	141,234,431	6,028,838	78,2
2028	64,010,000	44,193,800	108,203,800	3,820,000	3,598,550	10,070,000	10,929,750	136,622,100	5,531,238	76,9
2029	61,370,000	41,154,003	102,524,003	5,245,000	3,371,925	10,570,000	10,413,750	132,124,678	5,207,263	75,6
2030	62,230,000	38,192,394	100,422,394	5,510,000	3,103,050	11,120,000	9,871,500	130,026,944	4,812,013	75,7
2031	59,315,000	35,364,116	94,679,116	5,780,000	2,820,800	8,845,000	9,372,375	121,497,291	3,747,513	70,5
2032	60,410,000	32,676,963	93,086,963	6,095,000	2,523,925	9,290,000	8,919,000	119,914,888	3,543,688	69,4
2033	59,965,000	30,016,022	89,981,022	6,400,000	2,211,550	9,770,000	8,442,500	116,805,072	3,498,138	66,9
2034	57,870,000	27,481,253	85,351,253	6,740,000	1,883,050	10,265,000	7,941,625	112,180,928	3,370,088	63,9
2035	55,520,000	25,174,859	80,694,859	7,075,000	1,537,675	10,795,000	7,415,125	107,517,659	3,052,063	62,4
2036	60,450,000	22,857,828	83,307,828	2,025,000	1,307,644	9,460,000	6,896,925	102,997,397	2,807,769	60,1
2037	60,420,000	20,408,559	80,828,559	2,125,000	1,198,706	9,965,000	6,387,019	100,504,284	2,336,688	59,4
2038	61,155,000	17,918,259	79,073,259	2,245,000	1,083,994	10,495,000	5,849,944	98,747,197	2,269,613	59,4
2039	60,125,000	15,437,916	75,562,916	2,370,000	962,850	11,060,000	5,284,125	95,239,891	2,264,538	59,4
2040	60,370,000	13,047,422	73,417,422	2,500,000	835,013	11,670,000	4,687,463	93,109,897	2,266,863	58,8
2041	59,120,000	10,722,506	69,842,506	2,635,000	700,219	12,290,000	4,058,513	89,526,238	2,266,856	58,2
2042	54,185,000	8,491,966	62,676,966	2,770,000	558,338	12,960,000	3,395,700	82,361,003	2,268,738	56,0
2043	46,285,000	6,511,144	52,796,144	2,920,000	408,975	13,655,000	2,697,056	72,477,175	1,762,763	51,3
2044	40,185,000	4,836,159	45,021,159	3,080,000	251,475	14,390,000	1,960,875	64,703,509	719,775	48,6
2045	19,295,000	3,719,547	23,014,547	3,250,000	85,313	15,160,000	1,185,188	42,695,047	549,044	37,0
2046	16,060,000	3,086,341	19,146,341	-	-	1,170,000	756,525	21,072,866	-	21,0
2047	13,590,000	2,554,741	16,144,741	-	-	1,235,000	693,394	18,073,134	-	18,0
2048	10,485,000	2,120,291	12,605,291	-	-	1,300,000	626,850	14,532,140	-	14,5
2049	10,870,000	1,738,647	12,608,647	-	-	1,370,000	556,763	14,535,409	-	14,5
2050	10,875,000	1,347,163	12,222,163	-	-	1,445,000	482,869	14,150,031	-	14,1
2051	10,110,000	958,116	11,068,116	-	-	1,520,000	405,038	12,993,153	-	12,9
2052	8,620,000	588,950	9,208,950	-	-	1,605,000	323,006	11,136,956	-	11,1
2053	6,965,000	271,128	7,236,128	-	-	1,690,000	236,513	9,162,641	-	9,1
2054	3,150,000	64,969	3,214,969	-	-	1,780,000	145,425	5,140,394	-	5,1
2055	-	-	-	-	-	1,880,000	49,350	1,929,350	-	
	$ 1,295,380,000	$ 565,277,260	$ 1,860,657,260	$ 79,795,000	$ 36,069,511	$ 235,845,000	$ 142,930,197	$ 2,355,296,967	$ 69,543,359	$ 1,458,7

(1) "Outstanding Debt" does not include lease/purchase obligations or the Refunded Obligations, however, it does include self-supporting debt. Preliminar
(2) Average life of the issue - 8.790 years. Interest on the Bonds has been calculated at the rate of 4.35% for purposes of illustration. Preliminary, subjec
(3) Average life of the issue - 11.645 years. Interest on the Certificates has been calculated at the rate of 4.62% for purposes of illustration. Preliminary,
(4) Includes a portion of the Obligations. Excludes the Refunded Obligations. Preliminary, subject to change.

PRELIMINARY

TABLE 8 - INTEREST AND SINKING FUND BUDGET PROJECTION [1]

Budgeted Tax Supported Debt Service Requirements and Fiscal Charges, Fiscal Year Ending 9/30/2025		$ 129,462,195
Interest and Sinking Fund Balance as of 9/30/24	$ 1,410,137	
Interest and Sinking Fund Tax Levy	50,012,675	
From Revenue Supported Sources	79,422,152	
Interest Income	27,368	130,872,332
Estimated Balance, 9/30/25		$ 1,410,137

(1) Source: City's Annual Program of Services for Fiscal Year 2024/25.

TABLE 9 - COMPUTATION OF SELF-SUPPORTING DEBT

Net Revenue from Solid Waste System, Fiscal Year Ended 9-30-24	$ 12,195,495	[1]
Less: Solid Waste System Revenue Bond Requirements, 2025 Fiscal Year	-	
Balance Available for Other Purposes	$ 12,195,495	
Solid Waste System General Obligation Bond Requirements, 2025 Fiscal Year	(5,027,072)	
Balance	$ 7,168,423	
Net Revenue from Utility System, Fiscal Year Ended 9-30-24	$ 109,686,671	[1]
Less: Utility System Revenue Bond Requirements, 2025 Fiscal Year	(32,587,569)	
Balance Available for Other Purposes	$ 77,099,102	
Utility System General Obligation Bond Requirements, 2025 Fiscal Year	(70,327,945)	
Balance	$ 6,771,157	

(1) Does not deduct franchise fees and/or return on investment paid to the General Fund.

TABLE 10 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

Purpose	Date Authorized	Amount Authorized	Amount Heretofore Issued	Amount Being Issued [1]	Unissued Balance
Street & Drainage	11/5/2019	$ 154,000,000	$ 135,100,000	$ 18,900,000	$ -
Street	11/7/2023	45,125,000	5,000,000	2,000,000	38,125,000
Drainage & Flood Control	11/7/2023	58,860,000	10,000,000	6,268,000	42,592,000
Parks	11/7/2023	33,450,000	9,450,000	1,000,000	23,000,000
Public Safety Facilities	11/7/2023	42,015,000	26,170,000	15,342,000	503,000
Affordable Housing	11/7/2023	15,000,000	-	-	15,000,000
Active Adult Center	11/7/2023	47,360,000	-	-	47,360,000
Library	11/7/2023	49,545,000	2,500,000	-	47,045,000
		$ 445,355,000	$ 188,220,000	$ 43,510,000	$ 213,625,000

(1) Includes premium on the Bonds. Preliminary, subject to change.

ANTICIPATED ISSUANCE OF ADDITIONAL GENERAL OBLIGATION DEBT . . . As shown in Table 10 above, after the issuance of the Bonds, the City will not have any voted but unissued debt remaining from the November 5, 2019 authorization, and $213,625,000 voted but unissued debt remaining from the November 7, 2023 authorization. In June of 2020, the City established a commercial paper note program which allows for the issuance, at one time, or from time to time, of up to $100,000,000 aggregate principal amount of commercial paper notes (the "*CP Notes*") in order to finance public improvements authorized in the November 5, 2019 bond election and the November 7, 2023 bond election. The CP Notes are secured by ad valorem taxes and proceeds from "rolls" of CP Notes and from bonds issued under the November 5, 2019 authorization and the November 7, 2023 authorization. As of April 1, 2025, no CP Notes are outstanding. The City may also issue tax-supported debt other than voter approved general obligation bonds to fund public improvements, such as certificates of obligation or tax anticipation notes, without submitting a measure to the voters, but in certain instances, subject to voter petition rights for a referendum. Further, the City may issue tax-supported debt other than voter approved general obligation bonds to refund bonds or other obligations not currently payable from or supported by ad valorem taxes, such as the City's Utility System revenue bonds. The City anticipates the issuance of approximately $84.72 million in tax supported debt in fiscal year 2026.

PRELIMINARY

TABLE 11 - OTHER OBLIGATIONS

The City is a lessor in various noncancelable leases of land, building, and equipment. During fiscal year 2024, the City recognized $255,461 in lease revenue and $50,602 in interest revenue.

As of September 30, 2024, the City's lease receivable balance of $3,541,476 was comprised of the following:

Governmental Activities	
One building lease with rents received totaling $16,659 during the fiscal year 2024, at an interest rate of 0.213%, with a remaining lease term of 7 years	$ 107,285
One equipment lease with rents received totaling $79,394 during the fiscal year 2024, at an interest rate of 0.582%, with a remaining lease term of 3 years	239,047
One land lease with rents received totaling $18,186 during the fiscal year 2024, at an interest rate of 1.882%, with a remaining lease term of 45 years	858,617
Business-type Activities	
Various land leases with rents received totaling $141,222 during the fiscal year 2024, at an interest rate of 1.473% to 3.053% to with remaining lease terms ranging from 10 to 45 years	2,336,527
	$ 3,541,476

The lease receivables are expected to be received in subsequent years as follows:

	Governmental Activities		Business-Type Activities	
Fiscal Year	Principal	Interest	Principal	Interest
2025	$ 96,195	$ 18,269	$ 165,383	$ 38,818
2026	96,864	17,600	168,167	36,034
2027	50,625	16,995	171,001	33,200
2028	17,425	16,735	173,887	30,314
2029	19,933	16,504	176,825	27,376
2030-2034	41,417	79,888	928,428	90,895
2035-2039	35,298	77,217	289,856	34,667
2040-2044	56,442	72,949	155,888	19,716
2045-2049	82,320	66,480	153,141	4,966
2050-2054	113,797	57,323	-	-
2055-2059	151,881	44,907	-	-
2060-2064	197,750	28,557	-	-
2065-2069	198,953	7,898	-	-
	$ 1,158,900	$ 521,322	$ 2,382,576	$ 315,986

The City has various aeronautical leasing agreements for land leases (54 agreements, 5 Licenses, 72 buildings) and hangar space (27) at Denton Enterprise Airport. These qualify as regulated leases and are not included in the measurement of lease receivables, in accordance with the requirements of GASB Statement No. 87. The City recognized $870,327 (Land Lease) and $157,064 (Hangar Lease) in lease revenue during fiscal year 2024 for these leases, which have CPI increases that range from 1-5 years, dependent on the lease terms ranging from 1-30 years, with some leases having additional options that range from 5-20 years. As of October 1, 2024, the minimum payments expected to be received over the next five years is shown in the table below:

Fiscal Year	
2025	$ 990,761
2026	1,015,491
2027	1,050,948
2028	1,077,185
2029	1,109,501

PRELIMINARY

Additionally, on January 1, 2023, City of Denton, TX entered into a 48-month lease as Lessee for the use of Employee Health Clinic. An initial lease liability was recorded in the amount of $300,845. As of September 30, 2024, the value of the lease liability is $173,686. The City of Denton, TX is required to make monthly fixed payments of $6,018. The lease has an interest rate of 0.2130%. The value of the right to use asset as of September 30, 2024 of $300,845 with accumulated amortization of $131,619. The City has one extension option(s), each for 12 months.

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY AGREEMENTS (SBITA) . . . The City entered into SBITA contracts involving various desktop and server software, electronic workflows and document management software along with other departmental specific operations management systems to assist in operations. As of September 30, 2024, all SBITA have fixed, periodic, payments over the subscription periods, which range from 1 to 5 years and expire no later than fiscal year 2029. In addition, some of these agreements are cancellable with a 30 or 60-day notice. There are no commitments or outflows of resources related to SBITA that are not yet effective.

The future subscription payments as of September 30, 2024, as follows:

	Governmental Activities		Business-Type Activities	
Fiscal Year	Principal	Interest	Principal	Interest
2025	$ 1,055,570	$ 72,169	$ 947,860	$ 27,073
2026	1,055,569	72,169	947,860	27,073
2027	1,055,570	72,169	947,860	27,073
2028	1,055,570	72,169	947,860	27,073
2029	1,055,570	72,169	947,860	27,073
	$ 5,277,849	$ 360,845	$ 4,739,300	$ 135,365

PENSION FUND . . . The City of Denton participates as one of 901 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of the System with a six-member, Governor-appointed board of trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly-available annual comprehensive financial report obtainable at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS.

Benefits Provided . . . TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the employee's benefit is calculated based on the sum of the employee's contributions with interest, and the city-financed monetary credits with interest. Employees may choose to receive their retirement benefit in one of seven payment options. Employees may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the employee's deposits and interest.

Upon retirement, the employee's retirement benefits are calculated based on the sum of the employee's contributions, with interest, and the City-financed monetary credits, with interest. City-financed monetary credits are composed of three sources: prior service credits, current service credits, and updated service credits.

- Prior service credit, granted by each city joining TMRS, is a monetary credit equal to the accumulated value of the percentage of prior service credit selected by the City, multiplied by an employee's contributions that would have been made, based on the average salary prior to TMRS participation, for the number of months the employee was employed by the City before joining TMRS, accruing 3% annual interest and including the matching ratio adopted by the City.
- Current Service Credit is a monetary credit for service performed by an employee after the City joined TMRS and is based on a percent (200%) of the employee's total contributions and interest credits (commonly referred to as the City's matching ratio). Each participating city designates the rate the employee contributions (7% for the City) and interest is credited on contribution balances annually at a guaranteed minimum 5% rate. Any change in the matching ratio would be applied prospectively.
- Updated Service Credits (USC) is an optional monetary credit granted on an annually repeated basis by the City, and it may increase an employee's monthly retirement benefit. In calculating USC, TMRS looks at the changes in the employee's salary over their career and any changes the City has made to its TMRS plan, such as the employee contribution rate or the City's matching ratio. Although USC may increase the employee's retirement benefit, USC does not affect the amount of contributions in an employee's account or the amount an employee will receive if they refund.

PRELIMINARY

The plan provisions also include an annually repeating basis cost of living adjustments for retirees equal to 70% of the change in the consumer price index. If an employee terminates employment and refunds their account, the employee will receive their total contributions, plus credited interest. The employee will not receive any of the city-financed monetary credits. An employee can retire at ages 60 and above with 5 or more years of service or with 20 years of service regardless of age. A member is vested after five years.

Employees covered by benefit terms . . . At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	909
Inactive Employees Entitled to But Not Yet Receiving Benefits	929
Active Employees	1,472
	3,310

Contributions . . . The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the City Council. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 18.15% and 18.94% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024, were $21,790,165 and were equal to the required contributions.

Net Pension Liability . . . The City's Net Pension Liability ("NPL") was measured as of December 31, 2023, and the Total Pension Liability ("TPL") used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions . . . The TPL in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.50% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate are applied for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

PRELIMINARY

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	6.70%
Core Fixed Income	6.0%	4.70%
Non-Core Fixed Income	20.0%	8.00%
Real Return	12.0%	8.00%
Real Estate	12.0%	7.60%
Absolute Return	5.0%	6.40%
Private Equity	10.0%	11.60%
Total	100.0%	

Discount Rate . . . The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2022	$ 642,301,045	$ 519,984,941	$ 122,316,104
Changes for the year:			
Service cost	21,408,496	-	21,408,496
Interest	43,175,635	-	43,175,635
Change of benefit terms	-	-	-
Difference between expected and actual experience	3,120,640	-	3,120,640
Changes of assumptions	(4,298,128)	-	(4,298,128)
Contributions - employer	-	21,790,165	(21,790,165)
Contributions - employee	-	8,535,599	(8,535,599)
Net investment income	-	60,236,192	(60,236,192)
Benefit payments, including refunds of employee contributions	(26,732,504)	(26,732,504)	-
Administrative expense	-	(382,866)	382,866
Other changes	-	(2,675)	2,675
Net changes	36,674,139	63,443,911	(26,769,772)
Balance at 12/31/2023	$ 678,975,184	$ 583,428,852	$ 95,546,332

Sensitivity of the Net Pension Liability to changes in the Discount Rate . . . The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	$192,754,710	$ 95,546,332	$ 15,975,192

PRELIMINARY

Pension Plan Fiduciary Net Position . . . Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions . . . For the year ended September 30, 2024, the City recognized pension expense of $22,731,061. This amount is included as part of personal services expenses.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to TMRS pension from the following sources:

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between projected and actual investment earnings	$ 13,878,371	$ -
Contributions subsequent to the measurement date	18,506,744	-
Differences between expected and actual economic experience	10,295,447	-
Difference in assumption changes	-	3,259,932
Total	$ 42,680,562	$ 3,259,932

Reported as deferred outflows of resources, $18,506,744 related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the City's fiscal year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense (income) as follows:

For the Year Ended September 30,	
2025	$ 7,677,316
2026	7,137,181
2027	11,166,647
2028	(5,067,257)
Total	$ 20,913,887

PRELIMINARY

FIREMEN'S RELIEF AND RETIREMENT FUND

Plan Description . . . The City contributes to the retirement plan for firefighters in the Denton Fire Department known as the Denton Firemen's Relief and Retirement Fund (the Fund). The Fund is a single employer, contributory, defined benefit plan. The benefit provisions of the Fund are authorized by the Texas Local Fire Fighters' Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions. The plan is administered by the Board of Trustees of the Denton Firemen's Relief and Retirement Fund. The City does not have access to nor can it utilize assets within the retirement plan trust. The Fund issues a stand-alone report pursuant to GASB Statement No. 67, which may be obtained by writing the Denton Firemen's Reliefand Retirement Fund at P.O. Box 2375, Denton, Texas 76202. See that report for all information about the plan fiduciary net position.

Benefits Provided . . . Firefighters in the Denton Fire Department are covered by the Denton Firemen's Relief and Retirement Fund which provides service retirement, death, disability, and withdrawal benefits. These benefits fully vest after 20 years of credited service. Firefighters may retire at age 50 with 20 years of service. A partially vested benefit is provided for firefighters who terminate employment with at least 10 but less than 20 years of service. If a terminated firefighter has a partially vested benefit, the firefighter may retire starting on the date they would have both completed 20 years of service if they had remained a Denton firefighter and attained age 50. The present plan provides a monthly normal service retirement benefit, payable in a Joint and Two-Thirds to Spouse form of annuity, equal to 2.59% of Highest 36-Month Average Salary for each year of service.

A retiring firefighter who is at least age 52 with at least 22 years of service has the option to elect the Retroactive Deferred Retirement Option Plan (RETRO DROP) which will provide a lump sum benefit and a reduced monthly benefit. The reduced monthly benefit is based on the service and Highest 36-Month Average Salary as if the firefighter had terminated employment on their selected RETRO DROP benefit calculation date, which is no earlier than the later of the date the firefighter meets the age 52 and 22 years of service requirements and the date four years prior to the date the firefighter actually retires. Upon retirement, the employee will receive, in addition to the monthly retirement benefit, a lump sum equal to the sum of (1) the amount of monthly contributions the member has made to the Fund after the RETRO DROP benefit calculation date plus (2) the total of the monthly

retirement benefits the member would have received between the RETRO DROP benefit calculation date and the date retired under the plan. There are no account balances. The lump sum is calculated at the time of retirement and distributed as soon as administratively possible.

There is no provision for automatic postretirement benefit increases. The Fund has the authority to provide, and has periodically in the past provided, ad hoc postretirement benefit increases.

Employees Covered by Benefit Terms . . . In the December 31, 2023 actuarial valuation, the following numbers of members were covered by the Fund:

Inactive Employees or Beneficiaries Currently Receiving Benefits	96
Inactive Employees Entitled to But Not Yet Receiving Benefits	8
Active Employees	236
	340

Contributions . . . The contribution provisions of the Fund are authorized by TLFFRA. TLFFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each firefighter and a percentage of payroll by the City.

The contribution policy of the Denton Firemen's Relief and Retirement Fund requires contributions equal to 12.6% of pay by the firefighters, the rate elected by the firefighters according to TLFFRA. The City began contributing in December 2017 according to a new City funding policy. The ordinance defining it includes an actuarially determined contribution rate over a closed 25-year amortization period, a contribution rate of 18.5% for several years, a minimum rate standard, and City review and approval of each actuarial valuation. The December 31, 2023 actuarial valuation includes the assumption the City contribution rate will be 18.5% over the unfunded liability amortization period. The costs of administering the plan are paid from the Fund assets. The City's contributions to the Fund for the year ended September 30, 2024 were $5,530,963.

Ultimately, the funding policy also depends upon the total return of the Fund's assets, which varies from year to year. Investment policy decisions are established and maintained by the board of trustees. For the calendar year ending December 31, 2023, the money-weighted rate of return on pension plan investments was 9.31%. This measurement of the investment performance is net of investment-related expenses, reflecting the effect of the timing of the contributions received and the benefits paid during the year.

While the contribution requirements are not actuarially determined, state law requires that each change in plan benefits adopted by the Fund must first be approved by an eligible actuary, certifying the contribution commitment by the firefighters and the assumed city contribution rate together provide an adequate contribution arrangement. Using the entry age actuarial cost method, the plan's normal cost contribution rate is determined as a percentage of payroll. The excess of the total contribution rate over the normal cost contribution rate is used to amortize the plan's unfunded actuarial accrued liability (UAAL). The number of years needed to amortize the plan's UAAL is actuarially determined using an open, level percentage of payroll method.

Net Pension Liability . . . The City of Denton's net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined based on the actuarial valuation as of December 31, 2023.

Total Pension Liability	$ 167,333,614
Plan fiduciary net position	152,072,995
City's net pension liability	15,260,619
Plan fiduciary net position as a percentage of the total pension liability	90.9%

Actuarial Assumptions . . . The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50% per year
Overall payroll growth	3.00% per year, plus promotion, step and longevity increases that vary by service
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the PubS-2010 (public safety) total dataset mortality tables employees and for retirees (sex distinct), projected for mortality improvement generationally using the projection scale MP-2019.

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

PRELIMINARY

The long-term expected rate of return on pension plan investments is reviewed for each biennial actuarial valuation and was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future net real rates of return by the target asset allocation percentage (currently resulting in 4.96%) and by adding expected inflation (2.5%). In addition, the final 6.75% assumption was selected by rounding down and thereby reflects a reduction of 0.71% for adverse deviation.

The target allocation and expected arithmetic net real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Equities		
Large Cap Domestic	40.0%	6.00%
Small/Mid Cap Domestic	10.0%	6.50%
International Developed	10.0%	6.50%
Alternatives		
Master Limited Partnerships	8.0%	6.50%
Real Estate	15.0%	4.00%
Fixed Income	15.0%	1.00%
Cash	2.0%	0.00%
Total	100.0%	
Weighted Average		4.96%

Discount Rate . . . The discount rate used to measure the total pension liability was 6.75%. No projection of cash flows was used to determine the discount rate because the December 31, 2023 actuarial valuation showed expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in seven years. Because of the seven-year amortization period of the UAAL, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments of 6.75% was applied to all periods of projected benefit payments as the discount rate to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate . . . The following presents the net pension liability of the City of Denton, calculated using the discount rate of 6.75%, as well as what the city's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	$36,978,441	$15,260,619	$ (2,822,645)

Pension Plan Fiduciary Net Position . . . The plan fiduciary net position reported above is the same as reported by the Fund. Detailed information about the plan fiduciary net position is available in the Fund's separately issued audited financial statements, which are reported using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Investments are reported at fair value, the price that would be recognized to sell an asset in an orderly transaction between market participants at the measurement date.

PRELIMINARY

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/2023	$ 152,376,252	$ 136,802,800	$ 15,573,452
Changes for the year:			
Service cost	5,114,741	-	5,114,741
Interest	10,437,944	-	10,437,944
Change of benefit terms	-	-	-
Difference between expected and actual experience	5,114,242	-	5,114,242
Contributions - employer	-	4,888,426	(4,888,426)
Contributions - employee	-	3,329,414	(3,329,414)
Net investment income	-	12,849,568	(12,849,568)
Benefit payments, including refunds of employee contributions	(5,709,565)	(5,709,565)	-
Administrative expense	-	(87,648)	87,648
Net changes	14,957,362	15,270,195	(312,833)
Balance at 12/31/2024	$ 142,439,646	$ 152,072,995	$ 15,260,619

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions . . . For the year ended September 30, 2024, the City recognized a pension expense of $1,761,084. Amounts recognized in the fiscal year represent changes between the current and prior year measurement dates. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the Fund from the following sources:

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between projected and actual investment earnings	$ 443,898	$ -
Contributions subsequent to the measurement date	4,149,284	-
Differences between expected and actual economic experience	1,816,395.00	-
Difference in assumption changes	9,102,264	164,565
Total	$ 15,511,841	$ 164,565

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $4,149,284. will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2024, and the City's fiscal year ending September 30, 2025.

For the Year Ended September 30,	
2025	$ 603,586
2026	1,636,232
2027	4,215,649
2028	865,562
2029	1,305,048
Thereafter	2,571,915
Total	$11,197,992

PRELIMINARY

OTHER POST EMPLOYMENT BENEFITS . . . The City of Denton provides for two post-employment benefit (OPEB) plans; one provides for postemployment medical care through a single-employer defined benefit medical plan (Medical OPEB), and the other is the Texas Municipal Retirement System Supplemental Death Benefits Fund (TMRS SDBF), a single-employer defined benefit OPEB plan. Both plans are described in detail following.

Aggregate amounts for the two OPEB plans are as follows:

	Medical OPEB	TMRS SDBF	Total
OPEB Liability	$ 45,653,463	$ 4,146,417	$ 49,799,880
Deferred outflows of resources	$ 7,289,024	$ 946,282	8,235,306
Deferred inflows of resources	11,614,379	1,435,188	13,049,567
OPEB expense	3,496,457	179,938	3,676,395

Plan Description . . . The City of Denton provides post-employment medical care (OPEB) for retired employees through a single-employer defined benefit medical plan. The plan provides medical benefits for eligible retirees, their spouses and dependents though the City's group health insurance plans, which covers both active and retired members. The benefits, benefit levels, and contribution rates are recommended annually by the City management as part of the budget process. Any changes in rate subsidies for retirees are approved by the City Council. Since an irrevocable trust has not been established, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

Benefits Provided . . . The City provides post-employment medical, dental, and vision care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under the Texas Municipal Retirement System or the Denton Firemen's Relief and Retirement Plan. Retirees must make a one-time irrevocable decision to choose benefits at the time of retirement, after that their eligibility for the benefits ceases. However, retirees can move between plans and can add and drop dependents based on qualifying events.

All medical care benefits are provided through the City's self-insured health plan. The benefit levels are the same as those afforded to active employees.

In the December 31, 2023 actuarial valuation, the following number of employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	247
Active Employees	1,689
	1,936

Funding Policy . . . The plan premium rates are recommended annually by City management and approved by the City Council as part of the annual budget. The retiree's contribution is the full amount of the actuarially determined blended premium rate less a subsidy dependent upon years of service at retirement. By providing retirees with access to the City's healthcare plans based on the same rates it charges to active employees, the City is in effect providing a subsidy to retirees. This implied subsidy exists because, on average, retiree health care costs are higher than active employee healthcare costs. By the City not contributing anything toward this plan in advance, the City employs a pay-as-you-go method through paying the higher rate for active employees each year. The City contributes $40 per month for each five-year increment of service, up to $200 per month, toward the cost of retiree coverage. The full cost for dental and vision is paid by the retiree. Retirees are required to enroll in Medicare Part B once eligible (age 65) and are moved into a fully-insured Medicare Supplement plan at that time. The same City contribution level applies to the supplement.

Medical OPEB Liability. . . The City's medical OPEB liability of $45,653,463 was measured as of December 31, 2023, the same date as the actuarial valuation.

The medical OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement date, unless otherwise specified

PRELIMINARY

Significant method and assumptions used for this fiscal year valuation were as follows:

Valuation Date	December 31, 2023
Actuarial cost method	Individual Entry-Age Normal Method
Discount Rate	1.84% as of December 31, 2021 4.05% as of December 31, 2022 3.77% as of December 31, 2023
Inflation Rate	2.50% per annum
Projected salary increases	3.60% to 11.85% for TMRS, including inflation 3.00% to 9.18% for Fire, including inflation
Healthcare trend rates	Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years
Mortality	**TMRS:** For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements. **Firefighters**: The gender-distinct PubS-2010 (safety employees) total data set mortality are used. The rates are projected on a fully generational basis using the projection scale of MP-2019.
Participation Rates	65% for employees retiring at age 65 or older: 45% for employees retiring between the ages 50 and 64; 5% for employees retiring between the ages of 45 and 49; 0% for retirees under the age 50 at retirement

Changes in the Medical OPEB Liability

	Total Medical OPEB Liability
Balance at 12/31/2022	$ 41,482,438
Changes for the year:	
Service cost	2,538,726
Interest	1,687,421
Difference between expected and actual experience	(920,557)
Changes of assumptions	3,039,595
Benefit payments	(2,174,160)
Net Changes	4,171,025
Balance at 12/31/2023	$ 45,653,463

PRELIMINARY

Total OPEB liability as a percentage of covered payroll was 29.89%.

Sensitivity of the Medical OPEB Liability to Changes in the Discount Rate

The following schedule shows the impact of the medical OPEB liability if the discount rate used was 1% less than (2.77%) and 1% greater than (3.77%) the discount rate that was used (4.77%) in measuring the medical OPEB liability:

	1% Decrease (2.77%)	Current Discount Rate (3.77%)	1% Increase (4.77%)
Total medical OPEB Liability	$50,340,510	$ 45,653,463	$41,533,743

Sensitivity of the Medical OPEB Liability to Changes in the Healthcare Cost Trend Rate Assumption

The following schedule shows the impact of the medical OPEB liability if the healthcare trend cost rate used was 1% less than (6.20%) and 1% more than (7.20%) the healthcare cost trend rate that was used (8.20%) in measuring the medical OPEB liability:

	1% Decrease (6.20%)	Current Healthcare Cost Trend Rate (7.20%)	1% Increase (8.20%)
Total medical OPEB Liability	$42,093,159	$ 45,653,463	$49,836,643

Medical OPEB Expense and Deferred outflows of Resources and Deferred Inflows of Resources Related to Medical OPEB

For the year ended September 30, 2024, the City recognized medical OPEB expense of $3,496,457. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to medical OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 180,712	$ 2,386,995
Changes in actuarial assumptions	5,768,548	9,227,384
Contribution subsequent to the measurement date	1,339,764	-
Totals	$ 7,289,024	$ 11,614,379

Deferred outflows of resources related to OPEB contributions subsequent to the measurement date of $1,339,764 will be recognized as a reduction of the medical OPEB liability for the City's fiscal year ending September 30, 2025. Other amounts reported as deferred outflows of resources related to the medical OPEB will be recognized in OPEB expense as follows:

Year Ending September 30,	
2025	$ (729,690)
2026	(737,483)
2027	(953,233)
2028	(748,865)
2029	(800,886)
Thereafter	(1,694,962)
Total	$(5,665,119)

PRELIMINARY

Supplemental Death Benefit Fund . . . The City of Denton voluntarily participates in the Texas Municipal Retirement System Supplemental Death Benefits Fund (TMRS SDBF). The SDBF is a defined benefit group-term life insurance Other Postemployment Benefit (OPEB) plan as defined by GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. It is established and administered in accordance with the TMRS Act identically to the City's pension plan.

Benefits provided . . . The SDBF provides group-term life insurance to City employees who are active members in TMRS, including retirees. The City Council opted into this system via an ordinance, and may terminate coverage under and discontinue participation in, the SDBF by adopting an ordinance before November 1st of any year to be effective the following January 1st .

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an "other postemployment benefit" (OPEB) and is a fixed amount of $7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan.

In the December 31, 2023 actuarial valuation, the following number of employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	696
Inactive Employees entitled to but not yet receiving benefits	259
Active Employees	1,472
	2,427

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.28% for 2024 and 0.28% for 2023, of which 0.10% for 2024 and 0.10% for 2023, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all the death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The City's contribution to the SDBF for two years ended September 30, 2024 and 2023 were $377,550 and $300,164 respectively, representing contributions for both active and retiree coverage, which equaled the required contribution each year.

FINANCIAL INFORMATION

TABLE 12 - CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES

	Fiscal Year Ended September 30,				
Revenues:	2024	2023	2022	2021	2020
Program Revenue:					
Charges for Services	$ 23,487,878	$ 23,704,503	$ 25,203,727	$ 18,751,972	$ 17,442,268
Operating Grants and Contributions	13,042,489	10,623,546	9,545,392	8,607,304	8,991,320
Capital Grants and Contributions	35,255,951	27,351,806	34,406,757	23,945,640	34,911,879
General Revenue:					
Property Tax	106,555,772	92,185,668	79,552,638	78,243,553	75,431,860
Sales Tax	57,074,842	55,906,340	53,264,724	45,404,857	39,337,834
Other Taxes/Fees	38,667,030	43,582,046	42,503,178	35,648,023	32,100,345
Miscellaneous	22,670,126	17,283,086	7,125,797	5,876,421	7,111,569
Total Revenue	$296,754,088	$270,636,995	$251,602,213	$216,477,770	$215,327,075
Expenditures:					
General Government	$ 57,475,453	$ 53,383,319	$ 40,369,454	$ 37,401,990	$ 37,921,928
Public Safety	112,543,358	104,695,335	87,970,791	93,415,418	82,119,480
Public Works	27,466,868	39,086,849	25,489,369	14,063,366	26,049,847
Parks and Recreation	29,842,466	28,096,065	22,787,282	19,295,206	15,759,371
Interest on Long-Term Debt	12,698,504	10,198,425	8,571,877	7,380,293	6,757,736
Total Expenses	$240,026,649	$235,459,993	$185,188,773	$171,556,273	$168,608,362
Increase in Net Position before Transfers	$ 56,727,439	$ 35,177,002	$ 66,413,440	$ 44,921,497	$ 46,718,713
Transfers	(870,190)	4,017,015	2,913,731	1,975,432	1,296,624
Increase (Decrease) in Net Position	$ 55,857,249	$ 39,194,017	$ 69,327,171	$ 46,896,929	$ 48,015,337
Prior Period Adjustment	-	-	9,072,792 (2)	-	-
Net Position at Beginning of Year	446,287,278	407,093,261	328,693,298	281,796,369	233,781,032
Net Position at End of Year	$502,144,527 (1)	$446,287,278	$407,093,261	$328,693,298	$281,796,369

(1) Unrestricted net position, that part of the net position that may be used to meet the City's ongoing obligations, was $12,734,966 as of September 30, 2024. This table refers to governmental activities only and does not include enterprise funds such as solid waste or utility activities.

(2) An adjustment has been recorded to account for the recognition of intergovernmental revenues received in advance and held as an unearned revenue liability.

PRELIMINARY

TABLE 12A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Year Ended September 30,				
Revenues:	2024	2023	2022	2021	2020
Taxes	$ 123,923,215	$ 113,955,253	$ 102,491,584	$ 95,276,289	$ 88,273,338
Licenses and Permits	5,561,811	6,049,752	9,058,717	5,939,320	5,225,128
Franchise Fee	17,534,987	22,851,663	19,910,133	17,961,984	16,196,987
Fines and Forfeitures	2,525,000	1,961,982	1,875,399	1,572,587	2,279,771
Fees for Service	12,420,160	9,662,872	9,630,662	9,354,890	6,803,459
Interest Revenue	3,567,702	2,587,602	(127,267)	160,094	793,413
Intergovernmental	3,530,952	2,961,572	2,508,006	4,166,856	5,075,506
Miscellaneous	304,245	342,941	322,173	385,998	313,541
Total Revenues	$ 169,368,072	$ 160,373,637	$ 145,669,407	$ 134,818,018	$ 124,961,143
Expenditures:					
General Government	$ 36,294,711	$ 33,498,179	$ 26,563,210	$ 26,460,924	$ 26,969,064
Public Safety	104,782,629	96,317,917	86,682,395	80,847,727	75,985,961
Public Works	3,614,951	3,454,541	2,956,465	2,919,114	3,021,395
Parks and Recreation	24,836,184	15,781,789	13,308,304	11,259,612	8,872,556
Capital Outlay	635,578	475,410	540,289	476,296	442,932
Debt Service: Principal Retirement	-	-	-	-	-
Total Expenditures	$ 170,164,053	$ 149,527,836	$ 130,050,663	$ 121,963,673	$ 115,291,908
Excess (Deficiency) of Revenues Over Expenditures	$ (795,981)	$ 10,845,801	$ 15,618,744	$ 12,854,345	$ 9,669,235
Other Financing Sources (Uses):					
Transfers In	$ -	$ 25,750	$ 2,728	$ 33,964	$ -
Sale of Capital Assets	384,737	198,474	568,128	326,682	112,824
Transfers (Out)	(2,140,604)	(11,929,049)	(9,230,186)	(8,497,210)	(6,738,692)
Total Other Financing Sources (Uses)	$ (1,755,867)	$ (11,704,825)	$ (8,659,330)	$ (8,136,564)	$ (6,625,868)
Net Changes in Fund Balance	$ (2,551,848)	$ (859,024)	$ 6,959,414	$ 4,717,781	$ 3,043,367
Sale of Capital Assets	28,550 [(1)]	-	-	-	-
Fund Balance at Beginning of Year	44,628,932	45,459,406	38,499,992	33,782,211	30,738,844
Fund Balance at End of Year	$ 42,077,084	$ 44,600,382	$ 45,459,406	$ 38,499,992	$ 33,782,211

PRELIMINARY

TABLE 13 - MUNICIPAL SALES TAX HISTORY

The City has adopted the Municipal Sales and Use Tax Act, Texas Tax Code, Chapter 321, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Obligations. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly. In January 1994, the voters of the City approved the imposition of an additional one-half of one percent (½ of 1%) for property tax reduction. In September 2003, the voters of the City approved the imposition of an additional one-half of one percent (½ of 1%) for the Denton County Transportation Authority. The implementation of this tax began January 2004, and is allocated directly to the Denton County Transportation Authority.

Fiscal Year Ended 9/30	Total Collected [1]	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
2021	$45,404,857	58.40%	$ 0.3343	$316
2022	53,264,724	67.10%	0.3698	362
2023	55,906,340	60.93%	0.3343	371
2024	57,074,842	53.58%	0.2970	378
2025 [2]	29,207,284	24.23%	0.1384	188

(1) Source: City of Denton Annual Comprehensive Financial Report.
(2) Collections through April 1, 2025.

The sales tax breakdown for the City is as follows:

Property Tax Relief	0.50¢
Denton County Transportation Authority	0.50¢
City Sales & Use Tax	1.00¢
State Sales & Use Tax	6.25¢
Total	8.25¢

FINANCIAL POLICIES

Basis of Accounting . . . The accounting policies of the City conform to generally accepted accounting principles of the Governmental Accounting Standards Board and program standards adopted by the Government Finance Officers Association of the United States and Canada. The GFOA has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Denton for each fiscal year since 1983. The City's current report will be submitted to GFOA to determine its eligibility for another Certificate.

The City has also received the GFOA's award for Distinguished Budget Presentation each year since 1986.

The measurement focuses for the Enterprise Funds, Internal Service Funds and Nonexpendable Trust Funds are income determination and cost of service, respectively. Accordingly, the accrual basis, whereby revenues and expenses are identified in the accounting period in which they are earned and incurred and net income, is utilized for these funds. The modified accrual basis, whereby revenues are recognized when they become both measurable and available for use during the year and expenditures are recognized when the related fund liability is incurred, is used for all other funds.

Fund Balance Policy . . .The City strives to achieve and maintain and unassigned fund balance in the General Fund equal to 20% of budgeted expenditures. An additional 5% resiliency reserve (25% combined total) may be maintained to safeguard against unusual financial circumstances or economic downturns.

Budgetary Procedures . . . As prescribed by City Charter, the City Manager, within the time period required by law, submits to the City Council a proposed budget for the fiscal year beginning the following October 1. The budget includes proposed expenditures and revenues required to fund the expenditures. Following Council considerations, amendments and refinements, a public hearing is ordered and conducted for the purpose of obtaining taxpayer comments. The budget is finally approved and adopted by passage of an ordinance by the City Council prior to the beginning of the fiscal year. The budget is adopted on a basis consistent with generally accepted accounting principles. It is the goal of the City to achieve and maintain an unassigned fund balance in the general fund equal to 20% of budgeted expenditures. An additional 5% resiliency reserve (25% combined total) may be maintained to safeguard against unusual financial circumstances and/or economic downturns.

PRELIMINARY

INVESTMENTS

The City invests its investable funds in investments authorized by Texas law in accordance with investment policies approved by the City Council. Both Texas law and the City's investment policies are subject to change.

LEGAL INVESTMENTS . . . Under State law, the City is authorized to invest in: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (the "FDIC") or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed, or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the FDIC or the National Credit Union Share Insurance Fund (the "NCUSIF") or their respective successors; (8) interest-bearing banking deposits, other than those described in clause (7), that (i) are invested through a broker or institution with a main office or branch office in this state and selected by the City in compliance with the PFIA, (ii) the broker or institution arranges for the deposit of the funds in one or more federally insured depository institutions, wherever located, for the City's account, (iii) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States, and (iv) the City appoints as its custodian of the banking deposits, in compliance with the PFIA, the institution in clause (8)(i) above, a bank, or a broker-dealer; (9) certificates of deposit and share certificates meeting the requirements of the PFIA (i) that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the FDIC or the NCUSIF, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8), above, or secured in accordance with Chapter 2257, Texas Government Code, or in any other manner and amount provided by law for City deposits, or (ii) where (a) the funds are invested by the City through a broker or institution that has a main office or branch office in the State and selected by the City in compliance with the PFIA, (b) the broker or institution arranges for the deposit of the funds in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (d) the City appoints, in compliance with the PFIA, the institution in clause (9)(ii)(a) above, a bank, or broker-dealer as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described by clauses (1) or (12), which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with a stated maturity of 270 days or less, if the short-term obligations of the accepting bank, or of the holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P-1 or an equivalent by either (i) two nationally recognized credit rating agencies, or (ii) one nationally recognized credit rating agency if the commercial paper is fully secured by an irrevocable letter of credit issued by a United States or state bank; (13) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission and complies with Securities and Exchange Commission Rule 2a-7; (14) no-load mutual funds that are registered and regulated by the Securities and Exchange Commission that have a weighted maturity of less than two years and either (i) have a duration of one year or more and are invested exclusively in obligations approved in this paragraph, or (ii) have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset backed securities; (15) guaranteed investment contracts that have a defined termination date and are secured by obligations described in clause (1), excluding obligations which the City is explicitly prohibited from investing in, and in an amount at least equal to the amount of bond proceeds invested under such contract; and (16) securities lending programs if (i) the securities loaned under the program are 100% collateralized, including accrued income, (ii) a loan made under the program allows for termination at any time, (iii) a loan made under the program is either secured by (a) obligations described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent, or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (12) through (14) above, or an authorized investment pool, (iv) the terms of a loan made under the program require that the securities being held as collateral be pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party designated by the City, (v) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State, and (vi) the agreement to lend securities has a term of one year or less.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAA-m" or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution.

PRELIMINARY

The City if specifically prohibited from investing in (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES . . . Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the Public Funds Investment Act. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each funds' investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest during the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City Council.

Effective September 1, 2019, the investment officer of a local government is allowed to invest bond proceeds or pledged revenue only to the extent permitted by the PFIA and in accordance with (i) statutory provisions governing the debt issuance (or lease, installment sale, or other agreement) and (ii) the local government's investment policy regarding the debt issuance or the agreement.

ADDITIONAL PROVISIONS . . Under Texas law the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the registered principal of firms seeking to sell securities to the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the Treasurer, Chief Financial Officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the entity's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

PRELIMINARY

TABLE 14- CURRENT INVESTMENTS [1]

As of April 1, 2025, the City's available funds were invested as follows:

Description	Market Value Percent	Market Value	Book Value
Treasury Securities	52.03%	$477,876,110	$476,953,913
Federal Agency Issues - Coupon	16.83%	154,619,840	154,102,349
Federal Agency Issues - Callable	3.26%	29,957,060	29,920,721
Commercial Paper	6.44%	59,161,630	59,183,153
Local Government Inv. Pool- TexSTAR	9.43%	86,583,819	86,583,819
Local Government Inv. Pool- TexPool	10.89%	100,000,000	100,000,000
Demand Deposits/Wells Fargo [2]	0.62%	5,720,323	5,720,323
Municipal Bonds-Coupon	0.50%	4,564,917	4,531,821
	100.00%	$918,483,699	$916,996,099

_____

(1) There are no City funds invested in derivative securities, i.e., securities whose rate of return is determined by reference to some other instrument, index or commodity.

(2) Insured up to the FDIC limit with uninsured amounts collateralized by U.S. federal agency securities at a minimum of 102% of principal plus accrued interest.

TexSTAR is a local government investment pool for whom Hilltop Securities Asset Management, Inc. provides customer service and marketing. TexSTAR currently maintains a "AAAm" rating from Standard & Poor's and has an investment objective of achieving and maintaining a stable net asset value of $1.00 per share. Daily investments or redemptions of funds is allowed by the participants.

PRELIMINARY

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

TAX MATTERS

OPINIONS

The Certificates . . . On the date of initial delivery of the Certificates, McCall, Parkhurst and Horton L.L.P., Dallas, Texas, Bond Counsel to the City, will render its opinion that, in accordance with Existing Law, (1) interest on the Certificates for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Certificates will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Code. Except as stated above, Bond Counsel to the City will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Certificates. See Appendix C – Forms of Bond Counsel's Opinions.

The Bonds . . . On the date of initial delivery of the Bonds, Bond Counsel to the City, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel to the City will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds. See Appendix C – Forms of Bond Counsel's Opinions.

In rendering each of the foregoing opinions, Bond Counsel to the City will rely upon (a) certain information and representations of the City, including information and representations contained in the City's federal tax certificate with respect to each Obligation issue, and (b) covenants of the City contained in the Obligation documents relating to certain matters, including arbitrage and the use of the proceeds of the Obligations and the property financed or refinanced therewith. Failure by the City to observe the aforementioned representations or covenants could cause the interest on the Obligations to become taxable retroactively to the date of issuance.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Obligations in order for interest on the Obligations to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Obligations to be included in gross income retroactively to the date of issuance of the Obligations. The opinion of Bond Counsel to the City is conditioned on compliance by the City with the covenants and other requirements described in the preceding paragraph, and Bond Counsel to the City has not been retained to monitor compliance with these requirements subsequent to the issuance of the Obligations.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. The Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Obligations.

A ruling was not sought from the Internal Revenue Service by the City with respect to the Obligations or the projects being financed or refinanced therewith. Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the representations of the City that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether or not the Internal Revenue Service will commence an audit of the Obligations, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the City as the taxpayer and the holders of the Obligations may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

FEDERAL INCOME TAX ACCOUNTING TREATMENT OF ORIGINAL ISSUE DISCOUNT

The initial public offering price to be paid for one or more maturities of the Obligations may be less than the principal amount thereof or one or more periods for the payment of interest on the Obligations may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Obligations less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

PRELIMINARY

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Obligations and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

COLLATERAL FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Obligations. This discussion is based on Existing Law, all of which are subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE OBLGATIONS.

Interest on the Obligations may be includable in certain corporation's "adjusted financial statement income" determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Obligations, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Obligations, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

STATE, LOCAL AND FOREIGN TAXES

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Obligations under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

PRELIMINARY

INFORMATION REPORTING AND BACKUP WITHHOLDING

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Obligations will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

FUTURE AND PROPOSED LEGISLATION

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Obligations under Federal or state law and could affect the market price or marketability of the Obligations. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Obligations should consult their own tax advisors regarding the foregoing matters.

CONTINUING DISCLOSURE OF INFORMATION

In each of the Ordinances, the City has made the following agreement for the benefit of the holders and beneficial owners of the respective series of Obligations. The City is required to observe each agreement while it remains obligated to advance funds to pay such Obligations. Under each agreement, the City will be obligated to provide certain updated financial information and operating data annually, and the timely notice of specified events to the Municipal Securities Rulemaking Board ("MSRB"). This information will be available free of charge from the MSRB via the Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org.

ANNUAL REPORTS . . . The City shall provide annually to the MSRB, in the electronic format prescribed by the MSRB, financial information and operating data (the "Annual Operating Report") with respect to the City of the general type included in this Official Statement under Tables numbered 1 through 5 and 7 through 14. The City will additionally provide financial statements of the City (the "Financial Statements"), that will be (i) prepared in accordance with the accounting principles described in the City's annual audited financial statements or such other accounting principles as the City may be required to employ from time to time pursuant to State law or regulation and shall be in substantially the form included in this Official Statement and (ii) audited, if the City commissions an audit of such Financial Statements and the audit is completed within the period during which they must be provided. The City will update and provide the Annual Operating Report within six months after the end of each fiscal year and the Financial Statements within 12 months of the end of each fiscal year, in each case beginning with the fiscal year ending in and after 2025. The City may provide the Financial Statements earlier, including at the time it provides its Annual Operating Report, but if the audit of such Financial Statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited Financial Statements within such 12-month period and audited Financial Statements for the applicable fiscal year, when and if the audit report on such Financial Statements becomes available.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the United States Securities and Exchange Commission (the "SEC"), as permitted by SEC Rule 15c2-12 (the "Rule").

The City's current fiscal year end is September 30. Accordingly, it must provide the Annual Operating Report by March 31 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB of the change.

NOTICE OF CERTAIN EVENTS . . . The City will also provide timely notices of certain events to the MSRB. The City will provide notice of any of the following events with respect to the Obligations to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Obligations, or other material events affecting the tax status of the Obligations; (7) modifications to rights of holders of the Obligations, if material; (8) Obligation calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Obligations, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any Financial Obligation of the City, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial

PRELIMINARY

Obligation of the City, any of which reflect financial difficulties. In addition, the City will provide timely notice of any failure by the City to provide annual financial information in accordance with their agreement described above under "Annual Reports". For purposes of clauses (15) and (16) above, "Financial Obligation" means (i) a debt obligation, (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

For these purposes, any event described in (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

LIMITATIONS AND AMENDMENTS . . . The City has agreed to update information and to provide notices of specified events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Obligations at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Obligations may seek a writ of mandamus to compel the City to comply with its agreement.

The City may amend its continuing disclosure agreement for either or both of the Bonds and Certificates from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds or Certificates, as the case may be, in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds or Certificates, as the case may be, consent to the amendment or (b) any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds or Certificates, as the case may be. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Obligations in the primary offering of the Obligations. If the City so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . During the last five years, the City believes it has complied in all material respects with all continuing disclosure agreements made by it in accordance with SEC Rule 15c2-12.

PRELIMINARY

OTHER INFORMATION

RATINGS

The Obligations and the presently outstanding tax supported debt of the City are rated "AA+" by Fitch and "AA+" by S&P. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organizations and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of such rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Obligations.

LITIGATION

Various claims and lawsuits are pending against the City. In accordance with GAAP, those judgments considered “probable” are accrued, while those claims and judgments considered “reasonably possible” are disclosed but not accrued. In the opinion of City management and legal counsel, the maximum amount of all significant claims considered reasonably possible, excluding condemnation proceedings is approximately $500,000 as of September 30, 2024. Potential losses after insurance coverage on all probable claims and lawsuits will not have a material effect on the City's financial position as of September 30, 2024, see Appendix B, Notes to Basic Financial Statements G., page 86.

At the time of the initial delivery of the Bonds, the City will provide the Initial Purchasers with a certificate to the effect that, except as disclosed herein, no litigation of any nature has been filed or is then pending challenging the issuance of the Bonds or that affects the payment and security of the Bonds or in any other manner questioning the issuance, sale or delivery of the Bonds.

REGISTRATION AND QUALIFICATION OF OBLIGATIONS FOR SALE

The sale of the Obligations has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Obligations have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds or Certificates been qualified under the securities acts of any jurisdiction. The City assumes no responsibility for qualification of the Bonds or Certificates under the securities laws of any jurisdiction in which the Obligations may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Obligations shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

The Obligations. Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Obligations are negotiable instruments, investment securities governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Obligations are legal investments for state banks, savings banks, trust companies with at least $1 million of capital, and savings and loan associations.

The Certificates. Section 271.051, Texas Local Government Code, provides that the Certificates are legal and authorized investments for banks, savings banks, trust companies, savings and loan associations, insurance companies, fiduciaries, trustees and guardians, and for the sinking funds of municipalities, school districts, and other political subdivisions or public agencies of the State of Texas. The Certificates are eligible to secure deposits of any public funds of the State, municipalities, school districts, and other political subdivisions of the State, and are legal security for those deposits to the extent of their market value.

General Considerations. For political subdivisions in Texas that have adopted investment policies and guidelines in accordance with the Public Funds Investment Act (Texas Government Code, Chapter 2256), the Obligations may have to be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency before such obligations are eligible investments for sinking funds and other public funds. The City has made no investigation of other laws, rules, regulations, or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Obligations for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Obligations for such purposes. The City has made no review of laws in other states to determine whether the Obligations are legal investments for various institutions in those states.

LEGAL OPINIONS AND NO-LITIGATION CERTIFICATE

The City will furnish a complete transcript of proceedings had incident to the authorization and issuance of the Bonds and of the Certificates, including the unqualified approving legal opinions of the Attorney General of Texas approving the Initial Bond and the Initial Certificate and to the effect that the Bonds and the Certificates are valid and legally binding obligations of the City, and based upon examination of such transcript of proceedings, the approving legal opinions of Bond Counsel, to like effect and to the effect that the interest on the Bonds and the Certificates will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described under "Tax Matters" herein. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Obligations, or which would affect the provision made for their payment or security or in any manner questioning the validity of said Obligations will also be furnished. Though it represents the Financial Advisor and purchasers of debt from governmental issuers from time to time in matters unrelated to the issuance of the Obligations, Bond Counsel has been engaged by and only represents the City in connection with the issuance of the Obligations. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Notice of Sale and Bidding Instructions, the Official Bid Form and the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Obligations in the Official Statement to verify that such description conforms to the provisions of the Bond Ordinance and the Certificate Ordinance. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Obligations is contingent on the sale and delivery of the Obligations. The legal opinion will accompany the Obligations deposited with DTC or will be printed on the Obligations in the event of the discontinuance of the Book-Entry-Only System.

PRELIMINARY

The legal opinions to be delivered concurrently with the delivery of the Obligations express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS

Public Finance Partners LLC, will deliver to the City, on or before the settlement date of the Bonds, its verification report indicating that it has verified the mathematical accuracy of the mathematical computations of the adequacy of the cash, if any, and the maturing principal of and interest on the Escrowed Securities, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Refunded Obligations.

Public Finance Partners LLC relied on the accuracy, completeness and reliability of all information provided to it by, and on all decisions and approvals of, the City. In addition, Public Finance Partners LLC has relied on any information provided to it by the City's retained advisors, consultants or legal counsel.

The report will be relied upon by Bond Counsel in rendering its opinion with respect to the defeasance of the Refunded Obligations.

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

The financial data and other information contained herein have been obtained from City records, audited financial statements, and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents, and ordinances contained in this Official Statement are made subject to all of the provisions of such statutes, documents, and ordinances. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

FINANCIAL ADVISOR

Hilltop Securities Inc., ("HilltopSecurities") is employed as Financial Advisor to the City in connection with the issuance of the Obligations. The Financial Advisor's fee for services rendered with respect to the sale of the Obligations is contingent upon the issuance and delivery of the Obligations. HilltopSecurities, in its capacity as Financial Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants, and representations contained in any of the legal documents with respect to the federal income tax status of the Obligations, or the possible impact of any present, pending, or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the City has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

INITIAL PURCHASER OF THE CERTIFICATES

After requesting competitive bids for the Certificates, the City accepted the bid of _____ (the "Initial Purchaser of the Certificates") to purchase the Certificates at the interest rates shown on page 2 of the Official Statement at a price of par plus a cash premium of $_____. The Initial Purchaser of the Certificates can give no assurance that any trading market will be developed for the Certificates after their sale by the City to the Initial Purchaser of the Certificates. The City has no control over the price at which the Certificates are subsequently sold and the initial yield at which the Certificates will be priced and reoffered will be established by and will be the sole responsibility of the Initial Purchaser of the Certificates.

INITIAL PURCHASER OF THE BONDS

After requesting competitive bids for the Bonds, the City accepted the bid of _____ (the "Initial Purchaser of the Bonds") to purchase the Bonds at the interest rates shown on page 4 of the Official Statement at a price of par plus a cash premium of $_____. The Initial Purchaser of the Bonds can give no assurance that any trading market will be developed for the Bonds after their sale by the City to the Initial Purchaser of the Bonds. The City has no control over the price at which the Bonds are subsequently sold and the initial yield at which the Bonds will be priced and reoffered will be established by and will be the sole responsibility of the Initial Purchaser of the Bonds.

The Initial Purchaser of the Bonds and the Initial Purchaser of the Certificates are herein collectively referred to as the "Initial Purchasers".

PRELIMINARY

CERTIFICATION OF THE OFFICIAL STATEMENT

At the time of payment for and delivery of the Obligations, the City will furnish to the Initial Purchasers a certificate, executed by a proper City officer, acting in such officer's official capacity, to the effect that to the best of such officer's knowledge and belief: (a) the descriptions and statements of or pertaining to the City contained in the Official Statement, and any addenda, supplement, or amendment thereto, on the date of the Official Statement, on the date of sale of the Obligations, and the acceptance of the best bid therefor, and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the City and its affairs, including its financial affairs, are concerned, the Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the City, and their activities contained in the Official Statement are concerned, such statements and data have been obtained from sources which the City believes to be reliable and the City has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the City since the date of the last audited financial statements of the City.

CYBERSECURITY

The unauthorized access, use, disclosure, disruption, modification, or destruction of the City's information or information systems could negatively impact the operations of the City and its ability to provide services to its citizens. The City uses a risk-based approach, least privileged access where possible, and "best practices" to protect the confidentiality, integrity and availability of the information and information systems that it is entrusted with. Employees are required to take annual security training which is re-enforced with continuous phishing email tests. The City uses the NIST-CSF framework to assure compliance with multiple standards, regulations, and other obligations. In addition, to help protect the City against claims and expenses due to a cybersecurity incident, the City maintains cyber insurance.

FORWARD LOOKING STATEMENTS DISCLAIMER

The statements contained in this Official Statement, and in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. The City's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

PRELIMINARY

LINKS TO WEBSITES

The City has provided links to websites in this Official Statement to allow investors independent access to information or expertise that may be of value. INFORMATION ON SUCH WEBSITES IS NOT INCORPORATED INTO THIS OFFICIAL STATEMENT BY REFERENCE OR OTHERWISE. The inclusion of any links does not imply a recommendation or endorsement of the information or views expressed within a website. The City has not participated in the preparation, compilation or selection of information or views in any website referenced in this Official Statement, and assumes no responsibility or liability for the information or views, or accuracy or completeness thereof, in any website referenced herein.

MISCELLANEOUS

The Ordinances authorizing the issuance of the Obligations will approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and will authorize its further use in the reoffering of the Obligations by the Initial Purchasers.

PRICING OFFICER
City of Denton, Texas

Schedule I

SCHEDULE OF REFUNDED OBLIGATIONS*

Certificates of Obligation, Series 2015

Original Dated Date	Maturity Date	Interest Rate	Principal Amount Outstanding	Principal Amount Refunded
6/1/2015	2/15/2026	5.000%	$ 2,455,000	$ 2,455,000
	2/15/2027	5.000%	2,585,000	2,585,000
	2/15/2028	5.000%	2,710,000	2,710,000
	2/15/2029	5.000%	2,850,000	2,850,000
	2/15/2030	5.000%	3,000,000	3,000,000
	2/15/2031	3.750%	3,125,000	3,125,000
	2/15/2032	4.000%	3,255,000	3,255,000
	2/15/2033	4.000%	3,390,000	3,390,000
	2/15/2034	4.000%	3,535,000	3,535,000
	2/15/2035 (1)	4.000%	3,675,000	3,675,000
			$30,580,000	$30,580,000

The 2026 – 2035 maturities will be redeemed prior to original maturity on September 29, 2025* at par.

(1) Represents mandatory sinking fund redemption amount of a term bond with a stated maturity of February 15, 2039.

General Obligation Refunding and Improvement Bonds, Series 2015

Original Dated Date	Maturity Date	Interest Rate	Principal Amount Outstanding	Principal Amount Refunded
6/1/2015	2/15/2029	4.000%	$ 1,215,000	$ 1,215,000
	2/15/2030	4.000%	1,265,000	1,265,000
	2/15/2031	4.000%	1,315,000	1,315,000
	2/15/2032	4.000%	1,370,000	1,370,000
	2/15/2033	4.000%	1,425,000	1,425,000
	2/15/2034	4.000%	1,485,000	1,485,000
	2/15/2035	4.000%	1,545,000	1,545,000
			$ 9,620,000	$ 9,620,000

The 2029 – 2035 maturities will be redeemed prior to original maturity on September 29, 2025* at par.

PRELIMINARY

* Preliminary, subject to change.

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

PRELIMINARY

Finance Department
215 E. McKinney St., Denton, TX 76201 • (940) 349-8244

March 19, 2025

The Honorable Mayor, Members of the City Council and Citizens
City of Denton
Denton, Texas

It is with great pleasure that we present to you a copy of the Annual Comprehensive Financial Report (ACFR) of the City of Denton (the City) for the fiscal year ended September 30, 2024. The purpose of the report is to provide the City Council, management, citizens, and other interested parties with detailed information concerning the City's financial condition.

THE REPORT

The Texas Local Government Code (§ 103.001) requires an annual audit for municipalities. In addition, the City Charter (Section 2.13) requires a Certified Public Accountant who, as of the end of the fiscal year, shall make an "independent audit of accounts" and prepare a report to the City Council and the City Manager. This document fulfills the above-mentioned requirements, and the independent auditor's opinion is included in the report for the fiscal year ended September 30, 2024.

The ACFR is presented in three main sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, the City's organizational chart, and a list of principal officials. The Financial Section includes the Management's Discussion and Analysis (MD&A), Basic Financial Statements, Required Supplementary Information, Combining and Individual Fund Financial Statements, along with the independent auditors' report. The Statistical Section and Other Supplementary Information include selected financial and demographic information, generally presented on a multi-year basis.

The responsibility for both the accuracy of the presented information and the completeness and fairness of the presentation of the data, including all disclosures, rests with the City, and is based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the results of our operations in each of the various funds reported by the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

PRELIMINARY

The accounting firm of Weaver and Tidwell, L.L.P. has issued an unmodified opinion on the City of Denton's financial statements for the period ended September 30, 2024. As a recipient of federal and state grant awards, a separate audit is prepared to meet the requirements of the Single Audit Act Amendments of 1996 and related Uniform Guidance. As a part of the City's single audit, tests are conducted to determine that the City has complied with applicable laws and regulations related to federal awards.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

CITY OF DENTON PROFILE

Denton distinguishes itself from other cities in North Texas through its vibrant arts and culture scene, robust university partnerships, dynamic community collaborations, and commitment to 100% renewable energy. Originally incorporated on September 26, 1866, Denton has evolved from a serene college town on the outskirts of the Dallas-Fort Worth metroplex into one of the fastest-growing cities in the United States, with a current

population of approximately 150,000. This figure is projected to reach 229,192 by 2040, according to U.S. Census Bureau forecasts. Denton combines a reverence for its history with an eagerness to innovate. The City of Denton is in the northern portion of the Dallas/Fort Worth Consolidated Metropolitan Statistical Area (CMSA). The City is a part of the Dallas/Fort Worth Metroplex and is situated at the apex of a triangle based by Dallas (37 miles to the southeast) and Fort Worth (35 miles to the southwest) providing excellent access to and from all parts of the area. The heart of the city's urban core is anchored by a vibrant cultural arts district within Downtown Denton as well as three university campuses. The community is also recognized for its commitment to sustainability and environmental stewardship, in addition to its focus on health and wellness, highlighted by over 5,000 acres of parkland, more than 60 hiking trails, and numerous recreational facilities.

CITY SERVICES AND ORGANIZATION OF THE GOVERNMENT

The City is a home rule city and operates under the Council-Manager form of government. The elected seven-member council consists of a Mayor and six Council Members. The Mayor and two Council Members are elected at large, while the remaining representatives are elected from single member districts. The City Council enacts local laws, determines policy, and adopts the annual budget, and the City Manager is the chief executive officer for the City.

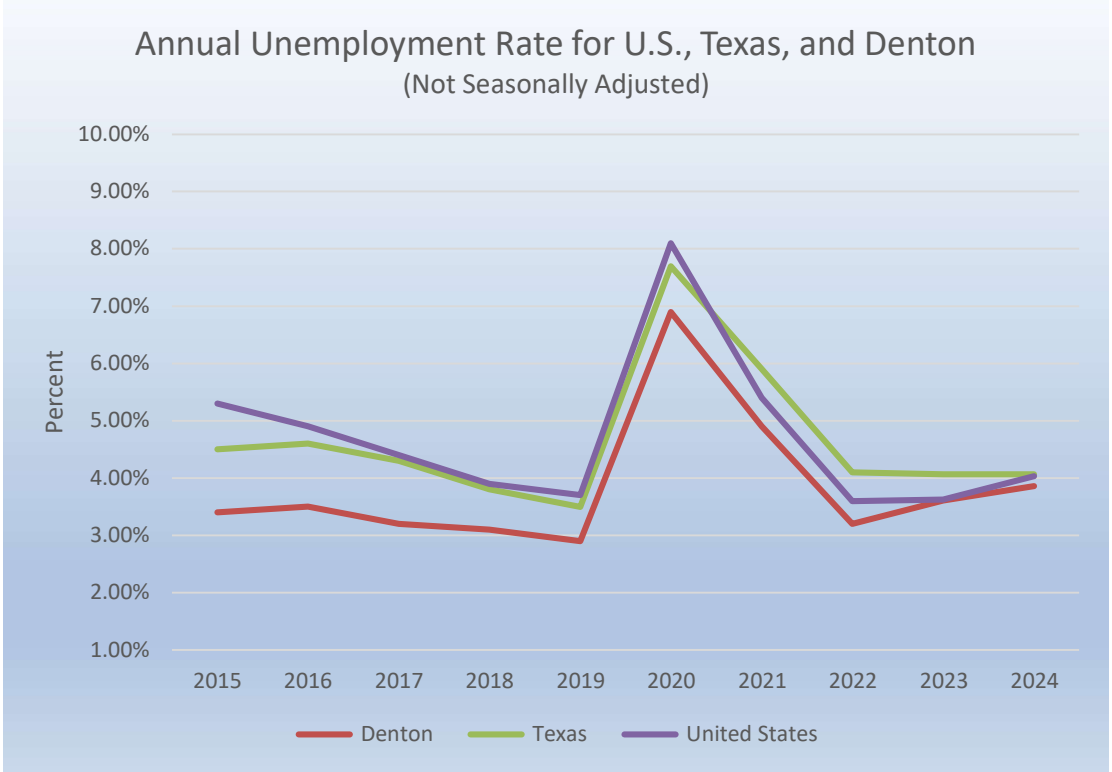
The City provides a full range of general government services to its citizens including: public safety (police and fire protection); public works (construction and maintenance of highways, streets, and infrastructure); parks and recreation; library; planning and zoning; economic development; and general administrative services. The City's enterprise fund operations consist of a utility system, solid waste, and airport operations. The City's utility system provides electric, water, and wastewater services.

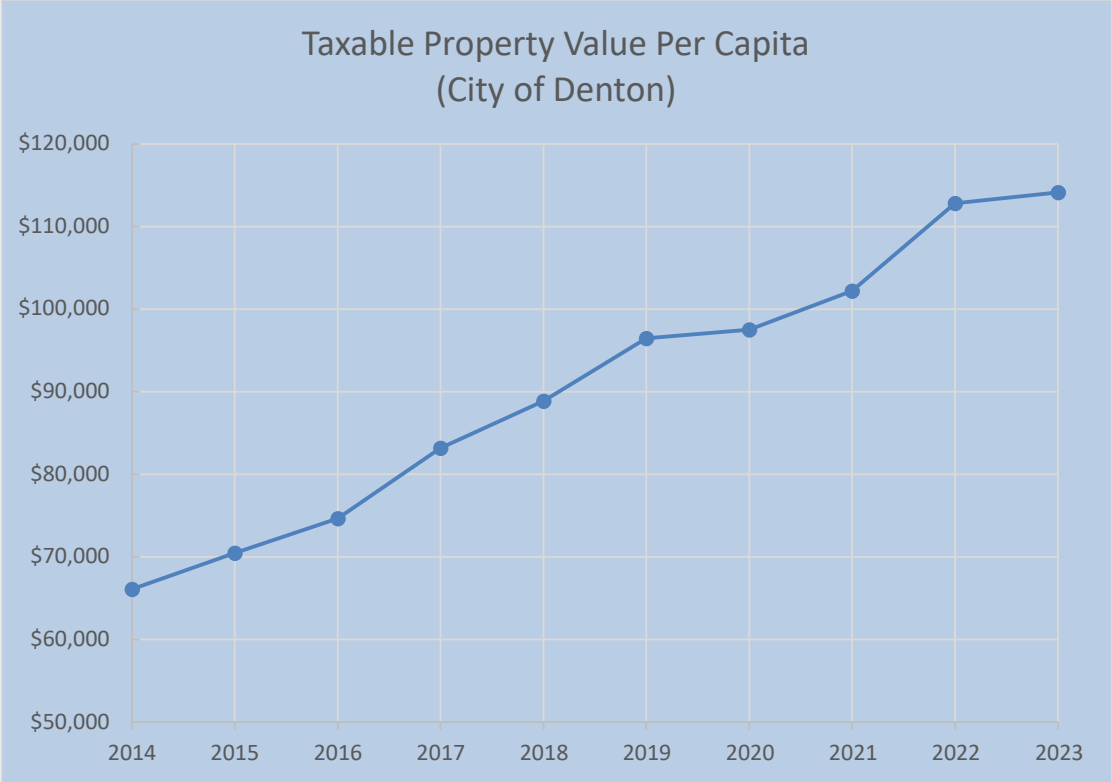
The internal service operations consist of Materials Management, Fleet Services, Risk Retention, Health Insurance, Engineering Services, Technology Services, Customer Service, Facilities, and Environmental Services funds. The Materials Management Fund accounts for the financing of Warehouse and Purchasing services which are provided to other City departments. The Fleet Services Fund accounts for the financing of goods and services provided by the municipal garage to other departments within the City. The Risk Retention Fund accounts for the accumulation of resources for the payment of workers' compensation, general liability claims, and insurance policies. The Health Insurance Fund accounts for administration of the self-insurance program for health coverage in the City. The Engineering Services Fund accounts for the provision of internal engineering services to various City operations and capital projects. The Technology Services Fund provides support for the various information and computer systems within the City. The Customer Service Fund accounts for the financing of customer service activities provided to the residents and businesses of the City on behalf of other departments within the City. The Facilities Management Fund is responsible for maintaining all city-owned facilities and vertical construction projects. The Environmental Services Fund accounts for the consolidated environmental-related services provided across the City. The financial statements presented include all government activities, organizations, and functions for which the City is financially accountable as defined by the Governmental Accounting Standards Board (GASB).

PRELIMINARY

LOCAL ECONOMY

As the Dallas Ft. Worth Metroplex continues to grow, the City of Denton is seeing increased growth. In Fiscal year 2023-24, the City continued to see an increase in development and economic activity, resulting in strong property tax collection, sales tax collection, and an increase in return on investment (ROI) revenue from city utilities. Greater than one-third of the total General Fund revenue is generated from ad valorem taxes. As shown below, the 2024 certified value increased by 10.16% or $1,958,758,443 (excluding TIRZ) from the 2023 certified value. Analysis of the increase shows there was approximately $1.21 billion in new value added to the appraisal roll due to new growth and construction. The City received a certified total from the Denton County Appraisal District (DCAD) with only 1.04% of properties still under protest. The low amount of protested value helps create more certainty in the revenue forecast.





https://data.bls.gov/timeseries/LNS14000000
https://texaslmi.com/
Accessed 2-10-25

In fiscal year 2023-2024, the Rayzor Ranch mixed-use development in Denton experienced significant growth, enhancing both its residential and commercial offerings.

The Rayzor Ranch mixed-use development is located on both the north and south sides of US Highway 380 in Denton. Rayzor Ranch Marketplace, on the north side of the development, has constructed over 500,000 square feet of retail and commercial space. Sam's Club and Wal-Mart anchor the development that includes a Home Depot, as a recent tenant addition. The Town Center also includes the Embassy Suites Hotel and Convention Center described in more detail below. In addition, a new 300-unit multifamily project, the Village at Rayzor Ranch, opened in late 2019, and construction began in 2020 and opened in 2021, on the Residences at Rayzor Ranch, a 40-acre site that will include 215 town homes, 65 single family homes and 31 single-family homes. They began leasing three- and four-bedroom town homes this past summer. Portillo's, Salata and Pei Wei are new restaurant tenants at the Town Center. Recent developments include an At Home and Dick's Sporting Goods that have opened and a future 148,000 square foot and $22.7 million Target store that is nearing completion.

Residential Developments:

Resia Rayzor Ranch:

- This 433-unit apartment community officially opened in December 2024, offering one-, two-, and three-bedroom apartments with modern amenities such as stainless-steel appliances, in-unit washers and dryers, and granite countertops. Residents can also enjoy a 24-hour fitness center, swimming pool, basketball court, and a forthcoming pickleball court.

Altera Rayzor Ranch:

- In October 2024, Wood Partners broke ground on a 192-unit multifamily community within Rayzor Ranch. This development will feature one-, two-, and three-bedroom layouts, with amenities including a resort-style pool, modern fitness facility, outdoor socializing spaces, and coworking areas. The project is expected to be completed by the third quarter of 2025.

Commercial Developments:

Target Store:

- A new 148,000-square-foot Target store, representing a $22.7 million investment, is nearing completion within Rayzor Ranch. This addition will further enhance the retail offerings available to residents and visitors.

At Home:

- The home décor superstore opened a new location in September 2023 within the Rayzor Ranch Town Center. This addition has provided residents with a wide range of home furnishing options and has drawn shoppers from surrounding areas, contributing to increased retail activity.

During the fiscal years 2023-2024, Denton experienced significant industrial development, enhancing its economic landscape:

Longhorn Steakhouse

- In April 2024, Longhorn Steakhouse opened a new 5,780-square-foot restaurant at 2900 S I-35E, in front of Buc-ee's Travel Center.

Exeter Property Group:

- Constructed three industrial buildings at the northeast corner of Western Boulevard and Jim Christal Road, measuring 324,000, 421,000, and 1,076,000 square feet. Ariat International leased 500,000 square feet at 1011 Western Boulevard.

PRELIMINARY

Holt Lunsford Commercial Investments:

- Secured $32.7 million in August 2024 for the development of Denton Point III, IV, and V, totaling 451,856 square feet at 670-710 Masch Branch Road.

High Street Logistics Properties:

- Completed the Golden Point Industrial project, a 180,657-square-foot warehouse south of US 380 along I-35, with construction starting in November 2023 and completion expected by May 2024.

EastGroup Properties:

- Initiated construction of Denton Exchange 35 Industrial Facility in Q2 2024, comprising two Class A industrial buildings totaling approximately 243,859 square feet, with completion anticipated by Q4 2025.

Southwire Company:

- Announced a 100,000-square-foot expansion of its Denton facility, investing $85.4 million over three years, with an expected valuation increase of over $69 million and the creation of 95 new jobs.

Ironwood Realty Partners and Scannell Properties:

- Partnered on Denton Crossing @ I-35, a project encompassing approximately 1.2 million square feet of industrial speculative space along Western Boulevard. Buildings 1 and 2, totaling nearly 700,000 square feet, have been completed, with Buildings 3 and 4 adding 398,000 and 127,000 square feet, respectively.

The City of Denton uses various economic development tools including financial districts to improve and enhance infrastructure and encourage private investment in specific areas of the City. These development districts support development and revitalization and are commonly known as public improvement districts, tax increment reinvestment zones, or municipal management districts.

Denton currently has two active development districts:

- Tax Increment Reinvestment Zone Number One (Downtown TIRZ)
- Tax Increment Reinvestment Zone Number Two (Westpark TIRZ)

In the Downtown TIRZ area, the following projects are underway:

- **Fine Arts Theater:** The Denton City Council approved a $1.6 million economic development agreement to help with renovations and redevelopment at the Fine Arts Theater of Denton. The Theatre will be a multiuse facility for live performances, movies, special festivals, concerts, and private rentals. The 9,900-square-foot theater has been part of downtown since 1877, when it opened as an opera house, then became part of the Texas movie theater chain in 1935 and then the Fine Arts Theater in 1957.
- **Roses Costumes:** Longtime Denton costume shop Rose Costumes moved into the former McNeill's space directly on the Downtown Square. The business received a $50,000 downtown reinvestment grant.

Several projects, which will total over 3 million square feet, are currently underway in the Westpark Tax Increment Reinvestment Zone (TIRZ) and industrial area.

Westpark Industrial

- A 16-acre parcel, at 251 N Western Boulevard, will include two speculative buildings at just over 100,000 square feet each.

PRELIMINARY

During the fiscal year 2023-2024, Denton experienced notable advancements in its tech and entrepreneurial sectors, significantly bolstered by initiatives from Stoke Denton and Texas Woman's University's (TWU) Center for Women Entrepreneurs (CWE).

AccelerateHER Program:

- In collaboration with TWU's CWE, Stoke Denton concluded the fourth cohort of the AccelerateHER program in January 2024. This incubator supports women entrepreneurs by providing resources and education to fast-track their startups into scalable businesses. The 2023-2024 cohort comprised seven women who participated in weekly workshops and one-on-one mentorship sessions over five months. The program culminated in a virtual showcase, allowing each entrepreneur to present their business and growth strategies.

FlintConf 2024:

- In May 2024, Stoke Denton hosted FlintConf, Denton's annual startup conference aimed at empowering the local economy, entrepreneurs, and creatives. The event featured various workshops, panel discussions, and networking opportunities, attracting a diverse group of attendees and fostering collaboration within the entrepreneurial community.

Global Entrepreneurship Week (GEW) 2023:

- From November 13-19, 2023, Stoke Denton celebrated GEW by organizing multiple events to support and inspire local entrepreneurs. The lineup included a fireside chat with Kari Meyercord-Westerman, owner of Thistle Creative Reuse; a virtual Coffee + Convo session with Heather Gregory, Executive Director of Stoke; a Denton Creative Mixer at Denton County Brewing Company; and the Denton Pitch Competition and Small Business Expo at Sunago Bell. These events collectively enhanced community engagement and provided valuable resources for business development.

Denton Pitch Competition:

- As part of GEW 2023, the Denton Pitch Competition offered local entrepreneurs a platform to present their business ideas to potential investors and partners. The event featured ten businesses pitching their concepts, with a total of 13 entrepreneurs participating in the accompanying Entrepreneur Expo. This initiative provided 28 hours of coaching to 17 entrepreneurs, fostering business growth and innovation within the community.

Coffee + Convo Sessions:

- Throughout the fiscal year, Stoke Denton hosted monthly "Coffee + Convo" sessions, totaling 11 events with 75 attendees. These informal gatherings facilitated discussions on various business topics, allowing entrepreneurs to share experiences, seek advice, and build networks within the local startup ecosystem.

These developments reflect Denton's robust industrial growth during the 2023-2024 fiscal years, contributing to economic expansion and job creation.

FINANCIAL INFORMATION AND FINANCIAL POLICY

The City's financial direction begins with the City's Charter, which is the basis for all financial policies the City implements. The City maintains financial policies for general operations, which include policies for financial management and fund balances, budget compliance, debt issuance and management, accounts payable, water service, and purchasing, among others.

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the liability is incurred. Proprietary (which includes Internal Service Funds) operations are maintained on the full accrual basis.

PRELIMINARY

The City's Annual Operating Budget is proposed by the City Manager and approved by the City Council following public discussion. The City's Charter requires adoption of the City's budget no later than September 30th. The budget structure is organized by funds. Normally, funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The two types of funds utilized in the budget are Governmental and Proprietary (which includes Internal Service Funds). Budgetary control is maintained at the fund level by the Finance Department.

All legally required funds are budgeted annually by type, as follows:

- Governmental Funds
  - General Fund
  - General Debt Service Fund
  - Street Improvement Fund
  - Tourist and Convention Fund
  - Police Confiscation Fund
  - Catalyst Fund (formerly the Economic Development Investment Fund)*
  - Parks Gas Well Fund
  - Roadway Impact Fee Fund
  - Tree Mitigation Fund
  - Public Education Government (PEG) Fund
  - McKenna Trust Fund
  - Park Land Dedication and Development Trust Fund
  - Downtown Tax Increment Reinvestment Zone (TIRZ) Fund
  - Westpark Tax Increment Reinvestment Zone (TIRZ) Fund
  - Sustainability Framework Fund
  - Other Miscellaneous Special Revenue Funds
- Proprietary Funds
  - Electric Fund
  - Water Fund
  - Wastewater Fund
  - Solid Waste Fund
  - Airport Fund
  - Internal Service Funds
    - Customer Service Fund
    - Engineering Services Fund
    - Environmental Services Fund
    - Facilities Management
    - Fleet Management Fund
    - Health Insurance Fund
    - Materials Management Fund
    - Risk Retention Fund
    - Technology Services Fund

PRELIMINARY

LONG-TERM FINANCIAL PLANNING

In conjunction with this document, interested parties are encouraged to read the City of Denton's FY 2024-25 Annual Budget document. This document details the City's strategic plan, long-term financial policies, program accomplishments, and other key initiatives. The document also includes the long-term financial forecasts for each of the major funds, and a summary of the assumptions that are included in these plans. In addition, the budget document provides an overview of the adopted Capital Improvement Program and planned future debt issuances. The Annual Budget can be accessed through the City's web site at www.cityofdenton.com and selecting Financial Transparency under the "Open Government" link.

RELEVANT FINANCIAL POLICIES

The City of Denton maintains reserve balances for emergencies. In the General Fund, the target reserve level is a minimum of 20% of budgeted expenditures with an additional 5% resiliency reserve for a combined total of 25% to provide stability and flexibility for the organization. As described in the accompanying ACFR document, the unassigned fund balance is $42.1 million, or 22.3%, of the budgeted General Fund expenditures for the fiscal year ended September 30, 2024.

Beginning in FY 2011-12, the City adopted a policy which requires a minimum ending working capital balance (current assets minus current liabilities) of at least 8% of budgeted expenditures for the Electric, Water, Wastewater and Solid Waste Funds. If the working capital level should fall below the desired minimum, the City will implement necessary corrective action with a five-year plan to restore the working capital balance to 8% of budgeted expenditures.

Additionally, rate reserve levels were established for the Electric, Water, Wastewater, and Solid Waste Funds in FY 2011-12 according to the unique operational aspects of each utility. The rate reserve levels were most recently revised in FY 2020-21 based on the factors of revenue stability, expense and demand volatility, infrastructure age, debt levels and management plans for the use of these reserves. The rate reserve level is established at a range of 38% to 61% of expenses for the Electric Fund, at a range of 20% to 31% of expenses for the Wastewater Fund, at a range of 25% to 42% of expenses for the Water Fund, and at a range of 6% to 10% of expenses for the Solid Waste Fund. If the rate reserve level falls below the range, the City will implement the necessary corrective action within a five-year plan to restore the balances to the levels outlined above.

The City of Denton has adopted an Investment Policy which guides the investment of all City funds. In accordance with State law, the policy is reviewed annually by the City Council to ensure that public funds are being invested in a conservative and prudent fashion. In addition, the City also annually reviews and approves a Debt Management policy. The purpose of this policy is to provide general guidelines regarding the issuance of City debt and the use and limitation of such debt. The City complied with all aspects of the Investment and Debt Management policies during FY 2023-24.

SUMMARY

MAJOR INITIATIVES

The City's Strategic Plan and Council specifically identified improving facility infrastructure as a major goal. In response to this goal, the FY 2024-25 Budget includes additional issuance of General Obligation Bonds. This increase in funding shows the City's continued commitment to facility infrastructure and equipment funding.

The combination of increased operating funding along with the issuance of debt shows the strong commitment to improving our infrastructure. In the future, the City staff will continue efforts to identify additional funding for facility infrastructure and equipment funding activities along with potential future debt issuances for street reconstruction to continue to improve the condition of the City's streets over the long term.

AWARDS AND ACKOWLEDGEMENTS

The Government Finance Officers' Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023, for the thirty-seventh consecutive year. To be awarded the Certificate of Achievement in Financial Reporting, the City must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfies both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is held for a period of one year only. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The City also received the GFOA award for Distinguished Budget Presentation for its fiscal year 2023-24 Annual Budget for the thirty-seventh consecutive year. To qualify for the Distinguished Budget Presentation Award, the City's budget document was judged according to its compliance with specific guidelines established by GFOA. These guidelines help ensure that Denton's budget is distinguished as an operations guide, financial plan, policy document, and communications device. The City has submitted its fiscal year 2024-25 Annual Budget to GFOA

to determine its eligibility for another certificate. We believe it continues to meet the Distinguished Budget Presentation Award criteria.

The City received a Certificate of Distinction from the Government Treasurers of Texas (GTOT). The distinction was received for developing an investment policy that meets the requirements of the Public Funds Investment Act and the standards for prudent public investing as established by the GTOT. The GTOT awards an estimated 38 distinctions annually, which the City has received nine times since 1999.

In 2024, City of Denton was awarded the Six Transparency Stars by the Texas Comptroller, which recognizes cities, counties, special purpose districts and school districts to provide easy online access to important financial data. The City of Denton is only one of five local government in Texas to receive all six transparency stars. Transparency Stars are granted and maintained on an ongoing basis.

We would like to thank the City Council for their strong leadership and support that helped make the presentation of this report possible. We would also like to thank the City Manager, Finance staff, department directors, division heads and especially the Accounting Division staff for their diligent efforts in the preparation of the annual financial report.

DocuSigned by:
Christine Taylor
2B3E02ECE3184D8...

Christine Taylor
Assistant City Manager

Signed by:
Jessica Williams
8E9AFB49EC4C49C...

Jessica Williams
Chief Financial Officer, MPA, CPFO

PRELIMINARY

APPENDIX B

EXCERPTS FROM THE

CITY OF DENTON, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended September 30, 2024

The information contained in this Appendix consists of excerpts from the City of Denton, Texas Annual Comprehensive Financial Report for the Year Ended September 30, 2024, and is not intended to be a complete statement of the City's financial condition. Reference is made to the complete Report for further information.

PRELIMINARY

APPENDIX C

FORMS OF BOND COUNSEL'S OPINIONS

PRELIMINARY

ORDINANCE NO. 25-___

AN ORDINANCE OF THE CITY OF DENTON CONSIDERING ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE AND DELIVERY OF UP TO $142,565,000 IN PRINCIPAL AMOUNT OF "CITY OF DENTON GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2025"; AUTHORIZING THE ISSUANCE OF THE BONDS; DELEGATING THE AUTHORITY TO CERTAIN CITY OFFICIALS TO EXECUTE CERTAIN DOCUMENTS RELATING TO THE SALE OF THE BONDS; APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING TO SAID BONDS; ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, by virtue of elections held within the City of Denton, Texas (the "Issuer") on November 5, 2019 and November 7, 2023, this City Council became authorized to issue, sell and deliver the general obligation bonds of the Issuer, of which there have been issued heretofore, are authorized to be issued by this Ordinance, and will remain authorized but unissued hereafter, as described in Schedule I attached hereto and incorporated herein; and

WHEREAS, this City Council finds and determines that it is necessary and proper to order the issuance, sale and delivery of such voted bonds; and

WHEREAS, the Issuer has previously issued and outstanding obligations described in Schedule II attached hereto and incorporated herein (collectively, the "Eligible Refunded Obligations") and the Issuer now desires to refund all or part of the Eligible Refunded Obligations, and those Eligible Refunded Obligations designated by the Pricing Officer in the Pricing Certificate, each as defined below, to be refunded are herein referred to as the "Refunded Obligations"; and

WHEREAS, Chapter 1207, Texas Government Code, as amended ("Chapter 1207") authorizes the Issuer to issue refunding bonds and to deposit the proceeds from the sale thereof, together with any other available funds or resources, directly with a paying agent for the Refunded Obligations or a trust company or commercial bank that does not act as a depository for the Issuer and is named in these proceedings, and such deposit, if made before the payment dates of the Refunded Obligations, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, Chapter 1207 further authorizes the Issuer to enter into an escrow or similar agreement with such paying agent for the Refunded Obligations or trust company or commercial bank with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as the Issuer and such paying agent or trust company or commercial bank may agree; and

WHEREAS, the City Council hereby finds and declares a public purpose and it is in the best interests of the Issuer to refund the Refunded Obligations in order to achieve a debt service savings, with such savings, among other information and terms to be included in a pricing certificate (the "Pricing Certificate") to be executed by the Pricing Officer (hereinafter designated) in connection with the initial issuance of each Series of Bonds, all in accordance with the provisions of Section 1207.007, Texas Government Code; and

WHEREAS, all the Refunded Obligations mature or are subject to redemption prior to maturity within 20 years of the date of the bonds hereinafter authorized; and

WHEREAS, the Issuer is an "issuer" within the meaning of Section 1371.001(4)(P), Texas Government Code, having (i) a principal amount of at least $100 million in outstanding long-term indebtedness, in long-term indebtedness proposed to be issued, or in a combination of outstanding or proposed long-term indebtedness and (ii) some amount of long-term indebtedness outstanding or proposed to be issued that is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation; and

WHEREAS, the bonds hereinafter authorized to be issued were voted and are to be issued, sold and delivered pursuant to the general laws of the State of Texas, including Texas Government Code Chapters 1207, 1331 and 1371, as amended, and the Issuer's Home Rule Charter; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Texas Government Code Chapter 551; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. RECITALS, AMOUNT, PURPOSE AND DESIGNATION OF THE BONDS.

(a) The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

(b) The term "Bonds" as used in this Ordinance shall mean and include collectively all bonds initially issued and delivered pursuant to this Ordinance (the "Initial Bonds") and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds. "Series" or "Series of Bonds" means any designated series of Bonds issued pursuant to this Ordinance.

(c) The Bonds of the City of Denton, Texas (the "Issuer") are hereby authorized to be issued and delivered in one or more Series in the maximum aggregate principal amount of $142,565,000 (i) up to $99,055,000 for the public purpose of refunding the Refunded Obligations, (ii) for the purpose of the acquisition of property and making improvements for public purposes in said Issuer, to wit: (A) $20,900,000 for street improvements (including the reconstruction, restructuring and extension of Mingo Road and Ruddell Drive), (B) $15,342,000 for fire public safety facilities, including Fire Station #5 and Fire Station #6, (C) $6,268,000 for drainage and flood control improvements, including Oakland Drainage improvements, Upstream Detention improvements and Pecan Creek Tributary (PEC 4) Phases 3 & 4 Drainage improvements, and (D) $1,000,000 for park system improvements, all in accordance with and subject to the election propositions authorizing such bonds (the "Improvement Projects"), and (iii) to pay the costs associated with the issuance of the Bonds (collectively, the "Projects").

(d) Each bond issued pursuant to this Ordinance shall be designated: "CITY OF DENTON GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BOND, SERIES 2025," with each Series of Bonds having a letter designation following the year, starting with “A”, and with such changes as designated by the Pricing Officer pursuant to Section 2. Initially there shall be issued, sold, and delivered hereunder fully registered bonds, without interest coupons, payable to the respective registered owners thereof (with the Initial Bond being made payable to the Purchaser as described in Section 10 hereof), or to the registered assignee or assignees of said Bonds or any portion or portions thereof (in each case, the "Registered Owner"). The Bonds shall be in the respective principal amounts, shall be numbered, shall

mature and be payable on the date or dates in each of the years and in the principal amounts, and shall bear interest to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the Pricing Certificate.

SECTION 2. DELEGATION TO PRICING OFFICER.

(a) As authorized by Sections 1207.007 and 1371.053, Texas Government Code, as amended, the City Manager or the Chief Financial Officer (the "Pricing Officer") is hereby authorized to act on behalf of the Issuer in selling and delivering each Series of the Bonds, determining which of the Eligible Refunded Obligations shall be refunded and carrying out the other procedures specified in this Ordinance, including, determining the date of sale of the Bonds, the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Issuer, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Bonds and the refunding of the Refunded Obligations, including without limitation establishing the redemption date for and effecting the redemption of the Refunded Obligations and obtaining municipal bond insurance for all or any portion of the Bonds (including in connection therewith the execution of any commitment agreements, membership agreements in mutual insurance companies, and other similar agreements) and providing for the terms and provisions thereof applicable to the Bonds, all of which shall be specified in the Pricing Certificate; provided that:

(i) the aggregate original principal amount of the Bonds shall not exceed $142,565,000 with up to $99,055,000 of such amount issued for the purposes described in Section 1(c)(i) and (iii) hereof, $20,900,000 of such amount to be issued for the purposes described in Section 1(c)(ii)(A) and (iii) hereof, $15,342,000 of such amount to be issued for the purposes described in Section 1(c)(ii)(B) and (iii) hereof, $6,268,000 of such amount to be issued for the purposes described in Section 1(c)(ii)(C) and (iii) hereof, and $1,000,000 of such amount to be issued for the purposes described in Section 1(c)(ii)(D) and (iii) hereof,;

(ii) the maximum stated maturity of the Bonds shall not exceed February 15, 2045;

(iii) the Bonds shall bear interest at a fixed rate, and the net effective interest rate on the Bonds shall not exceed 5.000%;

(iv) the refunding of the Refunded Obligations must produce present value debt service savings of at least 1.000%, net of any Issuer contribution;

(v) the delegation made hereby shall expire if not exercised by the Pricing Officer through execution of the Pricing Certificate on or prior to January 15, 2026; and

(vi) on or prior to delivery, the Bonds shall be rated by a nationally recognized rating agency for municipal securities in one of the four highest categories for long-term obligations.

(b) In establishing the aggregate principal amount of a Series of Bonds, the Pricing Officer shall establish an amount not exceeding, in aggregate with any other Series of Bonds, the amount authorized in Subsection (a) hereof, which shall be sufficient in amount to provide for the purposes for which the Series of Bonds are authorized and to pay costs of issuing the Bonds. Each Series of Bonds shall be sold with and subject to such terms as set forth in the Pricing Certificate for such Series.

SECTION 3. CHARACTERISTICS OF THE BONDS.

(a) Registration, Transfer, Conversion and Exchange; Authentication. The Issuer shall keep or cause to be kept at the principal corporate trust office of BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar") books or records for the registration of the transfer, conversion and exchange of the Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Ordinance. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

Except as provided in Section 3(c) of this Ordinance, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be printed or typed on paper of customary weight and strength. Pursuant to Chapter 1201, Government Code, as amended, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Bond, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds that initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General of the State of Texas (the "Attorney General") and registered by the Comptroller of Public Accounts of the State of Texas (the "Comptroller").

(b) Payment of Bonds and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the past due interest shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(c) In General. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owners thereof, (ii) may or shall be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the Issuer at least 45 days prior to any such redemption date), (iii) may be converted and exchanged for other Bonds, (iv) may be transferred and assigned, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Ordinance (as modified in the Pricing Certificate). The Initial Bonds are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Ordinance the Paying Agent/Registrar shall execute the Paying Agent/Registrar's Authentication Certificate, in the form set forth in the FORM OF BOND.

(d) Paying Agent/Registrar for the Bonds. The Issuer covenants with the Registered Owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other entity to act as and perform the services of Paying Agent/Registrar for the Bonds under this Ordinance, and that the Paying Agent/Registrar will be a single entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 60 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(e) Authentication. Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Paying Agent/Registrar's Authentication Certificate substantially in the form provided in this Ordinance, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Paying Agent/Registrar's Authentication Certificate on all of the Bonds. In lieu of the executed Paying Agent/Registrar's Authentication Certificate described above, an Initial Bond delivered on the closing date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Ordinance, manually executed by the Comptroller or by her duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General and that it is a valid and binding obligation of the Issuer, and has been registered by the Comptroller.

(f) Book-Entry-Only System. The Bonds issued in exchange for an Initial Bond shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of

The Depository Trust Company, New York, New York ("DTC"), and except as provided in subsection (g) hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner of Bonds, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner of Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the Registered Owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Bond evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the Registered Owner at the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

The previous execution and delivery of the Blanket Issuer Letter of Representations with respect to obligations of the Issuer is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Bonds.

(g) Successor Securities Depository; Transfers Outside Book-Entry-Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the Blanket Issuer Letter of Representations to DTC or that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate certificated Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

(h) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Blanket Issuer Letter of Representations to DTC.

(i) Cancellation of Initial Bonds. On the closing date, one Initial Bond, representing the entire principal amount of a Series of the Bonds, payable in stated installments to the purchaser designated in Section 10 or its designee, executed by manual or facsimile signature of the Mayor and City Secretary of the Issuer, approved by the Attorney General, and registered and manually signed by the Comptroller, will be delivered to such purchaser or its designee. Upon payment for such Initial Bond, the Paying Agent/Registrar shall cancel such Initial Bond and deliver to DTC on behalf of such purchaser one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all of the Bonds for such maturity. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

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

SECTION 4. FORM OF BONDS. The form of the Bonds, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Comptroller's Registration Certificate to be attached to the Bonds initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance, and with the Form of Bond to be modified pursuant to, and completed with information set forth in, the Pricing Certificate.

(a) [Form of Bond]

NO. R-	UNITED STATES OF AMERICA STATE OF TEXAS CITY OF DENTON GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BOND SERIES 2025	PRINCIPAL AMOUNT $_____

Interest Rate	Dated Date	Maturity Date	CUSIP No.
	_____, 20__	February 15, ____	

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

ON THE MATURITY DATE specified above, the City of Denton, in Denton County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date at the Interest Rate per annum specified above. Interest is payable on _____, 20__ and semiannually on each _____ and _____ thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of BOKF, NA, Dallas, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Bond (the "Bond Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the last business day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner of a Bond appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Bond prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Bond for redemption and payment at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the Registered Owner of this Bond that on or before each principal payment date, interest payment date, and accrued interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Ordinance, the amounts required

to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

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

THIS BOND is one of a series of Bonds dated _____, 20__, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of $_____ (i) for the public purpose of refunding the Refunded Obligations, (ii) for the purpose of the acquisition of property and making improvements for public purposes in the Issuer, to wit: (A) street improvements, (B) fire public safety facilities, (C) drainage and flood control improvements, and (D) park system improvements, and (iii) to pay the costs associated with the issuance of the Bonds.

ON _____, 20__, or on any date thereafter, the Bonds of this series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Bond may be redeemed only in an integral multiple of $5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

[THE BONDS scheduled to mature on _____ in the years ____ and ____ (the "Term Bonds") are subject to scheduled mandatory redemption by the Paying Agent/Registrar by lot, or by any other customary method that results in a random selection, at a price equal to the principal amount thereof, plus accrued interest to the redemption date, out of moneys available for such purpose in the interest and sinking fund for the Bonds, on the dates and in the respective principal amounts, set forth in the following schedule:

Term Bond Maturity: February 15, 20__		Term Bond Maturity: February 15,20__	
Mandatory Redemption Date	Principal Amount	Mandatory Redemption Date	Principal Amount
February 15,20__	$_____	February 15,20__	$_____
February 15,20		February 15,20	
February 15,20__	_____	February 15,20__	_____
February 15,20__ (maturity)	_____	February 15,20__ (maturity)	_____

The principal amount of Term Bonds of a stated maturity required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Term Bonds of the same maturity which, at least 50 days prior to a mandatory redemption date (1) shall have been acquired by the Issuer at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to

the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.]

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the Registered Owner of each Bond to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure of the Registered Owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Bonds or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of $5,000, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Ordinance.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date or any prerequisite set forth in such notice of redemption. If such redemption is not effectuated, the Paying Agent/Registrar shall, within five days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received or such prerequisites were not met and shall rescind the redemption.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any integral multiple of $5,000. As provided in the Bond Ordinance, this Bond may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of $5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of $5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The Form of Assignment printed or endorsed on this Bond may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental

charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owners of the Bonds.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, existed and been done in accordance with law; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law.

THE ISSUER HAS RESERVED THE RIGHT to amend the Bond Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the Registered Owners of a majority in aggregate principal amount of the outstanding Bonds.

BY BECOMING the Registered Owner of this Bond, the Registered Owner thereby acknowledges all of the terms and provisions of the Bond Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Bond Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Ordinance constitute a contract between each Registered Owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the Mayor of the Issuer (or in the Mayor's absence, of the Mayor Pro-Tem) and countersigned with the manual or facsimile signature of the City Secretary of said Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

(signature)	(signature)
City Secretary	Mayor

(SEAL)

[INSERT BOND INSURANCE LEGEND, IF ANY]

(b) [Form of Paying Agent/Registrar's Authentication Certificate]

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Bond is not accompanied by an executed Comptroller's Registration Certificate)

It is hereby certified that this Bond has been issued under the provisions of the Bond Ordinance described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a bond, bonds, or a portion of a bond or bonds of a series that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____

_____
BOKF, NA, Dallas, Texas
Paying Agent/Registrar

By:_____
Authorized Representative

(c) [Form of Assignment]

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____.

Please insert Social Security or Taxpayer Identification Number of Transferee

_____

(Please print or typewrite name and address, including zip code, of Transferee.)

_____

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this bond in every particular, without alteration or enlargement or any change whatsoever.

(d) [Form of Comptroller's Registration Certificate]

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

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

Witness my signature and seal this

_____
Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(e) [Initial Bond Insertions]

(i) The Initial Bonds shall be in the form set forth in paragraph (a) of this Section, except that:

A. immediately under the name of the Bond, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As shown below" and "CUSIP No. _____" shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"THE CITY OF DENTON, TEXAS, in Denton County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Years	Principal Installments ($)	Interest Rates (%)

(Information from Pricing Certificate to be inserted)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date at the respective Interest Rate per annum specified above. Interest is payable on _____, 20__, and semiannually on each _____ and _____ thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

C. The Initial Bond shall be numbered "T-1."

SECTION 5. INTEREST AND SINKING FUND.

(a) A special Interest and Sinking Fund (the "Interest and Sinking Fund") is hereby created solely for the benefit of the Bonds, and the Interest and Sinking Fund shall be established and maintained by the Issuer at an official depository bank of the Issuer. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the Issuer, and shall be used only for paying the interest on and principal of the Bonds. All ad valorem taxes levied and collected for and on account of the Bonds, together with any accrued interest received upon sale of the Bonds, shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Bonds or interest thereon are outstanding and unpaid, the governing body of the Issuer shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Bonds as such interest becomes due, and to provide and maintain a sinking fund adequate to pay the principal of its Bonds as such principal matures or is scheduled for redemption (but never less than 2% of the original principal amount of the Bonds as a sinking fund each year). Said tax shall be based on the latest approval tax rolls of the Issuer, with full allowance being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the Issuer for each year while any of the Bonds or interest thereon are outstanding and unpaid; and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Bonds, as such interest comes due and such principal matures or is scheduled for redemption, are hereby pledged for such payment, within the limit prescribed by law. Notwithstanding the requirements of this Section, if Surplus Revenues or other lawfully available moneys of the Issuer are actually on deposit or budgeted and appropriated to be deposited in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to this Section may be reduced to the extent and by the amount of the Surplus Revenues or other lawfully available funds then on deposit or budgeted and appropriated to be deposited in the Interest and Sinking Fund. For purposes of this Section, "Surplus Revenues" means revenues derived by the Issuer from the ownership and operation of the Issuer's Utility System (consisting of its combined waterworks system, sanitary sewer system, and electric light and power system) that remain after the payment of all maintenance and operation expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) or contractual obligations (now or hereafter existing) which are payable from all or any part of the net revenues of the Issuer's Utility System. If Surplus Revenues are budgeted and appropriated for deposit into the Interest and Sinking Fund, the Issuer:

(i) shall transfer and deposit in the Interest and Sinking Fund each month an amount of not less than 1/12th of the annual debt service on the Bonds to be paid from Surplus Revenues until the amount on deposit in the Interest and Sinking Fund equals the amount required for annual debt service on the Bonds;

(ii) shall establish, adopt and maintain an annual budget that provides for either the monthly deposit of sufficient Surplus Revenues and/or tax revenues, the monthly deposit of any other legally available funds on hand at the time of the adoption of the annual budget, or a combination thereof, into the Interest and Sinking Fund for the repayment of the Bonds; and

(iii) shall at all times maintain and collect sufficient Utility System rates and charges in conjunction with any other legally available funds that, after payment of the costs of operating and maintaining the Utility System, produce revenues in an amount not less than the debt service requirements of all outstanding Utility System revenue bonds of the Issuer and other obligations of the Issuer which are

secured in whole or in part by a pledge of revenues of the Utility System and for which the Issuer is budgeting the repayment of such obligations from the revenues of the Utility System, or the Issuer shall provide documentation which evidences the levy of an ad valorem tax rate dedicated to the Interest and Sinking Fund, in conjunction with any other legally available funds except Utility System rates and charges, sufficient for the repayment of Utility System debt service requirements.

(b) Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the taxes granted by the Issuer under this Section and Section 9, respectively, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the taxes granted by the Issuer under this Section is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the Registered Owners of the Bonds a security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

SECTION 6. DEFEASANCE OF BONDS.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Government Obligations that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Government Obligations. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in Subsection (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the Registered Owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from such Government Obligations received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Government Obligations are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Government Obligations or the substitution of other Government Obligations upon the satisfaction of the requirements specified in Subsection (a)(i) or (ii) of this Section. All income from such Government

Obligations received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) Unless modified in the Pricing Certificate, the term "Government Obligations" means any securities and obligations now or hereafter authorized by state law that are eligible to discharge obligations such as the Bonds, including (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the Issuer adopts or approves the proceedings authorizing the financial arrangements, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Issuer adopts or approves the proceedings authorizing the financial arrangements, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

(d) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) In the event that the Issuer elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

SECTION 7. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new Bond of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen or destroyed Bonds shall be made by the Registered Owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Bond, the Registered Owner applying for a replacement Bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft or destruction of a Bond, the Registered Owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the Registered Owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Ordinance, in the event any such Bond shall have matured, and no default has occurred that is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement Bond, the Paying Agent/Registrar shall charge the Registered Owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued under this Ordinance.

(e) Authority for Issuing Replacement Bonds. In accordance with Sec. 1206.022, Government Code, this Section 7 of this Ordinance shall constitute authority for the issuance of any such replacement Bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 3(a) of this Ordinance for Bonds issued in conversion and exchange for other Bonds.

SECTION 8. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED; ENGAGEMENT OF BOND COUNSEL.

(a) The Mayor of the Issuer is hereby authorized to have control of the Initial Bonds and all necessary records and proceedings pertaining to the Bonds pending its delivery and its investigation, examination, and approval by the Attorney General, and its registration by the Comptroller. Upon registration of an Initial Bond said Comptroller (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Bond, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Bond. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Bonds issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owners of the Bonds. In addition, if bond insurance is obtained, the Bonds may bear an appropriate legend as provided by the insurer.

(b) The obligation of the Purchaser to accept delivery of the Bonds is subject to the Purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Bonds to the Purchaser. The engagement of such firm as bond counsel to the Issuer in connection with the issuance, sale and delivery of the Bonds is hereby approved and confirmed. The execution and delivery of an engagement letter between the Issuer and such firm, with respect to such services as bond counsel, is hereby authorized in such form as may be approved by the Mayor, and the Mayor is hereby authorized to execute such engagement letter.

SECTION 9. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS.

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any

"private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed or refinanced therewith are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Bonds, other than investment property acquired with:

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the rules and regulations of the United States Department of the Treasury ("Treasury Regulations"), and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess

Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(9), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the Bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. The Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the United States Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Mayor or Pricing Officer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) Allocation of, and Limitation on, Expenditures for the Projects. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the construction and acquisition of the Improvement Projects on its books and records in accordance with the requirements of the Code. The Issuer recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Improvement Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The Issuer agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Projects. The Issuer covenants that the property constituting the Improvement Projects and the projects refinanced by the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the Issuer may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation.

For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Reimbursement. This Ordinance is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

SECTION 10. SALE OF BONDS AND APPROVAL OF OFFICIAL STATEMENT; FURTHER PROCEDURES.

(a) Each Series of Bonds shall be sold and delivered subject to the provisions of Section 1 and Section 2 hereof through a negotiated sale, competitive sale or private placement and pursuant to the terms and provisions of a purchase contract or a notice of sale and official bid form (in each case, a "Purchase Agreement"), the terms and provisions of which are to be determined by the Pricing Officer in accordance with Section 2 hereof, and in which the purchaser or purchasers of the Bonds (the "Purchaser") shall be designated. The Pricing Officer is hereby authorized to execute and deliver one or more Purchase Agreement for and on behalf of the Issuer. The Bonds shall initially be registered in the name of the Purchaser or its designee.

(b) The Issuer hereby approves the form and content of the draft preliminary official statement relating to the Bonds and any addenda, supplement or amendment thereto, and approves the distribution of one or more preliminary official statement or other preliminary offering document in the reoffering of the Bonds by the Purchaser in final form, with such changes therein or additions thereto as the Pricing Officer may deem advisable. The Pricing Officer is hereby authorized, in the name and on behalf of the Issuer, to approve, distribute, and deliver one or more final official statement or other final offering document relating to the Bonds to be used by the Purchaser in the marketing of the Bonds.

(c) The Pricing Officer is authorized, in connection with effecting the sale of the Bonds, to obtain from a municipal bond insurance company so designated in the Pricing Certificate (the "Insurer") a municipal bond insurance policy (the "Insurance Policy") in support of the Bonds. To that end, should the Pricing Officer exercise such authority and commit the Issuer to obtain a municipal bond insurance policy, for so long as the Insurance Policy is in effect, the requirements of the Insurer relating to the issuance of the Insurance Policy as set forth in the Pricing Certificate are incorporated by reference into this Ordinance and made a part hereof for all purposes, notwithstanding any other provision of this Ordinance to the contrary. The Pricing Officer shall have the authority to execute any documents to effect the issuance of the Insurance Policy by the Insurer, including commitment agreements, membership agreements in mutual insurance companies and other similar agreements.

(d) The Mayor and Mayor Pro Tem, the City Manager, Pricing Officer and City Secretary and all other officers, employees and agents of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer a Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Pricing Certificate, the Bonds, the sale of the Bonds, any Purchase Agreement and any official statement or other offering document. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 11. INTEREST EARNINGS ON BOND PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Bonds issued for the Improvement Projects shall be used along with other Bond proceeds for the Improvement Projects; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on Bond proceeds that are required to be rebated to the United States of America pursuant to Section 9 hereof in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

SECTION 12. CONSTRUCTION FUND OR ACCOUNT; INVESTMENTS.

(a) The proceeds of sale of the Bonds, excluding any accrued interest received from the initial purchaser of the Bonds and any other amounts to be deposited into the Interest and Sinking Fund, any amounts to be deposited into the escrow fund under the escrow agreement approved in Section 16 of this Ordinance and amounts to pay costs of issuance of the Bonds, shall be deposited in one or more construction funds or accounts for use, along with any investment earnings thereon, by the Issuer for payment of all lawful costs associated with the acquisition and construction of the Improvement Projects as hereinbefore provided. Upon payment of all such costs, any moneys remaining on deposit in said funds or accounts, including investment earnings, shall be transferred to the Interest and Sinking fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in Section 5 of this Ordinance.

(b) The Issuer may invest proceeds of the Bonds (including investment earnings thereon) issued for Improvement Projects and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the Issuer hereby covenants that the proceeds of the sale of the Bonds will be used as soon as practicable for the purposes for which the Bonds are issued.

(c) All deposits authorized or required by this Ordinance shall be secured to the fullest extent required by law for the security of public funds.

SECTION 13. COMPLIANCE WITH RULE 15c2-12.

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

> "*Financial Obligation*" means a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

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

(b) Annual Reports.

(i) The Issuer shall provide annually to the MSRB, in the electronic format prescribed by the MSRB, financial information and operating data (the "Annual Operating Report") with respect to the Issuer of the general type included in the final official statement authorized by this Ordinance, being the information described in the Pricing Certificate. The Issuer will additionally provide financial statements of the Issuer (the "Financial Statements"), that will be (i) prepared in accordance with the accounting principles described in the Pricing Certificate or such other accounting principles as the Issuer may be required to employ from time to time pursuant to State law or regulation and shall be in substantially the form included in the final official statement and (ii) audited, if the Issuer commissions an audit of such Financial Statements and the audit is completed within the period during which they must be provided. The Issuer will update and provide the Annual Operating Report within six months after the end of each fiscal year and the Financial Statements within 12 months of the end of each fiscal year, in each case beginning with the fiscal year ending in and after 2025. The Issuer may provide the Financial Statements earlier, including at the time it provides its Annual Operating Report, but if the audit of such Financial Statements is not complete within 12 months after any such fiscal year end, then the Issuer shall file unaudited Financial Statements within such 12-month period and audited Financial Statements for the applicable fiscal year, when and if the audit report on such Financial Statements becomes available. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(ii) If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

(c) Event Notices.

(i) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws:

1. Non-payment related defaults;
2. Modifications to rights of holders of the Bonds;
3. Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
6. Appointment of a successor or additional trustee or the change of name of a trustee; and
7. Incurrence of a Financial Obligation of the Issuer or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders.

(ii) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Bonds, without regard to whether such event is considered material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of an obligated person; and
10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

(d) Limitations, Disclaimers, and Amendments.

(i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes the Bonds no longer to be outstanding.

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

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

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

(iv) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

(v) Notwithstanding anything to the contrary in Section 14 hereof, the provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the Registered Owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the Registered Owners and beneficial owners of the Bonds. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

(e) Amendment of the Rule. The provisions of this Section shall be revised by the Pricing Officer to reflect the requirements of the Rule if the Rule is amended after the adoption of this Ordinance but prior to the delivery of the Bonds so as to permit an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule. Any such revisions shall be set forth in the Pricing Certificate and are incorporated by reference into this Ordinance and made a part hereof for all purposes, notwithstanding any other provision of this Ordinance to the contrary.

SECTION 14. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The Issuer may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the holders, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of the Issuer's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the holders of Bonds aggregating in principal amount a majority of the aggregate principal amount of then outstanding Bonds that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the then outstanding Bonds that are the subject of a proposed amendment, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Bonds so as to:

(1) Make any change in the maturity of any of the affected outstanding Bonds;

(2) Reduce the rate of interest borne by any of the affected outstanding Bonds;

(3) Reduce the amount of the principal of, or redemption premium, if any, payable on any affected outstanding Bonds;

(4) Modify the terms of payment of principal or of interest or redemption premium on affected outstanding Bonds or impose any condition with respect to such payment; or

(5) Change the minimum percentage of the principal amount of Bonds necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Ordinance under this Section, the Issuer shall send by U.S. mail to each Registered Owner of the affected Bonds a copy of the proposed amendment and cause notice of the proposed amendment to be published at least once in a financial publication published in The City of New York, New York or in the State of Texas. Such published notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the office of the Issuer for inspection by all holders of such Bonds.

(d) Whenever at any time within one year from the date of publication of such notice the Issuer shall receive an instrument or instruments executed by the holders of at least a majority in aggregate principal amount of all of the Bonds then outstanding that are required for the amendment, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the Issuer and all holders of such affected Bonds shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the publication of the notice provided for in this Section, and shall be conclusive and binding upon all future holders of the same Bond during such period. Such consent may be revoked at any time after six months from the date of the publication of said notice by the holder who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the holders of a majority in aggregate principal amount of the affected Bonds then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

For the purposes of establishing ownership of the Bonds, the Issuer shall rely solely upon the registration of the ownership of such Bonds on the Registration Books kept by the Paying Agent/Registrar.

SECTION 15. DEFAULT AND REMEDIES.

(a) Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Issuer, the failure to perform which materially, adversely affects the rights of the Registered Owners of the Bonds, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the Issuer.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Issuer for the purpose of protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Bonds then outstanding.

(c) Remedies Not Exclusive.

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Bond authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or agents of the Issuer or the members of its governing body.

SECTION 16. APPROVAL OF ESCROW AGREEMENT AND TRANSFER OF FUNDS. In furtherance of authority granted by Section 1207.007(b), Texas Government Code, the Mayor or a Pricing Officer are further authorized to enter into and execute on behalf of the Issuer with the escrow agent named therein, an escrow or similar agreement, in the form and substance as shall be approved by the Pricing Officer, which agreement will provide for the payment in full of the Refunded Obligations. In addition, the

Mayor, Pricing Officer or other officer of the Issuer is authorized to purchase such securities, to execute such subscriptions for the purchase of the Escrowed Securities, (as defined in the agreement), if any, and to authorize such contributions to the escrow fund as provided in the agreement.

SECTION 17. REDEMPTION OF REFUNDED OBLIGATIONS.

(a) Subject to the execution and delivery of a Purchase Agreement with the Purchaser, the Issuer hereby directs that the Refunded Obligations be called for redemption on the dates and at such prices as set forth in the Pricing Certificate. The Pricing Officer is hereby authorized and directed to issue or cause to be issued the Notice of Redemption of the Refunded Obligations in substantially the form set forth in Exhibit A attached hereto, completed with information from the Pricing Certificate, to the paying agent/registrar(s) for the Refunded Obligations.

(b) In addition, the paying agent/registrar(s) for the Refunded Obligations is hereby directed to provide the appropriate notices of redemption and defeasance as specified by the ordinances authorizing the issuance of the Refunded Obligations and is hereby directed to make appropriate arrangements so that the Refunded Obligations may be redeemed on their respective redemption dates. The Refunded Obligations shall be presented for redemption at the paying agent/registrar therefore, and shall not bear interest after the date fixed for redemption.

(c) If the redemption of the Refunded Obligations results in the partial refunding of any maturity of the Refunded Obligations, the Pricing Officer shall direct the paying agent/registrar(s) for the Refunded Obligations to designate at random and by lot which of the Refunded Obligations will be payable from and secured solely from ad valorem taxes of the Issuer pursuant to the ordinance of the Issuer authorizing the issuance of such Refunded Obligations (the "Refunded Obligation Ordinance"). The paying agent/registrar(s) shall notify by first-class mail all registered owners of all affected obligations of such maturities that: (i) a portion of such obligations have been refunded and are secured until final maturity solely with cash and investments maintained by the escrow agent in the escrow fund, (ii) the principal amount of all affected obligations of such maturities registered in the name of such registered owner that have been refunded and are payable solely from cash and investments in the Escrow Fund and the remaining principal amount of all affected obligations of such maturities registered in the name of such registered owner, if any, have not been refunded and are payable and secured solely from ad valorem taxes of the Issuer described in the Refunded Obligation Ordinance, (iii) the registered owner is required to submit his or her Refunded Obligations to the paying agent/registrar(s), for the purposes of re-registering such registered owner's obligations and assigning new CUSIP numbers in order to distinguish the source of payment for the principal and interest on such obligations, and (iv) payment of principal of and interest on such obligations may, in some circumstances, be delayed until such obligations have been re-registered and new CUSIP numbers have been assigned as required by (iii) above.

(d) The source of funds for payment of the principal of and interest on the Refunded Obligations on their respective maturity or redemption dates shall be from the funds placed in escrow with the escrow agent, pursuant to an escrow agreement approved in Section 16 of this Ordinance.

SECTION 18. APPROPRIATION. To pay the debt service coming due on the Bonds, if any, prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount, which together with capitalized interest received from the sale of the Bonds, if any, will be sufficient to pay such debt service, and such amount shall be used for no other purpose.

SECTION 19. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Council.

SECTION 20. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

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:				
Vicki Byrd, District 1:				
Brian Beck, 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 the15th day of July, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____ Susan Keller Digitally signed by Susan Keller Date: 2025.07.10 09:08:54 -05'00'

SCHEDULE I

November 5, 2019 Election Voted Bonds

Purpose	Amount Authorized	Amount Previously Issued*	Unissued Balance	Amount Being Issued*	Remaining Balance
Street Improvements	$154,000,000	$99,500,000	$18,900,000	$18,900,000	$0
Police Public Safety Facilities	$61,900,000	$61,900,000	$0	$0	$0
Acquisition of Land for Parks	$5,000,000	$5,000,000	$0	$0	$0

* Includes principal and premium

November 7, 2023 Election Voted Bonds

Purpose	Amount Authorized	Amount Previously Issued*	Unissued Balance	Amount Being Issued*	Remaining Balance
Street Improvements	$45,125,000	$5,000,000	$40,125,000	$2,000,000	$38,125,000
Drainage and Flood Control Improvements	$58,860,000	$10,000,000	$48,860,000	$6,268,000	$42,592,000
Park System Improvements	$33,450,000	$9,450,000	$24,000,000	$1,000,000	$23,000,000
Fire and Animal Control Public Safety Facilities	$42,015,000	$26,170,000	$15,845,000	$15,342,000	$503,000
Active Adult Center Facility	$47,360,000	$0	$47,360,000	$0	$47,360,000
New South Branch Library	$49,545,000	$2,500,000	$47,045,000	$0	$47,045,000
Affordable Housing Projects	$15,000,000	$0	$15,000,000	$0	$15,000,000

* Includes principal and premium

SCHEDULE II

Schedule of Eligible Refunded Obligations

City of Denton Certificates of Obligation, Series 2014

Maturity Date (Feb. 15)	Principal Amount Outstanding
2026	$2,835,000
***	*****
2044	15,270,000
Total:	$18,105,000

City of Denton General Obligation Refunding and Improvement Bonds, Series 2014

Maturity Date (Feb. 15)	Principal Amount Outstanding
2026	$205,000
2027	210,000
2028	220,000
2029	225,000
2030	235,000
2031	245,000
2032	250,000
2033	265,000
2034	275,000
Total:	$2,130,000

City of Denton Certificates of Obligation, Series 2015

Maturity Date (Feb. 15)	Principal Amount Outstanding
2026	$2,455,000
2027	2,585,000
2028	2,710,000
2029	2,850,000
2030	3,000,000
2031	3,125,000
2032	3,255,000
2033	3,390,000
2034	3,535,000
***	*****
2039	14,930,000
***	*****
2045	20,645,000
Total:	$62,480,000

City of Denton General Obligation Refunding and Improvement Bonds, Series 2015

Maturity Date (Feb. 15)	Principal Amount Outstanding
2026	$2,930,000
2027	2,295,000
2028	1,170,000
2029	1,215,000
2030	1,265,000
2031	1,315,000
2032	1,370,000
2033	1,425,000
2034	1,485,000
2035	1,545,000
Total:	$16,015,000

City of Denton General Obligation Refunding Bonds, Series 2015

Maturity Date (Feb. 15)	Principal Amount Outstanding
2026	$325,000
Total:	$325,000

EXHIBIT A

Notice of Redemption

NOTICE IS HEREBY GIVEN that the City of Denton, Texas has called for redemption the outstanding obligations of the City described as follows (the "Refunded Obligations"):

City of Denton _____, Series 20__, dated _____, 2012, scheduled to mature on February 15, 20__ through February 15 20__, aggregating $_____ (and being all of the outstanding bonds of said series scheduled to mature on and after February 15, 20__);

Redemption Date: _____, 20__; redeemable at a redemption price of par plus accrued interest at the principal corporate offices of The Bank of New York Mellon Trust Company, N.A., only upon presentation by the owner thereof.

This notice of redemption and the payment of the redemption price of the Refunded Obligations is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar or legally authorized escrow agent no later than the Redemption Date, and the City retains the right to rescind such notice at any time prior to the Redemption Date, and this notice of redemption shall be of no effect unless such moneys are so deposited on or prior to the Redemption Date. If such redemption is not effectuated, the Paying Agent/Registrar shall, within five days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the redemption.

If moneys sufficient for the payment of such redemption price are held by or on behalf of the paying agent, the described Refunded Obligations shall become due and payable on the redemption date specified, and the interest thereon shall cease to accrue from and after the redemption date.

In compliance with section 3406 of the Internal Revenue Code of 1986, payors making certain payments due on debt securities may be obligated to deduct and withhold 30 percent of such payment from the remittance to any payee who has failed to provide such payor with a valid taxpayer identification number. To avoid the imposition of the withholding of tax, such payees should submit a taxpayer identification number when surrendering the Refunded Obligations for redemption.

NOTICE IS FURTHER GIVEN that all Refunded Obligations should be submitted to one of the following address:

First Class/Registered/ Certified Mail	Express Delivery	Hand Delivery
The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust P.O. Box 396 East Syracuse, New York 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust 111 Sanders Creek Parkway East Syracuse, New York 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust Corporate Trust Window 101 Barclay Street 1ST Floor East New York, New York 10286

Dated:_____, 20__

By: The Bank of New York Mellon Trust Company, National Association



FY
2024-2025

City Council
Bond Ordinances

July 15, 2025 ID's 25-1037; 25-1038

GO Projects:
2019 Bond Program
Prop A Streets

		BUDGET		BOND SALE
Street Reconstruction	$	13,400,000	$	13,400,000
Street Lighting		3,500,000		3,500,000
Sidewalks		2,000,000		2,000,000
2019 Bond Program Total	**$**	**18,900,000**	**$**	**18,900,000**

GO Projects:
2023 Bond Program

		BUDGET		BOND SALE
Ruddell, Mingo Roadway & Quiet Zones (Prop A)	$	12,000,000	$	2,000,000
Oakland Drainage & Upstream Detention Improv (Prop B)		3,000,000		3,000,000
PEC 3&4 Drainage Improvements (Prop B)		6,265,000		3,268,000
Aquatic Improvements (Prop C)		13,000,000		1,000,000
Fire Station # 5 (Prop D)		7,671,000		7,671,000
Fire Station # 6 (Prop D)		7,671,000		7,671,000
Public Art - Public Safety (Prop D)		503,000		-
Affordable Housing (Prop E)		5,000,000		-
2023 Bond Program Total	**$**	**55,110,000**	**$**	**24,610,000**

2025 Debt Refunding

2015 Series

Rate Change	
Average Interest Rate of Refunded Bonds	4.14%
Projected Interest Rate	3.55%

Refunding Bonds Opportunity	Principal Refund	Maturities Refund
General Obligation Refunding & Improvement Bonds, Series 2015	$ 9,620,000	2029-2035
Certificates of Obligation, Series 2015	$ 30,580,000	2026-2035
Total Refunding Opportunity	**$ 40,200,000**	

Total Projected Savings*
$ 1,392,353

Projected Savings by Debt Type					
General Fund	Solid Waste	Water	Wastewater	Electric	**Total**
$ 361,672	$ 75,709	$ 58,128	$ 140,622	$ 756,222	**$ 1,392,353**

*Preliminary, subject to change

GO Bond Sale

2019 Bond Program	$ 18,900,000
2023 Bond Program	24,610,000
Potential Refundings	99,055,000
Issuance Cost*	-
GO Bond Sale Total	$ 142,565,000

*Covered by CO estimate

Notice of Intent to Issue COs

- Council approved May 20, 2025.
- Published in Denton Record Chronicle on May 24th & 31st.
- This Bond Ordinance to authorize the sale of COs is at least 46 day after the first publication per state law.

General Government COs – 1 of 2

	NOI	BOND SALE
Fleet HVAC (Int. Svc. - Fleet)	$ 1,000,000	$ 1,000,000
End User Computing (Technology Services)	941,000	941,000
Infrastructure Replacement (Tech Services)	1,000,000	-
Radios & Modems (Tech Services)	300,000	300,000
Citywide Fiber Replacement (Tech Services)	500,000	500,000
Internal Service Total	**$ 3,741,000**	**$ 2,741,000**

	NOI	BOND SALE
Property Acquisition (Facilities)	$ -	$ -
Security Hardware Upgrade (Facilities)	80,000	80,000
Facilities ADA Upgrades (Facilities)	500,000	500,000
Adjacency Remodels (Facilities)	200,000	200,000
Municipal Court Renovation (Facilities)	1,000,000	1,000,000
Gun Range Cleanup (Env. Svc.)	2,000,000	2,000,000
ADA Transition Plan Improvements (Parks)	318,270	318,270
Avondale Park Playground (Parks)	341,000	-
North Pointe Park Playground (Parks)	320,000	320,000
Traffic Signal Cabinets (Traffic)	208,000	208,000

Continued on next slide

General Government COs – 2 of 2

		NOI		BOND SALE
Traffic Signal Design and Rebuilds (Traffic)	$	1,950,000	$	1,950,000
ADA Transition Plan Improvements (Transportation)		1,172,500		1,172,500
HSIP Projects (Transportation)		500,000		500,000
Vision Zero Implementation Items (Transportation)		1,172,500		1,172,500
Robson Ranch Road Signal (Transportation)		600,000		600,000
Vehicle Replacement - General Fund (Motorpool)		2,860,000		2,860,000
Vehicle Addition - Fire Engine # 3 & PD Vehicles (Motorpool)		2,885,000		2,885,000
Pecan Creek Watershed Preliminary Design (Drainage)		750,000		750,000
Woodland & Longridge Street Sections (Drainage)		220,000		220,000
Oaktree Drainage Ph 1 (Drainage)		595,000		595,000
Infrastructure Repair (Drainage)		500,000		500,000
Flood Monitoring (Drainage)		75,000		75,000
Hickory Creek Road Phase 3 (Streets)		8,000,000		8,000,000
Bike Lanes: Hinkle Street Side Path Connector (Streets)		-		-
2019 Street Recon Bond Neighborhood Completion (Streets)		3,000,000		3,000,000
Bonnie Brae 5 (Streets)		2,000,000		2,000,000
General Government Total	**$**	**31,247,270**	**$**	**30,906,270**
Grand Total General Governmnet	**$**	**34,988,270**	**$**	**33,647,270**

Solid Waste CO Projects

		NOI		BOND SALE
Concrete Replacement	$	350,000	$	350,000
Scalehouse		640,000		640,000
Fleet Shop at Solid Waste		2,200,000		2,200,000
Cell 5 & 6 Construction		4,000,000		4,000,000
Vehicles - New Additions		285,711		285,711
Vehicles - Replacements		3,650,000		3,650,000
Solid Waste Total	**$**	**11,125,711**	**$**	**11,125,711**

Water Utility CO Projects - 1 of 3

	NOI	BOND SALE
AMI/AMR Replacements	$ 2,000,000	$ 2,000,000
Annual Field Service Replacements (CIP In House Cntstrct)	1,050,000	1,050,000
Bonnie Brae (Phase 3)	900,000	900,000
Bonnie Brae (Phase 5)	675,000	675,000
Bonnie Brae (Phase 6)	100,000	100,000
Clear Creek Slope Maintenance	1,000,000	1,000,000
Elm and Locust (Phase 2)	3,000,000	3,000,000
VFDs at LLRWPS and the LLWTP HSPS	250,000	250,000
Fallmeadow Street Water Main	500,000	500,000
Fire Hydrant Installs	61,493	61,493
Lake Lewisville Filter Media Replacement	-	-
Lake Lewisville Raw Water Station Rehab	2,000,000	2,000,000
Lakey Street Water Main	500,000	500,000
Large Valve Replacements	-	-
LCR (Lead and Copper Rule) Compliance	1,000,000	1,000,000
LCR (Lead and Copper Rule) Remediation	500,000	500,000

Continued on next slide

Water Utility CO Projects - 2 of 3

	NOI	BOND SALE
LLWTP DME Pond Infill	$ -	$ -
LLWTP LAS Bulk Storage Capacity Redesign	-	-
LLWTP Raw Water Transmission Line	500,000	500,000
LLWTP Sludge Dewatering Improvement Project	1,000,000	1,000,000
McKenna Park BPS Rehab & Fence Replacement	500,000	500,000
Oversize Participation Agreements	5,360,000	5,360,000
Ray Roberts Ozone Generator PLC Upgrades	900,000	900,000
RRWTP Capacity Rerate and Performance Upgrades	29,200,000	29,200,000
RRWTP Disinfection Conversion and Chemical Improvements	6,250,000	6,250,000
RRWTP Evaluation and Upgrade of Emergency Generator ATS	1,000,000	1,000,000
RRWTP Fiber Installation	750,000	750,000
RRWTP Raw Electric Assessment	-	-
RRWTP Raw Water Line Cleaning for Zebra Mussel Accumulation	-	-
Sampling Station Upgrades	200,000	200,000

Continued on next slide

Water Utility CO Projects – 3 of 3

		NOI		BOND SALE
SCADA/HMI Upgrade Water	$	1,000,000	$	1,000,000
Service Center Renovation		3,000,000		3,000,000
Supplement to Bond Election 2019 Projects		14,000,000		14,000,000
Tank Painting		200,000		200,000
Transmission Line Condition Assessment		1,000,000		1,000,000
Transmission Line Condition Repairs		200,000		200,000
Distributor Replacement Program		-		-
Water Meters		900,000		900,000
Water Production Water Storage Tank Mechanical Mixing Evaluation		250,000		250,000
Water Taps		308,122		308,122
West Allred Transmission Line		-		-
Westgate Road and Drainage		560,000		560,000
Water Total	**$**	**80,614,615**	**$**	**80,614,615**

Wastewater Utility CO Projects – 1 of 2

	NOI	BOND SALE
12/15-inch Robson Ranch Interceptor (HC: O-4)	$ 500,000	$ 500,000
21/27/30-inch Roark Branch Interceptor Phase 2 (HC: D-4)	2,500,000	2,500,000
Annual Field Service Replacements	500,000	500,000
Bonnie Brae PH 3-6 Wastewater Upgrades	2,000,000	2,000,000
Collector Replacement Program	-	-
Cooper Creek Lift Station Improvement Project	650,000	650,000
Emergency Response Equipment Storage Building	-	-
Fallmeadow Street Water Main	500,000	500,000
Granada Lift Station Replacement	500,000	500,000
Hickory Creek Interceptor IV	1,000,000	1,000,000
Hickory Creek Water Reclamation Plant Ph 1	100,000	100,000
Hobson Lift Station Electrical Upgrade	500,000	500,000
Lakey Street Water Main	500,000	500,000
Legends Sewer Line	-	-
Lift Station Replacement	500,000	500,000

Continued on next slide

Wastewater Utility CO Projects – 2 of 2

		NOI		BOND SALE
Manhole Repair/Replace/Lining	$	150,000	$	150,000
Milam Creek Basin Wastewater Line and Lift Station		23,888,000		23,888,000
Mingo/Ruddell/Quiet Zone Sewer Upgrades		1,000,000		1,000,000
Oversize Participation		13,040,000		13,040,000
PCWRP Expansion to 26 MGD and 75 MGD Headworks		9,400,000		9,400,000
PCWRP Utility Power Switch Replacement		-		-
Pipe/Force Main Condition Assessment		-		-
Robson Ranch Wastewater Improvement Project Phase I & II		-		-
Robson West Lift Station		1,000,000		1,000,000
SCADA/HMI Upgrade Water Rec		1,000,000		1,000,000
Supplement to Bond Election 2019 Projects		13,000,000		13,000,000
Vehicle Replacement		903,286		903,286
Water Reclamations Grinder		-		-
Service Center Renovation		4,000,000		4,000,000
Wastewater Total	**$**	**77,131,286**	**$**	**77,131,286**

Electric Utility CO Projects

		NOI		BOND SALE
Automated Meter Reading	$	1,850,000	$	1,850,000
Land and Building Construction		3,900,000		-
Distribution Substations		5,054,394		5,054,394
Distribution Transformers		-		-
Feeder Extensions & Improvements		9,000,000		9,000,000
New Residential & Commercial		2,000,000		2,000,000
Power Factor Improvement		150,000		150,000
Steet Lighting		176,330		176,330
Transmission Lines		625,000		625,000
Transmission Substation		10,160,000		10,160,000
DME Production Plant		6,358,000		6,358,000
Technology - Software/Hardware		7,626,276		7,626,276
Electric Relocations		1,000,000		1,000,000
Electric Total	**$**	**47,900,000**	**$**	**44,000,000**

CO Bond Sale Summary

General Government	$ 33,647,270
Solid Waste	11,125,711
Water	80,614,615
Wastewater	77,131,286
Electric	44,000,000
Subtotal	$ 246,518,882
Issuance Cost*	7,531,118
CO Bond Sale Total	**$ 254,050,000**

*Shared with GO Bond Sale

Next Steps

- **July 23, 2025**
  - Date of Sale
- **August 26, 2025**
  - Preliminary date of close and delivery of funds

Questions

Randee Klingele
Treasury Manager



File #: ID 25-1038, **Version:** 1

AGENDA CAPTION

Consider adoption of an ordinance of the City of Denton considering all matters incident and related to the issuance, sale and delivery of up to $254,050,000 in principal amount of "City of Denton Certificates of Obligation, Series 2025"; authorizing the issuance of the certificates; delegating the authority to certain city officials to execute certain documents relating to the sale of the certificates; approving and authorizing instruments and procedures relating to said certificates; enacting other provisions relating to the subject; and providing an effective date. The Public Utilities Board recommends approval (5-0).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: **Finance**

ACM: **Christine Taylor**

DATE: **July 15, 2025**

SUBJECT

Consider adoption of an ordinance of the City of Denton considering all matters incident and related to the issuance, sale and delivery of up to $254,050,000 in principal amount of "City of Denton Certificates of Obligation, Series 2025"; authorizing the issuance of the certificates; delegating the authority to certain city officials to execute certain documents relating to the sale of the certificates; approving and authorizing instruments and procedures relating to said certificates; enacting other provisions relating to the subject; and providing an effective date. The Public Utilities Board recommends approval (5-0).

BACKGROUND

On May 20, 2025, the City Council adopted Ordinance Nos. 25-454 and 25-455 directing the publication of Notice of Intentions (NOI) to issue Certificates of Obligation (COs) for General Government, Solid Waste, Water, Wastewater and Electric projects. The notices were published in a newspaper of general circulation (Denton Record Chronicle) on May 24, 2025, and May 31, 2025, as required by state law. The notices were also posted on the City of Denton website.

COs require NOIs to be issued early in the bond sale process calculating costs based on current market conditions and CO Utility project totals. GO and CO bond sale costs are a shared expense. The estimated issuance cost used in the COs NOI process will also be used to cover the GO bond sale costs.

The COs will be issued as a single series of obligations totaling $254,050,000. The below table summarizes the totals for each fund and the estimated associated issuance cost.

General Government	$ 33,647,270
Solid Waste	11,125,711
Water	80,614,615
Wastewater	77,131,286
Electric	44,000,000
Subtotal	$ 246,518,882
Issuance Cost*	7,531,118
CO Bond Sale Total	**$ 254,050,000**

*Shared with GO Bond Sale

The adopted FY 2024-25 debt funded CIP budget included $307,839,583 in General Government, Solid Waste, Water, Wastewater and Electric projects however, the project list amounts were reduced by $61.3 million after an internal analysis of funding and product availability as well as project timelines, reducing the Bond Sale project list to $246,518,882 for these funds.

It is important to note that the City sells bonds in accordance with the useful life of the asset that is being acquired. For example, vehicles are typically sold with bonds that will be paid within five years. The 2025 bond sale includes debt issuance terms below. All issued debt will have a 9-year call option.

- General Government $23,581,270 will be 20-year debt, $1,380,000 will be 10-year debt and $8,686,000 will be 5-year debt.
- Solid Waste $7,190,000 will be 20-year and $3,935,711 will be 5-year debt.
- Water $80,614,615 will be 20-year debt.
- Wastewater $77,131,286 will be 20-year debt.
- Electric $30,015,724 will be 30-year debt and $13,984,276 will be 10-year debt.

Since bond market conditions can change rapidly, staff is recommending that the City Council approve a delegated parameters sale for the COs. The parameters ordinance sets the following requirements in order to complete the sale of the COs. By doing so, City staff will be authorized to execute the sale without additional approval.

- Maximum amount of sale is $254,050,000
- Final stated maturity of February 15, 2055
- Maximum net effective interest rate of 5.00%
- Delegation authority ends January 15, 2026

Below is a listing of the recommended CO funded projects.

		NOI		BOND SALE
Fleet HVAC (Int. Svc. - Fleet)	$	1,000,000	$	1,000,000
End User Computing (Technology Services)		941,000		941,000
Infrastructure Replacement (Tech Services)		1,000,000		-
Radios & Modems (Tech Services)		300,000		300,000
Citywide Fiber Replacement (Tech Services)		500,000		500,000
Internal Service Total	**$**	**3,741,000**	**$**	**2,741,000**

		NOI		BOND SALE
Property Acquisition (Facilities)	$	-	$	-
Security Hardware Upgrade (Facilities)		80,000		80,000
Facilities ADA Upgrades (Facilities)		500,000		500,000
Adjacency Remodels (Facilities)		200,000		200,000
Municipal Court Renovation (Facilities)		1,000,000		1,000,000
Gun Range Cleanup (Env. Svc.)		2,000,000		2,000,000
ADA Transition Plan Improvements (Parks)		318,270		318,270
Avondale Park Playground (Parks)		341,000		-
North Pointe Park Playground (Parks)		320,000		320,000
Traffic Signal Cabinets (Traffic)		208,000		208,000
Traffic Signal Design and Rebuilds (Traffic)		1,950,000		1,950,000
ADA Transition Plan Improvements (Transportation)		1,172,500		1,172,500
HSIP Projects (Transportation)		500,000		500,000
Vision Zero Implementation Items (Transportation)		1,172,500		1,172,500
Robson Ranch Road Signal (Transportation)		600,000		600,000

	NOI	BOND SALE
Vehicle Replacement - General Fund (Motorpool)	2,860,000	2,860,000
Vehicle Addition - Fire Engine # 3 & PD Vehicles (Motorpool)	2,885,000	2,885,000
Pecan Creek Watershed Preliminary Design (Drainage)	750,000	750,000
Woodland & Longridge Street Sections (Drainage)	220,000	220,000
Oaktree Drainage Ph 1 (Drainage)	595,000	595,000
Infrastructure Repair (Drainage)	500,000	500,000
Flood Monitoring (Drainage)	75,000	75,000
Hickory Creek Road Phase 3 (Streets)	8,000,000	8,000,000
Bike Lanes: Hinkle Street Side Path Connector (Streets)	-	-
2019 Street Recon Bond Neighborhood Completion (Streets)	3,000,000	3,000,000
Bonnie Brae 5 (Streets)	2,000,000	2,000,000
General Government Total	**$ 31,247,270**	**$ 30,906,270**
Grand Total General Governmnet	**$ 34,988,270**	**$ 33,647,270**

	NOI	BOND SALE
Concrete Replacement	$ 350,000	$ 350,000
Scalehouse	640,000	640,000
Fleet Shop at Solid Waste	2,200,000	2,200,000
Cell 5 & 6 Construction	4,000,000	4,000,000
Vehicles - New Additions	285,711	285,711
Vehicles - Replacements	3,650,000	3,650,000
Solid Waste Total	**$ 11,125,711**	**$ 11,125,711**

	NOI	BOND SALE
AMI/AMR Replacements	$ 2,000,000	$ 2,000,000
Annual Field Service Replacements (CIP In House Cntstrct)	1,050,000	1,050,000
Bonnie Brae (Phase 3)	900,000	900,000
Bonnie Brae (Phase 5)	675,000	675,000
Bonnie Brae (Phase 6)	100,000	100,000
Clear Creek Slope Maintenance	1,000,000	1,000,000
Elm and Locust (Phase 2)	3,000,000	3,000,000
VFDs at LLRWPS and the LLWTP HSPS	250,000	250,000
Fallmeadow Street Water Main	500,000	500,000
Fire Hydrant Installs	61,493	61,493
Lake Lewisville Filter Media Replacement	-	-
Lake Lewisville Raw Water Station Rehab	2,000,000	2,000,000
Lakey Street Water Main	500,000	500,000
Large Valve Replacements	-	-
LCR (Lead and Copper Rule) Compliance	1,000,000	1,000,000
LCR (Lead and Copper Rule) Remediation	500,000	500,000
LLWTP DME Pond Infill	-	-
LLWTP LAS Bulk Storage Capacity Redesign	-	-
LLWTP Raw Water Transmission Line	500,000	500,000
LLWTP Sludge Dewatering Improvement Project	1,000,000	1,000,000
McKenna Park BPS Rehab & Fence Replacement	500,000	500,000
Oversize Participation Agreements	5,360,000	5,360,000
Ray Roberts Ozone Generator PLC Upgrades	900,000	900,000
RRWTP Capacity Rerate and Performance Upgrades	29,200,000	29,200,000

		NOI		BOND SALE
RRWTP Disinfection Conversion and Chemical Improvements		6,250,000		6,250,000
RRWTP Evaluation and Upgrade of Emergency Generator ATS		1,000,000		1,000,000
RRWTP Fiber Installation		750,000		750,000
RRWTP Raw Electric Assessment		-		-
RRWTP Raw Water Line Cleaning for Zebra Mussel Accumula		-		-
Sampling Station Upgrades		200,000		200,000
SCADA/HMI Upgrade Water		1,000,000		1,000,000
Service Center Renovation		3,000,000		3,000,000
Supplement to Bond Election 2019 Projects		14,000,000		14,000,000
Tank Painting		200,000		200,000
Transmission Line Condition Assessment		1,000,000		1,000,000
Transmission Line Condition Repairs		200,000		200,000
Distributor Replacement Program		-		-
Water Meters		900,000		900,000
Water Production Water Storage Tank Mechanical Mixing Evalı		250,000		250,000
Water Taps		308,122		308,122
West Allred Transmission Line		-		-
Westgate Road and Drainage		560,000		560,000
Water Total	**$**	**80,614,615**	**$**	**80,614,615**

		NOI		BOND SALE
12/15-inch Robson Ranch Interceptor (HC: O-4)	$	500,000	$	500,000
21/27/30-inch Roark Branch Interceptor Phase 2 (HC: D-4)		2,500,000		2,500,000
Annual Field Service Replacements		500,000		500,000
Bonnie Brae PH 3-6 Wastewater Upgrades		2,000,000		2,000,000
Collector Replacement Program		-		-
Cooper Creek Lift Station Improvement Project		650,000		650,000
Emergency Response Equipment Storage Building		-		-
Fallmeadow Street Water Main		500,000		500,000
Granada Lift Station Replacement		500,000		500,000
Hickory Creek Interceptor IV		1,000,000		1,000,000
Hickory Creek Water Reclamation Plant Ph 1		100,000		100,000
Hobson Lift Station Electrical Upgrade		500,000		500,000
Lakey Street Water Main		500,000		500,000
Legends Sewer Line		-		-
Lift Station Replacement		500,000		500,000
Manhole Repair/Replace/Lining		150,000		150,000
Milam Creek Basin Wastewater Line and Lift Station		23,888,000		23,888,000
Mingo/Ruddell/Quiet Zone Sewer Upgrades		1,000,000		1,000,000
Oversize Participation		13,040,000		13,040,000
PCWRP Expansion to 26 MGD and 75 MGD Headworks		9,400,000		9,400,000
PCWRP Utility Power Switch Replacement		-		-
Pipe/Force Main Condition Assessment		-		-
Robson Ranch Wastewater Improvement Project Phase I & II		-		-
Robson West Lift Station		1,000,000		1,000,000
SCADA/HMI Upgrade Water Rec		1,000,000		1,000,000
Supplement to Bond Election 2019 Projects		13,000,000		13,000,000
Vehicle Replacement		903,286		903,286
Water Reclamations Grinder		-		-
Service Center Renovation		4,000,000		4,000,000
Wastewater Total	**$**	**77,131,286**	**$**	**77,131,286**

		NOI		BOND SALE
Automated Meter Reading	$	1,850,000	$	1,850,000
Land and Building Construction		3,900,000		-
Distribution Substations		5,054,394		5,054,394
Distribution Transformers		-		-
Feeder Extensions & Improvements		9,000,000		9,000,000
New Residential & Commercial		2,000,000		2,000,000
Power Factor Improvement		150,000		150,000
Steet Lighting		176,330		176,330
Transmission Lines		625,000		625,000
Transmission Substation		10,160,000		10,160,000
DME Production Plant		6,358,000		6,358,000
Technology - Software/Hardware		7,626,276		7,626,276
Electric Relocations		1,000,000		1,000,000
Electric Total	**$**	**47,900,000**	**$**	**44,000,000**
TOTAL BOND CO PROJECT LIST	**$**	**251,759,882**	**$**	**246,518,882**

RECOMMENDATION

Staff recommends adoption of the ordinance.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On October 15, 2025, the City Council adopted reimbursement ordinance (Ord. 24-166) authorizing General Obligation Bonds and Certificates of Obligation funded projects in preparation of the 2025 Bond Sale.

On May 20, 2025, the City Council adopted ordinances (Ord. 25-454, 25-455) directing the publication of Notice of Intentions to Issue Certificates of Obligation of the City of Denton.

On June 23, 2025, the Public Utilities Board recommended this item to the City Council for consideration.

EXHIBITS

1. Agenda Information Sheet
2. Preliminary Official Statement
3. CO Ordinance
4. Presentation

Respectfully submitted:
Matt Hamilton
Assistant Director of Finance

Prepared by:
Randee Klingele
Treasury Manager

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall the Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

HTS Continuing Disclosure Services
A Division of Hilltop Securities

(See "Continuing Disclosure of Information" herein)

PRELIMINARY OFFICIAL STATEMENT

Dated July __, 2025

Ratings:
Fitch: "AA+"
S&P: "AA+"
(See "Other Information - Ratings" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Certificates will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "Tax Matters" herein, including the alternative minimum tax on certain corporations.

THE CERTIFICATES WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

$235,845,000*
CITY OF DENTON, TEXAS
(Denton County)
CERTIFICATES OF OBLIGATION, SERIES 2025

Dated Date: July 15, 2025
Interest Accrues from Delivery Date

Due: February 15, as shown on page 2

PAYMENT TERMS . . . Interest on the $235,845,000* City of Denton, Texas Certificates of Obligation, Series 2025 (the "Certificates") will accrue from the delivery date (the "Delivery Date"), will be payable February 15 and August 15 of each year, commencing February 15, 2026, until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Certificates will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Certificates may be acquired in denominations of $5,000 or integral multiples thereof within a maturity. **No physical delivery of the Certificates will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates. See "The Obligations - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is BOKF, NA, Dallas, Texas (see "The Obligations - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Certificates are issued pursuant to the Constitution and general laws of the State of Texas, (the "State") particularly Subchapter C of Chapter 271, Texas Local Government Code (the Certificate of Obligation Act of 1971), as amended, and Texas Government Code, Chapter 1371, as amended, and constitute direct obligations of the City of Denton, Texas (the "City"), payable from a combination of (i) the levy and collection of a direct annual ad valorem tax, within the limits prescribed by law, on all taxable property within the City, and (ii) a limited pledge of surplus net revenues of the City's Utility System not in excess of $1,000, as provided in the Certificate Ordinance (defined herein) authorizing the Certificates (see "The Obligations - Authority for Issuance").

PURPOSE . . . Proceeds from the sale of the Certificates will be used for the purchase, construction and acquisition of certain real and personal property, to wit: (a) acquisition of vehicles and equipment for the fire, police, building inspections, community improvement services, animal services, streets and traffic control, facilities management, airport, technology services, fleet management, warehouse management, and parks and recreation departments; (b) renovations to, and equipping of, existing municipal buildings, including the acquisition and installation of replacement heating, venting and air conditioning equipment, roofing and flooring; (c) acquiring, constructing and installing building security systems, including security system technology equipment and software, for municipal buildings; (d) constructing, reconstructing, renovating, installing and equipping municipal parks; (e) acquisition and installation of technology equipment, including radio equipment, computer equipment and software, for various municipal departments; (f) constructing and improving streets, including traffic signalization, landscaping, drainage, sidewalks, utility line relocations and the acquisition of land and rights-of-way therefor; (g) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's drainage and storm sewer systems; (h) acquisition of vehicles and equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's solid waste disposal system; (i) renovations to existing public safety facility for the police department; (j) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's waterworks and wastewater system; and (k) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's electric light and power system; and also for the purpose of paying all or a portion of the City's contractual obligations for professional services, including engineers, architects, attorneys, map makers, auditors, and financial advisors, in connection with said projects and for paying the costs associated with the issuance of the Certificates (see "Plan of Financing").

PRELIMINARY

MATURITY SCHEDULE

See page 2

SEPARATE ISSUES . . . The Certificates are being offered by the City concurrently with the "City of Denton, Texas General Obligation Refunding and Improvement Bonds, Series 2025" (the "Bonds") under a common official statement, and the Certificates and Bonds are hereinafter sometimes referred to collectively as the "Obligations." The Certificates and Bonds are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders, the federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations and other features.

LEGALITY . . . The Certificates are offered for delivery when, as and if issued and received by the Initial Purchaser subject to the approving opinion of the Attorney General of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, Dallas, Texas (see Appendix C, "Forms of Bond Counsel's Opinions").

DELIVERY . . . It is expected that the Certificates will be available for delivery through The Depository Trust Company on August 26, 2025.

SEALED BIDS DUE JULY 23, 2025, AT 9:45 AM, CDT**

* Preliminary, subject to change. See "Adjustment of Principal Amount and/or Types of Bids" in the Notice of Sale for the Certificates.

** Place and Time of Bid Opening . . . The City will accept bids for the sale of the Certificates on a day during the period beginning July 23, 2025 and initially ending August 6, 2025. At least 12 hours prior to the sale of the Certificates, Hilltop Securities Inc., as Financial Advisor to the City, will communicate, through Parity and Bloomberg, the date and time for submission of bids. The Financial Advisor, acting on behalf of the City, shall accept bids up to the time specified in the notice as hereinbefore described.

MATURITY SCHEDULE* **CUSIP Prefix: 248867 (1)**

Principal Amount	15-Feb Maturity	Interest Rate	Yield	CUSIP Suffix (1)	Principal Amount	15-Feb Maturity	Interest Rate	Yield	CUSIP Suffix (1)
$ 9,455,000	2026				$ 12,290,000	2041			
9,565,000	2027				12,960,000	2042			
10,070,000	2028				13,655,000	2043			
10,570,000	2029				14,390,000	2044			
11,120,000	2030				15,160,000	2045			
8,845,000	2031				1,170,000	2046			
9,290,000	2032				1,235,000	2047			
9,770,000	2033				1,300,000	2048			
10,265,000	2034				1,370,000	2049			
10,795,000	2035				1,445,000	2050			
9,460,000	2036				1,520,000	2051			
9,965,000	2037				1,605,000	2052			
10,495,000	2038				1,690,000	2053			
11,060,000	2039				1,780,000	2054			
11,670,000	2040				1,880,000	2055			

(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS") managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Financial Advisor, or the Initial Purchaser of the Certificates take any responsibility for the accuracy of such numbers.

REDEMPTION . . . The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 2036, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2035, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "The Obligations – Optional Redemption").

PRELIMINARY

* Preliminary, subject to change. See "Adjustment of Principal Amount and/or Types of Bids" in the Notice of Sale for the Certificates.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall the Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

HTS Continuing Disclosure Services
A Division of Hilltop Securities

(See "Continuing Disclosure of Information" herein)

PRELIMINARY OFFICIAL STATEMENT

Dated July __, 2025

Ratings:
Fitch: "AA+"
S&P: "AA+"
(See "Other Information - Ratings" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "Tax Matters" herein, including the alternative minimum tax on certain corporations.

THE BONDS WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

$79,795,000*
CITY OF DENTON, TEXAS
(Denton County)
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2025

Dated Date: July 15, 2025
Interest Accrues from Delivery Date

Due: February 15, as shown on page 4

PAYMENT TERMS . . . Interest on the $79,795,000* City of Denton, Texas General Obligation Refunding and Improvement Bonds, Series 2025 (the "Bonds") will accrue from the delivery date (the "Delivery Date"), will be payable February 15 and August 15 of each year, commencing February 15, 2026, until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof within a maturity. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "The Obligations - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is BOKF, NA, Dallas, Texas (see "The Obligations - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Bonds are issued pursuant to the Constitution and general laws of the State of Texas, (the "State") including particularly Texas Government Code, Chapters 1207, 1371 and 1331, as amended, and are direct obligations of the City of Denton, Texas (the "City"), payable from an annual ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City, as provided in the Bond Ordinance (defined herein) authorizing the Bonds (see "The Obligations - Authority for Issuance" and "The Obligations – Security and Source of Payment").

PURPOSE . . . Proceeds of the Bonds are expected to be used for (i) various street improvements, (ii) drainage and flood control improvements; (iii) park system improvements; (iv) fire public safety facilities; (v) refunding the obligations described in Schedule I – Schedule of Refunded Obligations (the "Refunded Obligations") for debt service savings, and (vi) paying the costs associated with the issuance of the Bonds. (see "Plan of Financing").

PRELIMINARY

MATURITY SCHEDULE

See page 4

SEPARATE ISSUES . . . The Bonds are being offered by the City concurrently with the "City of Denton, Texas Certificates of Obligation, Series 2025" (the "Certificates"), under a common Official Statement, and the Bonds and Certificates are hereinafter sometimes referred to collectively as the "Obligations." The Bonds and Certificates are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders, the federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations and other features.

LEGALITY . . . The Bonds are offered for delivery when, as and if issued and received by the Initial Purchaser subject to the approving opinion of the Attorney General of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, Dallas, Texas (see Appendix C, "Forms of Bond Counsel's Opinions").

DELIVERY . . . It is expected that the Bonds will be available for delivery through The Depository Trust Company on August 26, 2025.

SEALED BIDS DUE JULY 23, 2025, AT 10:15 AM, CDT**

* Preliminary, subject to change. See "Adjustment of Principal Amount and/or Types of Bids" in the Notice of Sale for the Bonds.

** Place and Time of Bid Opening . . . The City will accept bids for the sale of the Bonds on a day during the period beginning July 23, 2025 and initially ending August 6, 2025. At least 12 hours prior to the sale of the Bonds, Hilltop Securities Inc., as Financial Advisor to the City, will communicate, through Parity and Bloomberg, the date and time for submission of bids. The Financial Advisor, acting on behalf of the City, shall accept bids up to the time specified in the notice as hereinbefore described.

MATURITY SCHEDULE* **CUSIP Prefix: 248867 (1)**

Principal Amount	15-Feb Maturity	Interest Rate	Yield	CUSIP Suffix (1)	Principal Amount	15-Feb Maturity	Interest Rate	Yield	CUSIP Suffix (1)
$ 3,570,000	2026				$ 2,025,000	2036			
3,640,000	2027				2,125,000	2037			
3,820,000	2028				2,245,000	2038			
5,245,000	2029				2,370,000	2039			
5,510,000	2030				2,500,000	2040			
5,780,000	2031				2,635,000	2041			
6,095,000	2032				2,770,000	2042			
6,400,000	2033				2,920,000	2043			
6,740,000	2034				3,080,000	2044			
7,075,000	2035				3,250,000	2045			

(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS") managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Financial Advisor, or the Initial Purchaser of the Certificates take any responsibility for the accuracy of such numbers.

REDEMPTION . . . The City reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 2036, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2035, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "The Obligations – Optional Redemption").

PRELIMINARY

* Preliminary, subject to change. See "Adjustment of Principal Amount and/or Types of Bids" in the Notice of Sale for the Bonds.

This Official Statement, which includes the cover pages, the Schedule and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation, or sale.

No dealer, broker, salesperson, or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon.

For purposes of compliance with Rule 15c 2-12 of the Securities and Exchange Commission (the "Rule"), this document constitutes an Official Statement of the City with respect to the Obligations that has been "deemed final" by the City as of its date except for the omission of no more than the information permitted by the Rule.

The information set forth herein has been obtained from the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the representation, promise, or guarantee of the Financial Advisor. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described herein since the date hereof. See "Other Information - Continuing Disclosure of Information" for a description of the City's undertaking to provide certain information on a continuing basis.

Neither the City nor its Financial Advisor make any representation as to the accuracy, completeness, or adequacy of the information supplied by The Depository Trust Company for use in this Official Statement.

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE, AND ACHIEVEMENTS TO BE DIFFERENT FROM FUTURE RESULTS, PERFORMANCE, AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS.

THE OBLIGATIONS ARE EXEMPT FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE OBLIGATIONS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THE OBLIGATIONS HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

PRELIMINARY

TABLE OF CONTENTS

PRELIMINARY OFFICIAL STATEMENT 1
SUMMARY 6
CITY OFFICIALS, STAFF AND CONSULTANTS 9
ELECTED OFFICIALS 9
SELECTED ADMINISTRATIVE STAFF 9
CONSULTANTS AND ADVISORS 9
INTRODUCTION 10
PLAN OF FINANCING 10
TAX INFORMATION 17
TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT 23
TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY 24
TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY 25
TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY 25
TABLE 5 - TEN LARGEST TAXPAYERS 25
TABLE 6 - ESTIMATED OVERLAPPING TAX DEBT 26
DEBT INFORMATION 27
TABLE 7 – PRO FORMA GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS 27
TABLE 8 - INTEREST AND SINKING FUND BUDGET PROJECTION 28
TABLE 9 - COMPUTATION OF SELF-SUPPORTING DEBT 28
TABLE 10 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS 28
TABLE 11 - OTHER OBLIGATIONS 29
FINANCIAL INFORMATION 40
TABLE 12 - CHANGES IN NET POSITION OF GOVERNMENTAL FUNDS 40
TABLE 12A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY 41
TABLE 13 - MUNICIPAL SALES TAX HISTORY 42
FINANCIAL POLICIES 42
INVESTMENTS 43
TABLE 14- CURRENT INVESTMENTS 45
TAX MATTERS 46
CONTINUING DISCLOSURE OF INFORMATION 48
OTHER INFORMATION 49
RATINGS 49
LITIGATION 49
REGISTRATION AND QUALIFICATION OF OBLIGATIONS FOR SALE 50
LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS 50
LEGAL OPINIONS AND NO-LITIGATION CERTIFICATE 50
AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION 51
FINANCIAL ADVISOR 51
INITIAL PURCHASER OF THE CERTIFICATES 51
INITIAL PURCHASER OF THE BONDS 51
CERTIFICATION OF THE OFFICIAL STATEMENT 52
FORWARD-LOOKING STATEMENTS DISCLAIMER 52
LINKS TO WEBSITES 52
MISCELLANEOUS 52
SCHEDULE OF REFUNDED OBLIGATIONS ..... Schedule I
APPENDICES
GENERAL INFORMATION REGARDING THE CITY ..... A
EXCERPTS FROM THE ANNUAL FINANCIAL REPORT ..... B
FORMS OF BOND COUNSEL'S OPINIONS C

The cover pages hereof, this page and the appendices included herein and any addenda, supplement or amendment hereto, are part of the Preliminary Official Statement.

PRELIMINARY OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Preliminary Official Statement. The offering of the Bonds and Certificates to potential investors is made only by means of this entire Preliminary Official Statement. No person is authorized to detach this summary from this Preliminary Official Statement or to otherwise use it without the entire Preliminary Official Statement.

THE CITY	The City of Denton (the "City") is a political subdivision and municipal corporation of the State of Texas (the "State"), located in Denton County, Texas. The City covers approximately 97.411 square miles (see "Introduction - Description of the City").
THE BONDS	The City's $79,795,000* General Obligation Refunding and Improvement Bonds, Series 2025 are to mature on February 15 in the years 2026 through 2045 (see "The Obligations - Description of the Obligations").
THE CERTIFICATES	The City's $235,845,000* Certificates of Obligation, Series 2025 are to mature on February 15 in the years 2026 through 2055 (see "The Obligations - Description of the Obligations").
PAYMENT OF INTEREST	Interest on the Obligations accrues from the Delivery Date (defined herein) and is payable February 15, 2026 and each August 15 and February 15 thereafter until maturity or prior redemption (see "The Obligations - Description of the Obligations" and "The Obligations - Optional Redemption").
AUTHORITY FOR ISSUANCE.....	The Certificates are issued pursuant to the Constitution and general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and Texas Government Code, Chapter 1371, as amended, and an ordinance (the "Authorizing Certificate Ordinance") of the City in which the City Council delegated to the City Manager or the Chief Financial Officer (each, a "Pricing Officer"0 authority to complete the sale of the Certificates. The terms of the sale will be included in a "Pricing Certificate," which will complete the sale of the Certificates (the Authorizing Certificate Ordinance and the Pricing Certificate for the Certificates are jointly referred to as the "Certificate Ordinance") (see "The Obligations - Authority for Issuance"). The Bonds are issued pursuant to the Constitution and general laws of the State, including particularly Texas Government Code, Chapters 1207, 1371 and 1331, as amended, and an ordinance (the "Authorizing Bond Ordinance") of the City in which the City Council delegated to a Pricing Officerauthority to complete the sale of the Bonds. The terms of the sale will be included in a "Pricing Certificate," which will complete the sale of the Bonds (the Authorizing Bond Ordinance and the Pricing Certificate for the Bonds are jointly referred to as the "Bond Ordinance") (see "The Obligations - Authority for Issuance").
SECURITY FOR THE CERTIFICATES.....	The Certificates constitute direct obligations of the City, payable from a combination of (i) a direct annual ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City, and (ii) a limited pledge (not to exceed $1,000) of surplus net revenues of the City's Utility System (see "The Obligations - Security and Source of Payment").
SECURITY FOR THE BONDS	The Bonds constitute direct obligations of the City, payable from a direct annual ad valorem tax levied, within the limits prescribed by law, on all taxable property located within the City (see "The Obligations - Security and Source of Payment").
REDEMPTION	The City reserves the right, at its option, to redeem Bonds and Certificates, as the case may be, having stated maturities on and after February 15, 2036, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2035, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "The Obligations - Optional Redemption").
TAX EXEMPTION.....	In the opinion of Bond Counsel, the interest on the Obligations will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "Tax Matters" herein.

PRELIMINARY

* Preliminary, subject to change.

USE OF PROCEEDS ..... Proceeds from the sale of the Certificates will be used for the purchase, construction and acquisition of certain real and personal property, to wit: (a) acquisition of vehicles and equipment for the fire, police, building inspections, community improvement services, animal services, streets and traffic control, facilities management, airport, technology services, fleet management, warehouse management, and parks and recreation departments; (b) renovations to, and equipping of, existing municipal buildings, including the acquisition and installation of replacement heating, venting and air conditioning equipment, roofing and flooring; (c) acquiring, constructing and installing building security systems, including security system technology equipment and software, for municipal buildings; (d) constructing, reconstructing, renovating, installing and equipping municipal parks; (e) acquisition and installation of technology equipment, including radio equipment, computer equipment and software, for various municipal departments; (f) constructing and improving streets, including traffic signalization, landscaping, drainage, sidewalks, utility line relocations and the acquisition of land and rights-of-way therefor; (g) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's drainage and storm sewer systems; (h) acquisition of vehicles and equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's solid waste disposal system; (i) renovations to existing public safety facility for the police department; (j) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's waterworks and wastewater system; and (k) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's electric light and power system; and also for the purpose of paying all or a portion of the City's contractual obligations for professional services, including engineers, architects, attorneys, map makers, auditors, and financial advisors, in connection with said projects and for paying the costs associated with the issuance of the Certificates (see "Plan of Financing").

Proceeds of the Bonds are expected to be used for (i) various street improvements, (ii) drainage and flood control improvements; (iii) park system improvements; (iv) fire public safety facilities; (v) refunding the obligations described in Schedule I – Schedule of Refunded Obligations (the "Refunded Obligations") for debt service savings, and (vi) paying the costs associated with the issuance of the Bonds. (see "Plan of Financing").

RATINGS..... The Obligations and the presently outstanding general obligation debt of the City are rated "AA+" by Fitch Ratings ("Fitch") and "AA+" by S&P Global Ratings ("S&P"), a division of S&P Global Inc. See "Other Information – Ratings" herein.

BOOK-ENTRY-ONLY SYSTEM..... The definitive Obligations will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Obligations may be acquired in denominations of $5,000 or integral multiples thereof within a maturity. No physical delivery of the Obligations will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Obligations will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Obligations (see "The Obligations - Book-Entry-Only System").

PAYMENT RECORD..... The City has never defaulted on the payment of its tax-supported indebtedness.

PRELIMINARY

SELECTED FINANCIAL INFORMATION

Fiscal Year Ended 9/30	Estimated Population [1]	Net Taxable Assessed Valuation [2]	Net Taxable Assessed Valuation Per Capita	Net Tax Debt Outstanding at End of Fiscal Year [8]	Per Capita Net Funded Tax Debt	Ratio Net Tax Debt to Net Taxable Assessed Valuation	% of Total Tax Collections
2021	143,775	$ 13,581,648,271 [3]	94,465	$ 308,521,854	2,146	2.27%	99.72%
2022	146,950	14,403,105,063 [4]	98,014	354,343,240	2,411	2.46%	99.75%
2023	150,624	16,721,123,624 [5]	111,012	392,635,000	2,607	2.35%	99.55%
2024	150,842	19,219,843,947 [6]	127,417	522,720,000	3,465	2.72%	99.38%
2025	155,375	21,110,331,781 [7]	135,867	526,025,000 [9]	3,386	2.49%	In Process [10]

(1) Source: City Officials.
(2) Valuations shown are certified taxable assessed values reported by the Denton Central Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records. Source: Denton Central Appraisal District as of July 20, 2024.
(3) Includes tax incremental value of approximately $198,541,948 that is not available for the City's general obligations and debt of City.
(4) Includes tax incremental value of approximately $236,666,283 that is not available for the City's general obligations and debt of City.
(5) Includes tax incremental value of approximately $263,821,022114 that is not available for the City's general obligations and debt of City.
(6) Includes tax incremental value of approximately $321,617,493 that is not available for the City's general obligations and debt of City.
(7) Includes tax incremental value of approximately $644,341,698 that is not available for the City's general obligations and debt of City.
(8) Excludes self-supported general obligation debt.
(9) Projected. Includes a portion of the Obligations. Excludes the Refunded Obligations. Preliminary, subject to change.
(10) In process of collection.

PRELIMINARY

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

CITY OFFICIALS, STAFF AND CONSULTANTS

ELECTED OFFICIALS

City Council	Term Expires
Gerard Hudspeth Mayor	May, 2026
Vicki Byrd Councilmember, District 1	May, 2027
Brian Beck Councilmember, District 2	May, 2027
Suzi Rumohr Mayor Pro Tem, District 3	May, 2027
Joe Holland Councilmember, District 4	May, 2027
Brandon Chase McGee Councilmember, At Large Place 5	May, 2026
Jill Jester Councilmember, At Large Place 6	May, 2026

SELECTED ADMINISTRATIVE STAFF

Name	Position
Sara Hensley	City Manager
Cassandra Ogden	Assistant City Manager
Frank Dixon	Assistant City Manager
Christine Taylor	Assistant City Manager
Jessica Williams	Chief Financial Officer
Matt Hamilton	Assistant Director of Finance
Vis Bouaphanthavong	Assistant Director of Finance
Lauren Thoden	City Secretary

PRELIMINARY

CONSULTANTS AND ADVISORS

Auditors ..... Weaver and Tidwell, L.L.P.
Dallas, Texas

Bond Counsel ..... McCall, Parkhurst & Horton L.L.P.
Dallas, Texas

Financial Advisor..... Hilltop Securities Inc.
Fort Worth, Texas

For additional information regarding the City, please contact:

Jessica Williams, Chief Financial Officer
Mack Reinwand-City Attorney
City of Denton
215 E. McKinney Street
Denton, Texas 76201
(940) 349-8244

or

Laura Alexander
Hilltop Securities Inc.
777 Main Street, Suite 1525
Fort Worth, Texas 76102
(817) 332-9710

PRELIMINARY OFFICIAL STATEMENT

RELATING TO

CITY OF DENTON, TEXAS

$235,845,000*
CERTIFICATES OF OBLIGATION, SERIES 2025

$79,795,000*
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2025

INTRODUCTION

This Preliminary Official Statement, which includes the Schedule and Appendices hereto, provides certain information regarding the issuance of $235,845,000* City of Denton, Texas Certificates of Obligation, Series 2025 (the "Certificates") and $79,795,000* City of Denton, Texas General Obligation Refunding and Improvement Bonds, Series 2025 (the "Bonds"). The Bonds and the Certificates (collectively the "Obligations") are separate and distinct securities offerings being authorized for issuance under separate ordinances (the "Bond Ordinance" and the "Certificate Ordinance", respectively, each as defined below, and collectively the "Ordinances") adopted by the City Council of the City, but are being offered and sold pursuant to a common Official Statement, and while the Bonds and Certificates share certain common attributes, each issue is separate and apart from the other and should be reviewed and analyzed independently, including the kind and type of obligation being issued, its terms of payment, the security for its payment, the rights of the holders, the federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations and the covenants and agreements made with respect thereto. The City Council adopted an ordinance on July 15, 2025 authorizing the issuance of the Bonds (the "Authorizing Bond Ordinance"). In the Authorizing Bond Ordinance, as permitted by the provisions of Chapter 1371, Texas Government Code, as amended, the City Council delegated the authority to the City Manager or the Chief Financial Officer (each, a "Pricing Officer") to establish the terms and details of the Bonds and to effect the sale of the Bonds pursuant to a "Pricing Certificate" (the Authorizing Bond Ordinance and the Pricing Certificate for the Bonds are jointly referred to as the "Bond Ordinance"). The City Council adopted an ordinance on July 15, 2025 authorizing the issuance of the Certificates (the "Authorizing Certificate Ordinance"). In the Authorizing Certificate Ordinance, as permitted by the provisions of Chapters 1371, Texas Government Code, as amended, the City Council delegated the authority to a Pricing Officer to establish the terms and details of the Certificates and to effect the sale of the Certificates pursuant to a "Pricing Certificate" (the Authorizing Certificate Ordinance and the Pricing Certificate for the Certificates are jointly referred to as the "Certificate Ordinance"). Capitalized terms used in this Preliminary Official Statement have the same meanings assigned to such terms in each respective Ordinance, except as otherwise indicated herein.

There follows in this Preliminary Official Statement descriptions of the Obligations and certain information regarding the City and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the City's Financial Advisor, Hilltop Securities Inc., Fort Worth, Texas.

DESCRIPTION OF THE CITY . . . The City of Denton, Texas (the "City") is a political subdivision located in Denton County operating as a home-rule city under the laws of the State of Texas (the "State") and a charter approved by the voters in 1959. The City operates under the Council/Manager form of government where the Mayor and six Councilmembers are elected for staggered two-year terms. The City Council formulates operating policy for the City while the City Manager is the chief administrative officer. The City is approximately 97.411 square miles in area.

PLAN OF FINANCING

PURPOSE . . . Proceeds from the sale of the Certificates will be used for the purchase, construction and acquisition of certain real and personal property, to wit: (a) acquisition of vehicles and equipment for the fire, police, building inspections, community improvement services, animal services, streets and traffic control, facilities management, airport, technology services, fleet management, warehouse management, and parks and recreation departments; (b) renovations to, and equipping of, existing municipal buildings, including the acquisition and installation of replacement heating, venting and air conditioning equipment, roofing and flooring; (c) acquiring, constructing and installing building security systems, including security system technology equipment and software, for municipal buildings; (d) constructing, reconstructing, renovating, installing and equipping municipal parks; (e) acquisition and installation of technology equipment, including radio equipment, computer equipment and software, for various municipal departments; (f) constructing and improving streets, including traffic signalization, landscaping, drainage, sidewalks, utility line relocations and the acquisition of land and rights-of-way therefor; (g) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's drainage and storm sewer systems; (h) acquisition of vehicles and equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's solid waste disposal system; (i) renovations to existing public safety facility for the police department; (j) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's waterworks and wastewater system; and (k) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's electric light and power system; and also for the purpose of paying all or a portion of the City's contractual obligations for professional services, including engineers, architects, attorneys, map makers, auditors, and financial advisors, in connection with said projects and for paying the costs associated with the issuance of the Certificates.

Proceeds of the Bonds are expected to be used for (i) various street improvements, (ii) drainage and flood control improvements; (iii) park system improvements; (iv) fire public safety facilities; (v) refunding the obligations described in Schedule I – Schedule of Refunded Obligations (the "Refunded Obligations") for debt service savings, and (vi) paying the costs associated with the issuance of the Bonds.

PRELIMINARY

* Preliminary, subject to change.

REFUNDED OBLIGATIONS . . . The principal and interest due on the Refunded Obligations are to be paid on the scheduled redemption dates of such Refunded Obligations, from funds to be deposited pursuant to an escrow agreement (the "Escrow Agreement") between the City and BOKF, NA (the "Escrow Agent"). The Bond Ordinance provides that from a portion of proceeds of the sale of the Bonds received from the Purchaser of the Bonds together with other funds of the City, if any, the City will deposit with the Escrow Agent the amount necessary to accomplish the discharge and final payment of the Refunded Obligations on their respective redemption dates as described in "Schedule I - Schedule of Refunded Obligations". Such funds will be held by the Escrow Agent in an escrow fund (the "Escrow Fund") irrevocably pledged to the payment of principal of and interest on the Refunded Obligations and will be used to purchase certain obligations of the United States of America and obligations of agencies or instrumentalities of the United States of America, including obligations that are unconditionally guaranteed by such agency or instrumentality, that are noncallable and that were, on the date the Bond Ordinance was adopted, rated as to investment quality by a nationally recognized rating firm not less than "AAA" (the "Escrowed Securities"). Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of the principal and interest on the Refunded Obligations and amounts therein will not be available to pay the Bonds.

Public Finance Partners LLC (the "Verification Agent") will verify at the time of delivery of the Bonds to the Purchaser of the Bonds, the mathematical accuracy of the schedules that demonstrate that the Escrowed Securities will mature and pay interest in such amounts which, together with uninvested funds in the Escrow Fund, will be sufficient to pay, when due, the amount necessary to accomplish the discharge and final payment of principal of and interest on the Refunded Obligations on their respective redemption dates (see "Other Information - Verification of Arithmetical and Mathematical Computations").

By the deposit of the Escrowed Securities and cash, if any, with the Escrow Agent pursuant to the Escrow Agreement, the City will have effected the legal defeasance of the Refunded Obligations, pursuant to Chapter 1207 and the ordinances authorizing the issuance of the Refunded Obligations. It is the opinion of Bond Counsel that, as a result of such defeasance, and in reliance upon the report of the Verification Agent, the Refunded Obligations will no longer be payable from ad valorem taxes and other sources of security, if any, but will be payable solely from the principal of and interest on the Escrowed Securities and cash, if any, on deposit in the Escrow Fund and held for such purpose by the Escrow Agent, and that the Refunded Obligations will be defeased and are not to be included in or considered to be indebtedness of the City for the purpose of a limitation of indebtedness or for any other purpose. See "APPENDIX C - Forms of Bond Counsel's Opinions" herein.
.

PRELIMINARY

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

* Preliminary, subject to change.

THE OBLIGATIONS

DESCRIPTION OF THE OBLIGATIONS . . . The Obligations are dated July 15, 2025, and mature on February 15 in each of the years and in the amounts shown on page 2 and page 4 hereof. Interest will accrue from the date of initial delivery thereof (the "Delivery Date"), will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on February 15 and August 15 of each year, commencing February 15, 2026 until maturity or prior redemption. The definitive Obligations will be issued only in fully registered form in any integral multiple of $5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Obligations will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Obligations will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Obligations. See "The Obligations - Book-Entry-Only System" herein.

AUTHORITY FOR ISSUANCE . . . The Certificates are being issued pursuant to the Constitution and general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and Texas Government Code, Chapter 1371, as amended, and the Certificate Ordinance.

The Bonds are being issued pursuant to the Constitution and general laws of the State, particularly Chapters 1207, 1371 and 1331, Texas Government Code, as amended, and the Bond Ordinance.

SECURITY AND SOURCE OF PAYMENT . . .

The Certificates . . . The Certificates constitute direct obligations of the City, payable from a combination of (i) a direct annual ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City, and (ii) a limited pledge (not to exceed $1,000) of surplus net revenues of the City's Utility System (consisting of the electric system and the waterworks and sewer system).

The Bonds . . . The Bonds constitute direct obligations of the City and the principal thereof and interest thereon are payable from an annual ad valorem tax levied by the City, within the limits prescribed by law, upon all taxable property in the City, as provided in the Bond Ordinance.

TAX RATE LIMITATION . . . All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt, including the Obligations, within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to $2.50 per $100 Taxable Assessed Valuation for all City purposes. The Home Rule Charter of the City adopts the constitutionally authorized maximum tax rate of $2.50 per $100 Taxable Assessed Valuation. Administratively, the Attorney General of the State will permit allocation of $1.50 of the $2.50 maximum tax rate for all general obligation debt, as calculated at the time of issuance and based on 90% tax collection factor.

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem the Obligations having stated maturities on and after February 15, 2036 in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2035 or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Bonds or Certificates are to be redeemed, the City may select the maturities of Bonds or Certificates, as the case may be, to be redeemed. If less than all the Bonds or Certificates of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Bonds or Certificates, as the case may be, are in Book-Entry-Only form) shall determine by lot the Bonds or Certificates, or portions thereof, within such maturity to be redeemed. If a Bond or Certificate (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Bond or Certificate (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

With respect to any optional redemption of the Bonds or Certificates, as the case may be, unless certain prerequisites to such redemption required by the respective Ordinance have been met and money sufficient to pay the principal of and premium, if any, and interest on the Bonds or Certificates, as the case may be, to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption will, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the City will not redeem such Bonds or Certificates, as the case may be, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that the Bonds or Certificates, as the case may be, have not been redeemed.

PRELIMINARY

NOTICE OF REDEMPTION . . . Not less than 30 days prior to a redemption date for the Obligations, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Obligations to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. IF AN OBLIGATION (OR ANY PORTION OF ITS PRINCIPAL SUM) SHALL HAVE BEEN DULY CALLED FOR REDEMPTION AND NOTICE OF SUCH REDEMPTION DULY GIVEN, THEN UPON THE REDEMPTION DATE SUCH OBLIGATION (OR THE PORTION OF ITS PRINCIPAL SUM TO BE REDEEMED) SHALL BECOME DUE AND PAYABLE, AND, IF MONIES FOR THE PAYMENT OF THE REDEMPTION PRICE ARE HELD FOR THE PURPOSE OF SUCH PAYMENT BY THE PAYING AGENT/REGISTRAR AND ALL OTHER CONDITIONS TO REDEMPTION ARE SATISFIED, INTEREST SHALL CEASE TO ACCRUE AND BE PAYABLE FROM AND AFTER THE REDEMPTION DATE ON THE PRINCIPAL AMOUNT REDEEMED.

DEFEASANCE . . . The Ordinances provide that any Obligation and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Obligation") within the meaning of such Ordinance when payment of the principal of such Obligation, plus interest thereon to the due date either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (a "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Government Obligations which mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its services until all Defeased Obligations shall have become due and payable, and thereafter the City will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such defeased bonds, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Government Obligations. At such time as an Obligation shall be deemed to be a Defeased Obligation hereunder, as aforesaid, such Obligation and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in the Ordinance, and such principal and interest shall be payable solely from such money or Government Obligations.

Any moneys so deposited with or made available to the Paying Agent/Registrar may at the written direction of the City also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from such Government Obligations received by the Paying Agent/Registrar which is not required for the payment of the Obligations and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing to the City. Any Future Escrow Agreement pursuant to which the money and/or Government Obligations are held for the payment of Defeased Obligations may contain provisions permitting the investment or reinvestment of such moneys in Government Obligations or the substitution of other Government Obligations upon the satisfaction of the requirements specified in (1) or (2) above.

The Ordinances provide that "Government Obligations" means any securities and obligations now or hereafter authorized by state law that are eligible to discharge obligations such as the Obligations. The Pricing Officer may restrict such eligible securities and obligations as deemed appropriate. In the event the Pricing Officer restricts such eligible securities and obligations, the final Official Statement will reflect the new authorized Government Obligations. Current State law permits defeasance with the following types of securities: (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the Issuer adopts or approves the proceedings authorizing the financial arrangements, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Issuer adopts or approves the proceedings authorizing the financial arrangements, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent. There is no assurance that current State law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Obligations. Because the Ordinances do not contractually limit such investments, registered owners will be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Government Obligations or those for any other Government Obligations will be maintained at any particular rating category.

Upon such deposit as described above, such Defeased Obligations shall no longer be regarded to be outstanding obligations payable from ad valorem taxes levied by the City or from the other revenues pledged to their payment in the Ordinances, but will be payable only from the funds and Government Obligations deposited in escrow and will not be considered debt of the City for any purpose. After firm banking and financial arrangements for the discharge and final payment or redemption of the Obligations have been made as described above, all rights of the City to initiate proceedings to call the Obligations for redemption or take any other action amending the terms of the Obligations are extinguished; provided, however, that the right to call the Obligations for redemption is not extinguished if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Obligations for redemption; and (ii) gives notice of the reservation of that right to the owners of the Obligations immediately following the making of the firm banking and financial arrangements; (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

PRELIMINARY

BOOK-ENTRY-ONLY SYSTEM . . . *This section describes how ownership of the Obligations is to be transferred and how the principal of, premium, if any, and interest on the Obligations are to be paid to and accredited by DTC while the Obligations are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The City believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.*

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Obligations, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Obligations), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Obligations in the aggregate principal amount thereof and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of each Obligation ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owners entered into the transaction. Transfers of ownership interest in the Obligations are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Obligations; DTC's records reflect only the identity of the Direct Participant to whose account such Obligations are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligation documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Obligations within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

PRELIMINARY

Neither DTC nor Cede & Co. will consent or vote with respect to the Obligations unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Obligations will be made to DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent/Registrar on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to DTC is the responsibility of the City, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Obligations at any time by giving reasonable notice to the City and the Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Obligation certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Obligations will be printed and delivered.

Use of Certain Terms in Other Sections of this Official Statement. In reading this Official Statement it should be understood that while the Obligations are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Obligations, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Ordinances will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the City, the Financial Advisor or the Initial Purchasers.

EFFECT OF TERMINATION OF BOOK-ENTRY-ONLY SYSTEM . . . In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the City, printed Obligations will be issued to the holders and the Obligations will be subject to transfer, exchange and registration provisions as set forth in the Ordinances and summarized under "The Obligations - Transfer, Exchange and Registration" below.

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar for the Bonds and the Certificates is BOKF, NA, Dallas, Texas. In the Ordinances, the City retains the right to replace the Paying Agent/Registrar. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds and Certificates are duly paid and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Bonds and Certificates. Upon any change in the Paying Agent/Registrar for the Bonds and Certificates, the City agrees to promptly cause a written notice thereof to be sent to each registered owner of the Bonds and Certificates, as applicable, by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

In the event the use of the Book-Entry-Only system is discontinued, principal of the Bonds and Certificates is payable to the registered holder appearing on the registration books of the Paying Agent/Registrar (the "Registered Owner") at the designated corporate trust office of the Paying Agent/Registrar upon surrender of the Bonds and Certificates for payment; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Obligations, all payments will be made as described under "The Obligations - Book-Entry-Only System" herein. Interest on the Bonds and Certificates is payable to the Register Owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (identified below) and such interest shall be paid by the Paying Agent/Registrar by check mailed, first class postage prepaid, to the Register Owner or by such other arrangement, acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of the Registered Owner. If the date for the payment of the principal of or interest on the Bonds and Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the designated corporate office of the Paying Agent/Registrar is located is authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

TRANSFER, EXCHANGE AND REGISTRATION . . . In the event the Book-Entry-Only System should be discontinued, printed Obligations will be delivered to the Registered Owners and thereafter the Obligations may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender of such printed Obligations to the Paying Agent/Registrar and such transfer or exchange shall be without expense or service charge to the Registered Owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Obligations may be assigned by the execution of an assignment form on the Obligations or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Obligations will be delivered by the Paying Agent/Registrar, in lieu of the Obligations being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new Registered Owner or his designee. To the extent possible, new Obligations issued in an

PRELIMINARY

exchange or transfer of Obligations will be delivered to the Registered Owner or assignee of the Registered Owner in not more than three business days after the receipt of the Obligations to be canceled, and the written instrument of transfer or request for exchange duly executed by the Registered Owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Obligations registered and delivered in an exchange or transfer shall be in any integral multiple of $5,000 for any one maturity and for a like aggregate principal amount as the Obligations surrendered for exchange or transfer. See "The Obligations—Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Obligations. Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Obligation called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Registered Owner of the uncalled balance of an Obligation.

RECORD DATE FOR INTEREST PAYMENT . . . The record date ("Record Date") for the interest payable on the Bonds and Certificates on any interest payment date means the close of business on the last business day of the month next preceding such interest payment date.

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

AMENDMENTS . . . In each Ordinance, the City has reserved the right to amend the Ordinance without the consent of any holder of the respective Obligation for the purpose of amending or supplementing the Ordinance to (i) cure any ambiguity, defect or omission therein that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of the Ordinance that do not materially adversely affect the interests of the holders, (iv) qualify the Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect or (v) make such other provisions in regard to matters or questions arising under the Ordinance that are not inconsistent with the provisions thereof and which, in the opinion of Bond Counsel for the City, do not materially adversely affect the interests of the holders.

Each Ordinance further provides that the holders of the Bonds or Certificates, as applicable, aggregating in principal amount a majority of the outstanding Bonds or Certificates, as the case may be, shall have the right from time to time to approve any amendment not described above to the applicable Ordinance if it is deemed necessary or desirable by the City; provided, however, that without the consent of 100% of the holders in original principal amount of the then outstanding Bonds or Certificates so affected, no amendment may be made for the purpose of: (i) making any change in the maturity of any of the outstanding Bonds or Certificates; (ii) reducing the rate of interest borne by any of the outstanding Bonds or Certificates; (iii) reducing the amount of the principal of, or redemption premium, if any, payable on any outstanding Bonds or Certificates; (iv) modifying the terms of payment of principal or of interest or redemption premium on outstanding Bonds or Certificates, or imposing any condition with respect to such payment; or (v) changing the minimum percentage of the principal amount of the Bonds or Certificates necessary for consent to such amendment. Reference is made to the Ordinances for further provisions relating to the amendment thereof.

REMEDIES . . . Each Ordinance establishes specific events of default with respect to the respective series of Obligations. If the City defaults in the payment of the principal of or interest on the Bonds or Certificates when due or the City defaults in the observance or performance of any of the covenants, conditions, or obligations of the City, the failure to perform which materially, adversely affects the rights of the owners thereof, including but not limited to, their prospect or ability to be repaid in accordance with the respective Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any owner to the City, each Ordinance provides that any registered owner of a respective Obligation is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the City to make such payment or observe and perform such covenants, obligations, or conditions. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the respective Obligations or Ordinance and the City's obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Obligations in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Ordinances do not provide for the appointment of a trustee to represent the interest of the owners of the respective Obligations upon any failure of the City to perform in accordance with the terms of the Ordinances, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners. The Texas Supreme Court has ruled in *Tooke v. City of Mexia* 197 S.W.3d 325 (Tex. 2006) that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Furthermore, Tooke, and subsequent jurisprudence, held that a municipality is not immune from suit for torts committed in the performance of its proprietary functions, as it is for torts committed in the performance of its governmental functions (the "Proprietary-Governmental Dichotomy"). Governmental functions are those that are enjoined on a municipality by law and are given by the State as a part of the State's sovereignty, to be exercised by the municipality in the interest of the general public, while proprietary functions are those that a municipality may, in its discretion, perform in the interest of the inhabitants of municipality. In *Wasson Interests, Ltd., V. City of Jacksonville*, No. 489 S.W.3d 427 (Tex. 2016), ("Wasson") the Texas Supreme Court (the "Court") addressed whether the distinction between governmental and

PRELIMINARY

proprietary acts (as found in tort-based causes of action) applies to the breach of contract claims against municipalities. The Court analyzed the rationale behind the Proprietary-Governmental Dichotomy to determine that "a city's proprietary functions are not done pursuant to the "will of the people" and protecting such municipalities "via the State's immunity is not an efficient way to ensure efficient allocation of State resources". While the Court recognized that the distinction between government and proprietary functions is not clear, the Wasson opinion held the Proprietary-Governmental Dichotomy applies in contract-claims context. Therefore, in regard to municipal contract cases (as in tort claims), it is incumbent on the courts to determine whether a function is proprietary or governmental based upon the statutory guidance and definitions found in the Texas Civil Practice and Remedies Code. Notwithstanding the foregoing new case law issued by the Court, such sovereign immunity issues have not been adjudicated in relation to bond matters (specifically, in regard to the issuance of municipal debt). Each situation will be prospectively evaluated based on the facts and circumstances surrounding the contract in question to determine if a suit, and subsequently, a judgment, is justiciable against a municipality. Because it is unclear whether the Texas legislature has effectively waived the City's sovereign immunity from a suit for money damages, owners of Obligations may not be able to bring such a suit against the City for breach of the Obligations or Ordinance covenants in the absence of City action. Chapter 1371, Texas Government Code ("Chapter 1371"), which pertains to the issuance of public securities by issuers such as the City, permits the City to waive sovereign immunity in the proceedings authorizing its debt, but in connection with the issuance of the Obligations, the City has not waived sovereign immunity. Even if a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City's property. Further, the Registered Owners cannot themselves foreclose on property within the City or sell property within the City to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds or the Certificates. Furthermore, the City is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Obligationholders of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinions of Bond Counsel will note that all opinions relative to the enforceability of the Obligations are qualified with respect to the customary rights of debtors relative to their creditors, by principles of governmental immunity, and by general principles of equity which permit the exercise of judicial discretion.

Initially, the only Registered Owner of the Bonds and Certificates will be Cede & Co., as DTC's nominee. See "The Obligations - Book-Entry-Only System" herein for a description of the duties of DTC with regard to ownership of the Bonds and Certificates.

PRELIMINARY

TAX INFORMATION

AD VALOREM TAX LAW . . . The appraisal of property within the City is the responsibility of the Denton Central Appraisal District (the "Appraisal District"). Excluding agricultural and open-space land, which may be taxed on the basis of productive capacity, the Appraisal District is required under V.T.C.A., Title 1, Tax Code, as amended (the "Property Tax Code") to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining the market value of property, different methods of appraisal may be used, including the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and the method considered most appropriate by the chief appraiser is to be used. State law requires the appraised value of a residence homestead to be based solely on the property's value as a residence homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a residence homestead for a tax year to an amount that would not exceed the lesser of (1) the market value of the property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of (a) 10% of the property's appraised value in the preceding tax year, plus (b) the property's appraised value in the preceding tax year, plus (c) the market value of all new improvements to the property. The value placed upon property within the Appraisal District is subject to review by an Appraisal Review Board, consisting of members appointed by the Board of Directors of the Appraisal District. The Appraisal District is required to review the value of property within the Appraisal District at least every three years. The City may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the City by petition filed with the Appraisal Review Board.

Reference is made to the Property Tax Code, for identification of property subject to taxation; property exempt or which may be exempted from taxation, if claimed; the appraisal of property for ad valorem taxation purposes; and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Article VIII of the State Constitution ("Article VIII") and State law provide for certain exemptions from property taxes, the valuation of agricultural and open-space lands at productivity value, and the exemption of certain personal property from ad valorem taxation.

Under Section 1-b, Article VIII, and State law, the governing body of a political subdivision, at its option, may grant an exemption of not less than $3,000 of the market value of the residence homestead of persons 65 years of age or older and the disabled from all ad valorem taxes thereafter levied by the political subdivision. Once authorized, such exemption may be repealed or decreased or increased in amount (i) by the governing body of the political subdivision or (ii) by a favorable vote of a majority of the qualified voters at an election called by the governing body of the political subdivision, which election must be called upon receipt of a petition signed by at least 20% of the number of qualified voters who voted in the preceding election of the political subdivision. In the case of a decrease, the amount of the exemption may not be reduced to less than $3,000 of the market value.

The surviving spouse of an individual who qualifies for the foregoing exemption for the residence homestead of a person 65 or older (but not the disabled) is entitled to an exemption for the same property in an amount equal to that of the exemption for which the deceased spouse qualified if (i) the deceased spouse died in a year in which the deceased spouse qualified for the exemption, (ii) the surviving spouse was at least 55 years of age at the time of the death of the individual's spouse and (iii) the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse.

In addition to any other exemptions provided by the Property Tax Code, the governing body of a political subdivision, at its option, may grant an exemption of up to 20% of the market value of residence homesteads, with a minimum exemption of $5,000.

In the case of residence homestead exemptions granted under Section 1-b, Article VIII, ad valorem taxes may continue to be levied against the value of homesteads exempted where ad valorem taxes have previously been pledged for the payment of debt if cessation of the levy would impair the obligation of the contract by which the debt was created.

Under Article VIII and State law, the governing body of a county, municipality or junior college district may provide for a freeze on total amount of ad valorem taxes levied on the residence homestead of a disabled person or persons 65 years of age or older above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon receipt of a petition signed by five percent of the registered voters of the county, municipality or junior college district, an election must be held to determine by majority vote whether to establish such a limitation on taxes paid on residence homesteads of persons 65 years of age or who are disabled. Upon providing for such exemption, the total amount of taxes imposed on such homestead cannot be increased except for improvements (other than maintenance, repairs or improvements required to comply with governmental requirements) and such freeze is transferable to a different residence homestead. Also, a surviving spouse of a taxpayer who qualifies for the freeze on ad valorem taxes is entitled to the same exemption so long as the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse and the spouse was at least 55 years of age at the time of the death of the individual's spouse. Once established such freeze cannot be repealed or rescinded.

State law and Section 2, Article VIII, mandate an additional property tax exemption for disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces; the exemption applies to either real or personal property with the amount of assessed valuation exempted ranging from $5,000 to a maximum of $12,000, dependent upon the degree of disability or whether the exemption is applicable to a surviving spouse or children; provided, however, that beginning in the 2009 tax year, a disabled veteran who receives from the United States Department of Veterans Affairs or its successor 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead. In addition, effective January 1, 2012, and subject to certain conditions, surviving spouses of a deceased veteran who had received a disability rating of 100% will be entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries.

Article VIII provides that eligible owners of both agricultural land (Section 1-d) and open-space land (Section 1-d-1), including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified under both Section 1-d and 1-d-1.

Nonbusiness personal property, such as automobiles or light trucks, are exempt from ad valorem taxation unless the governing body of a political subdivision elects to tax this property. Boats owned as nonbusiness property are exempt from ad valorem taxation.

Article VIII, Section 1-j, provides for "freeport property" to be exempted from ad valorem taxation. Freeport property is defined as goods detained in Texas for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication. Notwithstanding such exemption, counties, school districts, junior college districts and cities may tax such tangible personal property provided official action to tax the same was taken before April 1, 1990. Decisions to continue to tax may be reversed in the future; decisions to exempt freeport property are not subject to reversal.

Article VIII, Section 1-n of the Texas Constitution provides for the exemption from taxation of "goods-in-transit." "Goods-in-transit" is defined by Section 11.253 of the Property Tax Code, as personal property acquired or imported into Texas and transported to another location in the State or outside of the State within 175 days of the date the property was acquired or imported into Texas. The exemption excludes oil, natural gas, petroleum products, aircraft and special inventory, including motor vehicle, vessel and out-board motor, heavy equipment and manufactured housing inventory. Section 11.253 permits local governmental entities, on a local option basis, to take official action by January 1 of the year preceding a tax year, after holding a public hearing, to tax "goods-in-transit" during the following tax year. After taking such official action, the goods-in-transit remain subject to taxation by the local governmental entity until the governing body of the governmental entity rescinds or repeals its previous actions to tax goods-in-transit. A taxpayer may only receive either the freeport exemption or the "goods-in-transit" exemption for items of personal property.

PRELIMINARY

The City or Denton County may create one or more tax increment financing districts ("TIF") within the City or Denton County, as applicable, and freeze the taxable values of property in the TIF at the value at the time of its creation. Other overlapping taxing units levying taxes in the TIF may agree to contribute all or part of future ad valorem taxes levied and collected against the value of property in the TIF in excess of the "frozen values" to pay or finance the costs of certain public improvements in the TIF. Taxes levied by the City against the values of real property in the TIF in excess of the "frozen" value are not available for general city use but are restricted to paying or financing "project costs" within the TIF. The City also may enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The City in turn agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years. The City has active reinvestment zones for tax abatements and tax increment financing zones for tax increment financing purposes. See "Tax Information - Tax Incentive Policy, – Property Tax Abatement" and "- Tax Increment Financing and Public Improvement District" and "Table 1 - Valuation, Exemptions and General Obligation Debt".

The City is also authorized, pursuant to Chapter 380, Texas Local Government Code, as amended ("Chapter 380"), to establish programs to promote state or local economic development and to stimulate business and commercial activity in the City. In accordance with a program established pursuant to Chapter 380, the City may make loans or grants of public funds such as ad valorem taxes or sales taxes for economic development purposes, however no obligations secured by ad valorem taxes may be issued for such purposes unless approved by voters of the City. The City has entered into several Chapter 380 Agreements. See "Tax Information - Chapter 380 Agreements".

NO-NEW-REVENUE TAX RATE AND VOTER-APPROVAL TAX RATE . . . The Following terms as used in this section have the meanings provided below:

"adjusted" means lost values are not included in the calculation of the prior year's taxes and new values are not included in the current year's taxable values.

"de minimis rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted), plus the rate that produces an additional $500,000 in tax revenue when applied to the current year's taxable value, plus the debt service tax rate.

"no-new-revenue tax rate" means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year's total tax levy (adjusted) from the current year's total taxable values (adjusted).

"special taxing unit" means a city for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per $100 of taxable value.

"unused increment rate" means the cumulative difference between a city's voter-approval tax rate and its actual tax rate for each of the tax years 2020 through 2022, which may be applied to a city's tax rate in tax years 2021 through 2023 without impacting the voter-approval tax rate.

"voter-approval tax rate" mean the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted) multiplied by 1.035, plus the debt service tax rate, plus the "unused increment rate".

The City's tax rate consists of two components: (1) a rate for funding of maintenance and operations expenditures in the current year (the "maintenance and operations tax rate"), and (2) a rate for funding debt service in the current year (the "debt service tax rate"). Under State law, the assessor for the City must submit an appraisal roll showing the total appraised, assessed, and taxable values for all property in the City to the City Council by August 1 of each year, or as soon as practicable thereafter.

A city must annually calculate its "voter-approval tax rate" and "no-new-revenue tax rate" (as such terms are defined above) in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the city and the county tax assessor-collector for each county in which all or part of the city is located. A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year.

As described below, the Property Tax Code provides that if a city adopts a tax rate that exceeds its voter-approval tax rate or, in certain cases, its "de minimis rate", an election must be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

A city may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate until each appraisal district in which such city participates has delivered notice to each taxpayer of the estimated total amount of property taxes owed and the city has held a public hearing on the proposed tax increase.

PRELIMINARY

For cities with a population of 30,000 or more as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the voter-approval tax rate, that city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

For cities with a population less than 30,000 as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the greater of (i) the voter-approval tax rate or (ii) the de minimis rate, the city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate. However, for any tax year during which a city has a population of less than 30,000 as of the most recent federal decennial census and does not qualify as a special taxing unit, if a city's adopted tax rate is equal to or less than the de minimis rate but greater than both (a) the no-new-revenue tax rate, multiplied by 1.08, plus the debt service tax rate or (b) the city's voter-approval tax rate, then a valid petition signed by at least three percent of the registered voters in the city would require that an election be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

Any city located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its "voter-approval tax rate" using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such city's total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides cities and counties in the State the option of assessing a maximum one-half percent (1/2%) sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the no-new-revenue tax rate and voter-approval tax rate must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year.

The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the City's ability to set a debt service tax rate in each year sufficient to pay debt service on all of the City's tax-supported debt obligations, including the Obligations.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

PROPERTY ASSESSMENT AND TAX PAYMENT . . . Property within the City is generally assessed as of January 1 of each year. Business inventory may, at the option of the taxpayer, be assessed as of September 1. Oil and gas reserves are assessed on the basis of a valuation process that uses pricing information contained in the most recently published Early Release Overview of the Annual Energy Outlook published by the United States Energy Information Administration, as well as appraisal formulas developed by the State Comptroller of Public Accounts. Taxes become due October 1 of the same year, and become delinquent on February 1 of the following year. Taxpayers 65 years old or older are permitted by State law to pay taxes on homesteads in four installments with the first due on February 1 of each year and the final installment due on August 1.

PENALTIES AND INTEREST . . . Charges for penalty and interest on the unpaid balance of delinquent taxes are made as follows:

Month	Cumulative Penalty	Cumulative Interest	Total
February	6%	1%	7%
March	7	2	9
April	8	3	11
May	9	4	13
June	10	5	15
July	12	6	18

After July, the penalty remains at 12%, and interest accrues at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid. A delinquent tax continues to incur the penalty interest as long as the tax remains unpaid, regardless of whether a judgment for the delinquent tax has been rendered. The purpose of imposing such interest is to compensate the taxing unit for revenue lost because of the delinquency. In addition, if an account is delinquent in July, an attorney's collection fee of up to 20% may be added to the total tax penalty and interest charge. Under certain circumstances, taxes which become delinquent on the homestead of a taxpayer 65 years old or older incur a penalty of 8% per annum with no additional penalties or interest assessed. In general, property subject to the City's lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. Federal law does not allow for the collection of penalty and interest against an estate in bankruptcy. Federal bankruptcy law provides that an automatic stay of action by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

PRELIMINARY

CITY APPLICATION OF TAX CODE . . . The City grants an exemption to the market value of the residence homestead of persons 65 years of age or older of $50,000. Disabled taxpayers also receive a $50,000 exemption.

The City grants an additional one-half of one percent, or a minimum of $5,000 exemption of the market value of residence homesteads.

See Table 1 for a listing of the amounts of the exemptions described above.

Ad valorem taxes are not levied by the City against the exempt value of residence homesteads for the payment of debt.
The City does not tax nonbusiness personal property.

Denton County began collecting taxes for the City during the fiscal year 2006-07.

The City does not allow split payments, and discounts are not allowed.

The City does not tax freeport property.

The City collects the additional one-half cent sales tax for reduction of ad valorem taxes.

The City does tax "goods-in-transit".

The City has adopted the tax freeze (limitation) for citizens who are disabled or are 65 years of age or older.

The City has adopted a tax abatement policy.

The City participates in two tax increment reinvestment zones, which were created in 2010 and 2012.

TAX INCREMENT FINANCING AND PUBLIC IMPROVEMENT DISTRICT . . . The City participates in two tax increment reinvestment zones, Reinvestment Zone Number One, City of Denton, Texas (the "Downtown TIRZ"), and Reinvestment Zone Number Two, City of Denton, Texas (the "Westpark TIRZ"), which were created in 2010 and 2012, respectively.

- Grant agreements committing funds in an aggregate amount not to exceed $250,000 of Downtown TIRZ funds have been approved in this Fiscal Year 2024-25.

- The Westpark TIRZ Board approved a second reimbursement to the developer, Westray Group, LP, for predevelopment costs, drainage improvements and project costs for a total of $3,280,285.75 of Westpark TIRZ funds.

The City participates in two Public Improvement Districts ("PIDs"), Rayzor Ranch Public Improvement District No. 1 and the Denton Tourism Public Improvement District. These PIDs, created in 2014 and 2024 respectively, are authorized by Chapter 372 of the Texas Local Government Code.

Additional information on the tax increment reinvestment zones and the PIDs can be found in the Annual Comprehensive Financial Report, Notes to Basic Financial Statements, IV. Detailed Notes on All Funds, B. Property Tax Revenue.

TAX INCENTIVE POLICY . . . The City enters into economic development incentive agreements consisting of property tax abatement agreements and Chapter 380 agreements with entities to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax, and enhance the property tax base and economic vitality of the City. A summary of newly initiated agreements and terminated agreements follows.

PROPERTY TAX ABATEMENTS . . . No new property tax abatements were approved, initiated, or terminated in 2025.

CHAPTER 380 AGREEMENTS . . . Four Chapter 380 Agreements have been approved in this Fiscal Year 2024-25.

- Bloomfield Homes, LP was awarded a ten-year 33% sales and use tax rebate for construction of homes at the Glenwood Meadows and Country Lakes additions.

- Enginetech North America Corporation was awarded a total not to exceed $339,545, five-year 50% rebate of business personal property estimated at $79,545 and a one-time headquarters grant in the amount of $50,000. In addition, the company was awarded a stratified job-based grant not to exceed $194,000 and a residency grant, not to exceed $16,000.

- Mayday Manufacturing Company was awarded a total not to exceed $577,944, ten-year 60% ad valorem tax rebate for business expansion and an expansion grant for $25,000 on June 17, 2025. The Company currently maintains a manufacturing facility in Denton and employs approximately 400 employees. Mayday plans to expand its existing facility and estimates that its investment in the building, machinery, and equipment will generate $14.5 million in new capital investment. The project plans to create 50 new full-time jobs with an average salary of $54,020.

PRELIMINARY

- [United States Cold Storage (USCS) was awarded a total not to exceed $1,067,871, eight-year 60% ad valorem tax rebate for business expansion and a sales and use tax rebate at 75% for the construction and equipping of the facility. USCS currently maintains a cold storage facility in Denton and employs 148 with an average salary of $53,053. The second phase to its existing refrigerated warehouse facility is estimated to generate approximately $35 million in new ad valorem value in Denton. The project plans to create 172 full-time jobs with a weighted average salary of $57,164.] [On City Council agenda July 15, 2025]

Additional information on all of the tax abatement and Chapter 380 agreements may be found in Appendix B – Excerpts from the City of Denton, Texas Annual Comprehensive Financial Report, Notes to Basic Financial Statements, V. Other Information, F Tax Abatements.

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

PRELIMINARY

TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2024/25 Market Valuation Established by Denton Central Appraisal District		$ 26,988,883,654
Less Exemptions/Reductions at 100% Market Value:		
Residence Homestead Exemptions	$ 112,313,105	
Over 65 Exemptions	467,594,287	
Disabled Persons Exemptions	10,001,680	
Disabled Veterans Exemptions	216,881,386	
Agricultural Land Use Productivity	553,129,226	
Historical/Other Exemptions	6,904,654	
Freeport Exemptions	489,751,943	
Abatement Exemptions	23,979,579	
Pollution Exemptions	23,616,747	
Charitable Organization Exemptions	35,526,907	
Homestead Cap Adjustment	798,086,796	
Misc and Personal Property	44,379,082	
Totally Exempt Property	2,452,044,783	5,234,210,175
2024/25 Taxable Assessed Valuation (as of 7-20-2024)		$ 21,754,673,479
2024/25 Incremental Taxable Assessed Value of Real Property within Reinvestment Zones		(644,341,698)
2024/25 Net Taxable Assessed Valuation available for General Obligations and Debt of City (as of 7-20-2024)		$ 21,110,331,781
City Funded Debt Payable from Ad Valorem Taxes [1]		
General Obligation Bonds (as of 4-1-25)	$ 407,355,000 [2]	
Certificates of Obligation (as of 4-1-25)	816,310,000 [2]	
The Bonds	79,795,000 [3]	
The Certificates	235,845,000 [3]	
Funded Debt Payable from Ad Valorem Taxes		$ 1,539,305,000
Less Self-Supporting General Obligation Debt [4]		
Utility System General Obligation Debt	$ 962,885,000 [5][7]	
Solid Waste System General Obligation Debt	50,395,000 [6][7]	1,013,280,000
Net Tax Supported Debt Payable from Ad Valorem Taxes		$ 526,025,000
Interest and Sinking Fund as of 4-1-25 (estimated)		$ 16,988,143
Ratio Total Funded Debt to Net Taxable Assessed Valuation		7.29%
Ratio Net Funded Debt to Net Taxable Assessed Valuation		2.49%

2025 Estimated Population - 155,375
Per Capita Net Taxable Assessed Valuation - $135,867
Per Capita Total Funded Debt - $9,907
Per Capita Net Funded Debt - $3,386

PRELIMINARY

(1) The above statement of indebtedness does not include $163,165,000 Utility System Revenue Bonds, $131,050,000 Utility System Revenue Refunding Bonds, $300,000,000 Utility System Revenue Extendable Commercial Paper Notes, Series A, $25,720,000 Utility System Revenue Notes, or the $10,135,000 Utility System Revenue Bonds as these bonds and notes are payable solely from the net revenues of the Utility System (the "System"), as defined in the ordinances authorizing such bonds and notes.

(2) Excludes the Refunded Obligations. Preliminary, subject to change.

(3) Preliminary, subject to change.

(4) As a matter of policy, the City pays debt service on its general obligation debt issued to fund improvements to its Utility System and Solid Waste System from surplus revenues of these Systems (see "Table 7 – General Obligation Debt Service Requirements" and "Table 9 – Computation of Self-Supporting Debt"). This policy may be subject to change in the future.

(5) The City's Utility System is comprised of the City's entire existing electric, light and power system and the waterworks and sewer system. Drainage is managed under the waterworks and wastewater system. The City's Utility System General Obligation Debt has been issued to finance or refinance Utility System improvements and contractual obligations and is paid, or is expected to be paid, from Utility System revenues. In addition, the City has $163,165,000 Utility System Revenue Bonds, $131,050,000 Utility System Revenue Refunding Bonds, $25,270,000 Utility System Revenue Notes and $10,135,000 Utility System Revenue bonds outstanding payable from a pledge of Utility System revenues.

(6) The City's Solid Waste System General Obligation Debt has been issued to finance or refinance Solid Waste System improvements and is paid, or is expected to be paid, from Solid Waste System revenues. The City has no outstanding Solid Waste System Revenue Bonds.

(7) Includes a portion of the Obligations. Preliminary, subject to change.

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY [1]

	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2025		2024		2023	
Category	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	$ 13,235,361,992	49.04%	$ 12,640,265,177	55.07%	$ 10,290,861,945	53.71%
Real, Residential, Multi-Family	3,246,994,776	12.03%	3,010,316,741	13.12%	2,581,359,659	13.47%
Real, Vacant Lots/Tracts	330,248,139	1.22%	382,596,204	1.67%	423,344,124	2.21%
Real, Acreage (Land Only)	559,319,855	2.07%	576,294,402	2.51%	429,021,486	2.24%
Real, Farm and Ranch Improvements	253,790,382	0.94%	215,962,158	0.94%	182,206,679	0.95%
Real, Commercial and Industrial	4,254,925,028	15.77%	3,803,222,853	16.57%	3,299,538,286	17.22%
Real, Oil, Gas, and Other Mineral Reserves	48,857,763	0.18%	120,209,519	0.52%	87,640,017	0.46%
Real and Tangible Personal, Utilities	194,805,531	0.72%	178,025,520	0.78%	152,340,178	0.80%
Tangible Personal, Commercial and Industrial	2,040,653,199	7.56%	1,703,709,612	7.42%	1,507,941,787	7.87%
Tangible Personal, Other	34,036,056	0.13%	23,932,876	0.10%	23,831,628	0.12%
Real and Special Property, Inventory	233,176,418	0.86%	298,489,803	1.30%	181,149,319	0.95%
Totally Exempt	2,556,714,515	9.47%	-	0.00%	-	0.00%
Total Appraised Value Before Exemptions	$ 26,988,883,654	100.00%	$ 22,953,024,865	100.00%	$ 19,159,235,108	100.00%
Less: Total Exemptions/Reductions	(5,234,210,175)		(3,077,816,211)		(2,177,190,370)	
Less: Tax Increment Value	(644,341,698)		(655,364,707)		(260,921,114)	
Net Taxable Assessed Value	$ 21,110,331,781		$ 19,219,843,947		$ 16,721,123,624	

	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2022		2021	
Category	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	$ 8,179,274,977	51.07%	$ 7,448,956,811	32.45%
Real, Residential, Multi-Family	2,192,401,019	13.69%	2,079,085,736	9.06%
Real, Vacant Lots/Tracts	314,300,099	1.96%	281,625,453	1.23%
Real, Acreage (Land Only)	361,523,875	2.26%	365,649,752	1.59%
Real, Farm and Ranch Improvements	157,873,244	0.99%	119,135,103	0.52%
Real, Commercial and Industrial	3,032,461,538	18.93%	2,965,114,413	12.92%
Real, Oil, Gas, and Other Mineral Reserves	48,516,939	0.30%	32,916,830	0.14%
Real and Tangible Personal, Utilities	142,991,907	0.89%	133,632,949	0.58%
Tangible Personal, Commercial and Industrial	1,425,520,232	8.90%	1,393,035,792	6.07%
Tangible Personal, Other	23,969,949	0.15%	24,210,105	0.11%
Real Property, Inventory	137,388,170	0.86%	101,288,806	0.44%
Total Appraised Value Before Exemptions	$ 16,016,221,949	100.00%	$ 14,944,651,750	65.11%
Less: Total Exemptions/Reductions	(1,376,450,603)		(1,377,732,859)	
Less: Tax Increment Value	(236,666,283)		14,729,380	
Net Taxable Assessed Value	$ 14,403,105,063		$ 13,581,648,271	

PRELIMINARY

(1) Valuations shown are certified taxable assessed values reported by the Denton Central Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records. For the Fiscal Year ended 2025, the values were reported on July 20, 2024 based on information as of January 1, 2024.

TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population [1]	Net Taxable Assessed Valuation [2]	Net Taxable Assessed Valuation Per Capita	Net Tax Debt Outstanding at End of Year [8]	Ratio Net Tax Debt to Net Taxable Assessed Valuation	Net Funded Tax Debt Per Capita
2021	143,775	$ 13,581,648,271 [3]	$ 94,465	$ 308,521,854	2.27%	$ 2,146
2022	146,950	14,403,105,063 [4]	98,014	354,343,240	2.46%	2,411
2023	150,624	16,721,123,624 [5]	111,012	392,635,000	2.35%	2,607
2024	150,842	19,219,843,947 [6]	127,417	522,720,000	2.72%	3,465
2025	155,375	21,110,331,781 [7]	135,867	526,025,000 [9]	2.49%	3,386

(1) Source: City Officials.
(2) Valuations shown are certified taxable assessed values reported by the Denton Central Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records. Source: Denton Central Appraisal District as of July 20, 2024.
(3) Includes tax incremental value of approximately $198,541,948 that is not available for the City's general obligations and debt of City.
(4) Includes tax incremental value of approximately $236,666,283 that is not available for the City's general obligations and debt of City.
(5) Includes tax incremental value of approximately $263,821,022 that is not available for the City's general obligations and debt of City.
(6) Includes tax incremental value of approximately $321,617,493 that is not available for the City's general obligations and debt of City.
(7) Includes tax incremental value of approximately $644,341,698 that is not available for the City's general obligations and debt of City.
(8) Excludes self-supported general obligation debt.
(9) Projected. Includes a portion of the Obligations. Excludes the Refunded Obligations. Preliminary, subject to change.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	Distribution		Tax Levy [1]	% Current Collections	% Total Collections
		General Fund	Interest and Sinking Fund			
2021	$ 0.59045	$ 0.38036	$ 0.21009	$ 77,744,137	99.74%	99.72%
2022	0.56582	0.35044	0.21538	79,382,757	99.68%	99.75%
2023	0.56068	0.35643	0.20425	91,758,521	99.44%	99.55%
2024	0.56068	0.35478	0.20590	106,515,412	99.54%	99.38%
2025	0.58542	0.33478	0.25064	120,544,405	In Process of Collection	

(1) Tax levy for the year 2024 is based on the adjusted certified value. Prior years represent adjusted values that include all supplements through July 20, 2024. Includes tax incremental reinvestment zone revenues.

TABLE 5 - TEN LARGEST TAXPAYERS [1]

Name of Taxpayer	Nature of Property	2024/25 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Paccar Inc.	Diesel Truck Manufacturing	$116,192,452	0.53%
Denton ICC 35 LLC	Business Park	97,208,595	0.45%
TRDWind Timberlinks Borrower LLC	Apartments	85,836,660	0.39%
Exeter Denton Land LP	Distribution	85,324,312	0.39%
RR Town Center Associates LLC	Retail	75,976,215	0.35%
Epic Development Inc.	Apartments	74,521,343	0.34%
NREA Gardens, DST	Retail	72,600,000	0.33%
32Hundred Windsor Gardens LP & JRM Windsor LLC	Apartments	72,056,824	0.33%
Winco Foods LLC	Food Distribution	71,000,000	0.33%
Tetra Pak	Packaging Manufacturer	69,794,956	0.32%
		$ 820,511,357	3.77%

(1) Source: Denton Central Appraisal District.

PRELIMINARY

GENERAL OBLIGATION DEBT LIMITATION . . . No general obligation debt limitation is imposed on the City under current State law or the City's Home Rule Charter (see "The Obligations – Tax Rate Limitation" for a description of the limitations on ad valorem tax rates).

TABLE 6 - ESTIMATED OVERLAPPING TAX DEBT

Expenditures of the various taxing entities within the territory of the City are paid out of ad valorem taxes levied by such entities on properties within the City. Such entities are independent of the City and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax debt ("Tax Debt") was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain entities listed may have issued additional Tax Debt since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional Tax Debt, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the City.

Taxing Jurisdiction	2024/25 Taxable Assessed Value	2024/25 Tax Rate	Total Funded Debt	Estimated % Applicable	City's Overlapping Funded Debt As of 4-1-25	Authorized But Unissued Debt As Of 4-1-25
City of Denton	$21,110,331,781 (1)	$0.56068	$ 526,025,000 (2)	100.00%	$ 526,025,000 (2)	$ 213,625,000 (3)
Denton Independent School District	32,656,484,957	1.15700	2,018,741,731	56.62%	1,143,011,568	381,996,928
Denton County	192,688,469,909	0.18800	710,948,390	11.80%	83,891,910	438,690,625
Argyle Independent School District	5,683,230,487	1.28700	450,359,638	6.34%	28,552,801	426,670,000
Aubrey Independent School District	3,283,813,994	1.25500	340,061,255	0.00%	-	119,385,000
Krum Independent School District	1,884,118,681	1.23000	123,256,450	5.50%	6,779,105	136,200,000
Lake Dallas Independent School District	3,152,619,082	1.25500	162,233,609	0.00%	-	-
Pilot Point Independent School District	1,527,993,704	1.02600	40,544,657	0.00%	-	-
Ponder Independent School District	1,074,215,744	1.24200	61,103,375	6.72%	4,106,147	-
Sanger Independent School District	2,381,695,935	1.14300	138,767,289	0.20%	277,535	-
Total Direct and Overlapping Funded Debt					$ 1,792,644,065	
Ratio of Direct and Overlapping Funded Debt to Taxable Assessed Valuation					8.49%	
Per Capita Overlapping Funded Debt					$ 5,738.76	

(1) Excludes tax incremental value of approximately $644,341,698 that is not available for the City's general obligations and debt of City.
(2) Includes a portion of the Obligations. Excludes self-supporting. See Tables 1 and 9 herein for more detailed information on the City's general obligation self-supporting debt. Preliminary, subject to change.
(3) Reflects remaining authorization after the issuance of the Bonds. Preliminary, subject to change.

PRELIMINARY

TABLE 7 – PRO FORMA GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9/30	Outstanding Debt Service [1]			The Bonds [2]		The Certificates [3]		Total Outstanding Debt	Less: Self-Supporting Solid Waste Debt Service [4]	Less: S Suppor Utilit Debt Ser
	Principal	Interest	Total	Principal	Interest	Principal	Interest			
2025	$ 71,715,000	$ 56,655,413	$ 128,370,413	$ -	$ -	$ -	$ -	$ 128,370,413	$ 5,027,072	$ 70,3
2026	65,150,000	50,373,031	115,523,031	3,570,000	3,841,411	9,455,000	11,525,410	143,914,852	6,212,805	78,9
2027	65,510,000	47,313,756	112,823,756	3,640,000	3,785,050	9,565,000	11,420,625	141,234,431	6,028,838	78,2
2028	64,010,000	44,193,800	108,203,800	3,820,000	3,598,550	10,070,000	10,929,750	136,622,100	5,531,238	76,9
2029	61,370,000	41,154,003	102,524,003	5,245,000	3,371,925	10,570,000	10,413,750	132,124,678	5,207,263	75,6
2030	62,230,000	38,192,394	100,422,394	5,510,000	3,103,050	11,120,000	9,871,500	130,026,944	4,812,013	75,7
2031	59,315,000	35,364,116	94,679,116	5,780,000	2,820,800	8,845,000	9,372,375	121,497,291	3,747,513	70,5
2032	60,410,000	32,676,963	93,086,963	6,095,000	2,523,925	9,290,000	8,919,000	119,914,888	3,543,688	69,4
2033	59,965,000	30,016,022	89,981,022	6,400,000	2,211,550	9,770,000	8,442,500	116,805,072	3,498,138	66,9
2034	57,870,000	27,481,253	85,351,253	6,740,000	1,883,050	10,265,000	7,941,625	112,180,928	3,370,088	63,9
2035	55,520,000	25,174,859	80,694,859	7,075,000	1,537,675	10,795,000	7,415,125	107,517,659	3,052,063	62,4
2036	60,450,000	22,857,828	83,307,828	2,025,000	1,307,644	9,460,000	6,896,925	102,997,397	2,807,769	60,1
2037	60,420,000	20,408,559	80,828,559	2,125,000	1,198,706	9,965,000	6,387,019	100,504,284	2,336,688	59,4
2038	61,155,000	17,918,259	79,073,259	2,245,000	1,083,994	10,495,000	5,849,944	98,747,197	2,269,613	59,4
2039	60,125,000	15,437,916	75,562,916	2,370,000	962,850	11,060,000	5,284,125	95,239,891	2,264,538	59,4
2040	60,370,000	13,047,422	73,417,422	2,500,000	835,013	11,670,000	4,687,463	93,109,897	2,266,863	58,8
2041	59,120,000	10,722,506	69,842,506	2,635,000	700,219	12,290,000	4,058,513	89,526,238	2,266,856	58,2
2042	54,185,000	8,491,966	62,676,966	2,770,000	558,338	12,960,000	3,395,700	82,361,003	2,268,738	56,0
2043	46,285,000	6,511,144	52,796,144	2,920,000	408,975	13,655,000	2,697,056	72,477,175	1,762,763	51,3
2044	40,185,000	4,836,159	45,021,159	3,080,000	251,475	14,390,000	1,960,875	64,703,509	719,775	48,6
2045	19,295,000	3,719,547	23,014,547	3,250,000	85,313	15,160,000	1,185,188	42,695,047	549,044	37,0
2046	16,060,000	3,086,341	19,146,341	-	-	1,170,000	756,525	21,072,866	-	21,0
2047	13,590,000	2,554,741	16,144,741	-	-	1,235,000	693,394	18,073,134	-	18,0
2048	10,485,000	2,120,291	12,605,291	-	-	1,300,000	626,850	14,532,140	-	14,5
2049	10,870,000	1,738,647	12,608,647	-	-	1,370,000	556,763	14,535,409	-	14,5
2050	10,875,000	1,347,163	12,222,163	-	-	1,445,000	482,869	14,150,031	-	14,1
2051	10,110,000	958,116	11,068,116	-	-	1,520,000	405,038	12,993,153	-	12,9
2052	8,620,000	588,950	9,208,950	-	-	1,605,000	323,006	11,136,956	-	11,1
2053	6,965,000	271,128	7,236,128	-	-	1,690,000	236,513	9,162,641	-	9,1
2054	3,150,000	64,969	3,214,969	-	-	1,780,000	145,425	5,140,394	-	5,1
2055	-	-	-	-	-	1,880,000	49,350	1,929,350	-	
	$ 1,295,380,000	$ 565,277,260	$ 1,860,657,260	$ 79,795,000	$ 36,069,511	$ 235,845,000	$ 142,930,197	$ 2,355,296,967	$ 69,543,359	$ 1,458,7

(1) "Outstanding Debt" does not include lease/purchase obligations or the Refunded Obligations, however, it does include self-supporting debt. Preliminar
(2) Average life of the issue - 8.790 years. Interest on the Bonds has been calculated at the rate of 4.35% for purposes of illustration. Preliminary, subjec
(3) Average life of the issue - 11.645 years. Interest on the Certificates has been calculated at the rate of 4.62% for purposes of illustration. Preliminary,
(4) Includes a portion of the Obligations. Excludes the Refunded Obligations. Preliminary, subject to change.

PRELIMINARY

TABLE 8 - INTEREST AND SINKING FUND BUDGET PROJECTION [1]

Budgeted Tax Supported Debt Service Requirements and Fiscal Charges, Fiscal Year Ending 9/30/2025		$ 129,462,195
Interest and Sinking Fund Balance as of 9/30/24	$ 1,410,137	
Interest and Sinking Fund Tax Levy	50,012,675	
From Revenue Supported Sources	79,422,152	
Interest Income	27,368	130,872,332
Estimated Balance, 9/30/25		$ 1,410,137

(1) Source: City's Annual Program of Services for Fiscal Year 2024/25.

TABLE 9 - COMPUTATION OF SELF-SUPPORTING DEBT

Net Revenue from Solid Waste System, Fiscal Year Ended 9-30-24	$ 12,195,495	[1]
Less: Solid Waste System Revenue Bond Requirements, 2025 Fiscal Year	-	
Balance Available for Other Purposes	$ 12,195,495	
Solid Waste System General Obligation Bond Requirements, 2025 Fiscal Year	(5,027,072)	
Balance	$ 7,168,423	
Net Revenue from Utility System, Fiscal Year Ended 9-30-24	$ 109,686,671	[1]
Less: Utility System Revenue Bond Requirements, 2025 Fiscal Year	(32,587,569)	
Balance Available for Other Purposes	$ 77,099,102	
Utility System General Obligation Bond Requirements, 2025 Fiscal Year	(70,327,945)	
Balance	$ 6,771,157	

(1) Does not deduct franchise fees and/or return on investment paid to the General Fund.

TABLE 10 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

Purpose	Date Authorized	Amount Authorized	Amount Heretofore Issued	Amount Being Issued [1]	Unissued Balance
Street & Drainage	11/5/2019	$ 154,000,000	$ 135,100,000	$ 18,900,000	$ -
Street	11/7/2023	45,125,000	5,000,000	2,000,000	38,125,000
Drainage & Flood Control	11/7/2023	58,860,000	10,000,000	6,268,000	42,592,000
Parks	11/7/2023	33,450,000	9,450,000	1,000,000	23,000,000
Public Safety Facilities	11/7/2023	42,015,000	26,170,000	15,342,000	503,000
Affordable Housing	11/7/2023	15,000,000	-	-	15,000,000
Active Adult Center	11/7/2023	47,360,000	-	-	47,360,000
Library	11/7/2023	49,545,000	2,500,000	-	47,045,000
		$ 445,355,000	$ 188,220,000	$ 43,510,000	$ 213,625,000

(1) Includes premium on the Bonds. Preliminary, subject to change.

ANTICIPATED ISSUANCE OF ADDITIONAL GENERAL OBLIGATION DEBT . . . As shown in Table 10 above, after the issuance of the Bonds, the City will not have any voted but unissued debt remaining from the November 5, 2019 authorization, and $213,625,000 voted but unissued debt remaining from the November 7, 2023 authorization. In June of 2020, the City established a commercial paper note program which allows for the issuance, at one time, or from time to time, of up to $100,000,000 aggregate principal amount of commercial paper notes (the "*CP Notes*") in order to finance public improvements authorized in the November 5, 2019 bond election and the November 7, 2023 bond election. The CP Notes are secured by ad valorem taxes and proceeds from "rolls" of CP Notes and from bonds issued under the November 5, 2019 authorization and the November 7, 2023 authorization. As of April 1, 2025, no CP Notes are outstanding. The City may also issue tax-supported debt other than voter approved general obligation bonds to fund public improvements, such as certificates of obligation or tax anticipation notes, without submitting a measure to the voters, but in certain instances, subject to voter petition rights for a referendum. Further, the City may issue tax-supported debt other than voter approved general obligation bonds to refund bonds or other obligations not currently payable from or supported by ad valorem taxes, such as the City's Utility System revenue bonds. The City anticipates the issuance of approximately $84.72 million in tax supported debt in fiscal year 2026.

PRELIMINARY

TABLE 11 - OTHER OBLIGATIONS

The City is a lessor in various noncancelable leases of land, building, and equipment. During fiscal year 2024, the City recognized $255,461 in lease revenue and $50,602 in interest revenue.

As of September 30, 2024, the City's lease receivable balance of $3,541,476 was comprised of the following:

Governmental Activities	
One building lease with rents received totaling $16,659 during the fiscal year 2024, at an interest rate of 0.213%, with a remaining lease term of 7 years	$ 107,285
One equipment lease with rents received totaling $79,394 during the fiscal year 2024, at an interest rate of 0.582%, with a remaining lease term of 3 years	239,047
One land lease with rents received totaling $18,186 during the fiscal year 2024, at an interest rate of 1.882%, with a remaining lease term of 45 years	858,617
Business-type Activities	
Various land leases with rents received totaling $141,222 during the fiscal year 2024, at an interest rate of 1.473% to 3.053% to with remaining lease terms ranging from 10 to 45 years	2,336,527
	$ 3,541,476

The lease receivables are expected to be received in subsequent years as follows:

	Governmental Activities		Business-Type Activities	
Fiscal Year	Principal	Interest	Principal	Interest
2025	$ 96,195	$ 18,269	$ 165,383	$ 38,818
2026	96,864	17,600	168,167	36,034
2027	50,625	16,995	171,001	33,200
2028	17,425	16,735	173,887	30,314
2029	19,933	16,504	176,825	27,376
2030-2034	41,417	79,888	928,428	90,895
2035-2039	35,298	77,217	289,856	34,667
2040-2044	56,442	72,949	155,888	19,716
2045-2049	82,320	66,480	153,141	4,966
2050-2054	113,797	57,323	-	-
2055-2059	151,881	44,907	-	-
2060-2064	197,750	28,557	-	-
2065-2069	198,953	7,898	-	-
	$ 1,158,900	$ 521,322	$ 2,382,576	$ 315,986

The City has various aeronautical leasing agreements for land leases (54 agreements, 5 Licenses, 72 buildings) and hangar space (27) at Denton Enterprise Airport. These qualify as regulated leases and are not included in the measurement of lease receivables, in accordance with the requirements of GASB Statement No. 87. The City recognized $870,327 (Land Lease) and $157,064 (Hangar Lease) in lease revenue during fiscal year 2024 for these leases, which have CPI increases that range from 1-5 years, dependent on the lease terms ranging from 1-30 years, with some leases having additional options that range from 5-20 years. As of October 1, 2024, the minimum payments expected to be received over the next five years is shown in the table below:

Fiscal Year	
2025	$ 990,761
2026	1,015,491
2027	1,050,948
2028	1,077,185
2029	1,109,501

PRELIMINARY

Additionally, on January 1, 2023, City of Denton, TX entered into a 48-month lease as Lessee for the use of Employee Health Clinic. An initial lease liability was recorded in the amount of $300,845. As of September 30, 2024, the value of the lease liability is $173,686. The City of Denton, TX is required to make monthly fixed payments of $6,018. The lease has an interest rate of 0.2130%. The value of the right to use asset as of September 30, 2024 of $300,845 with accumulated amortization of $131,619. The City has one extension option(s), each for 12 months.

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY AGREEMENTS (SBITA) . . . The City entered into SBITA contracts involving various desktop and server software, electronic workflows and document management software along with other departmental specific operations management systems to assist in operations. As of September 30, 2024, all SBITA have fixed, periodic, payments over the subscription periods, which range from 1 to 5 years and expire no later than fiscal year 2029. In addition, some of these agreements are cancellable with a 30 or 60-day notice. There are no commitments or outflows of resources related to SBITA that are not yet effective.

The future subscription payments as of September 30, 2024, as follows:

	Governmental Activities		Business-Type Activities	
Fiscal Year	Principal	Interest	Principal	Interest
2025	$ 1,055,570	$ 72,169	$ 947,860	$ 27,073
2026	1,055,569	72,169	947,860	27,073
2027	1,055,570	72,169	947,860	27,073
2028	1,055,570	72,169	947,860	27,073
2029	1,055,570	72,169	947,860	27,073
	$ 5,277,849	$ 360,845	$ 4,739,300	$ 135,365

PENSION FUND . . . The City of Denton participates as one of 901 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of the System with a six-member, Governor-appointed board of trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly-available annual comprehensive financial report obtainable at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS.

Benefits Provided . . . TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the employee's benefit is calculated based on the sum of the employee's contributions with interest, and the city-financed monetary credits with interest. Employees may choose to receive their retirement benefit in one of seven payment options. Employees may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the employee's deposits and interest.

Upon retirement, the employee's retirement benefits are calculated based on the sum of the employee's contributions, with interest, and the City-financed monetary credits, with interest. City-financed monetary credits are composed of three sources: prior service credits, current service credits, and updated service credits.

- Prior service credit, granted by each city joining TMRS, is a monetary credit equal to the accumulated value of the percentage of prior service credit selected by the City, multiplied by an employee's contributions that would have been made, based on the average salary prior to TMRS participation, for the number of months the employee was employed by the City before joining TMRS, accruing 3% annual interest and including the matching ratio adopted by the City.
- Current Service Credit is a monetary credit for service performed by an employee after the City joined TMRS and is based on a percent (200%) of the employee's total contributions and interest credits (commonly referred to as the City's matching ratio). Each participating city designates the rate the employee contributions (7% for the City) and interest is credited on contribution balances annually at a guaranteed minimum 5% rate. Any change in the matching ratio would be applied prospectively.
- Updated Service Credits (USC) is an optional monetary credit granted on an annually repeated basis by the City, and it may increase an employee's monthly retirement benefit. In calculating USC, TMRS looks at the changes in the employee's salary over their career and any changes the City has made to its TMRS plan, such as the employee contribution rate or the City's matching ratio. Although USC may increase the employee's retirement benefit, USC does not affect the amount of contributions in an employee's account or the amount an employee will receive if they refund.

PRELIMINARY

The plan provisions also include an annually repeating basis cost of living adjustments for retirees equal to 70% of the change in the consumer price index. If an employee terminates employment and refunds their account, the employee will receive their total contributions, plus credited interest. The employee will not receive any of the city-financed monetary credits. An employee can retire at ages 60 and above with 5 or more years of service or with 20 years of service regardless of age. A member is vested after five years.

Employees covered by benefit terms . . . At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	909
Inactive Employees Entitled to But Not Yet Receiving Benefits	929
Active Employees	1,472
	3,310

Contributions . . . The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the City Council. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 18.15% and 18.94% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024, were $21,790,165 and were equal to the required contributions.

Net Pension Liability . . . The City's Net Pension Liability ("NPL") was measured as of December 31, 2023, and the Total Pension Liability ("TPL") used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions . . . The TPL in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.50% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate are applied for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

PRELIMINARY

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	6.70%
Core Fixed Income	6.0%	4.70%
Non-Core Fixed Income	20.0%	8.00%
Real Return	12.0%	8.00%
Real Estate	12.0%	7.60%
Absolute Return	5.0%	6.40%
Private Equity	10.0%	11.60%
Total	100.0%	

Discount Rate . . . The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2022	$ 642,301,045	$ 519,984,941	$ 122,316,104
Changes for the year:			
Service cost	21,408,496	-	21,408,496
Interest	43,175,635	-	43,175,635
Change of benefit terms	-	-	-
Difference between expected and actual experience	3,120,640	-	3,120,640
Changes of assumptions	(4,298,128)	-	(4,298,128)
Contributions - employer	-	21,790,165	(21,790,165)
Contributions - employee	-	8,535,599	(8,535,599)
Net investment income	-	60,236,192	(60,236,192)
Benefit payments, including refunds of employee contributions	(26,732,504)	(26,732,504)	-
Administrative expense	-	(382,866)	382,866
Other changes	-	(2,675)	2,675
Net changes	36,674,139	63,443,911	(26,769,772)
Balance at 12/31/2023	$ 678,975,184	$ 583,428,852	$ 95,546,332

Sensitivity of the Net Pension Liability to changes in the Discount Rate . . . The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	$192,754,710	$ 95,546,332	$ 15,975,192

PRELIMINARY

Pension Plan Fiduciary Net Position . . . Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions . . . For the year ended September 30, 2024, the City recognized pension expense of $22,731,061. This amount is included as part of personal services expenses.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to TMRS pension from the following sources:

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between projected and actual investment earnings	$ 13,878,371	$ -
Contributions subsequent to the measurement date	18,506,744	-
Differences between expected and actual economic experience	10,295,447	-
Difference in assumption changes	-	3,259,932
Total	$ 42,680,562	$ 3,259,932

Reported as deferred outflows of resources, $18,506,744 related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the City's fiscal year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense (income) as follows:

For the Year Ended September 30,	
2025	$ 7,677,316
2026	7,137,181
2027	11,166,647
2028	(5,067,257)
Total	$ 20,913,887

PRELIMINARY

FIREMEN'S RELIEF AND RETIREMENT FUND

Plan Description . . . The City contributes to the retirement plan for firefighters in the Denton Fire Department known as the Denton Firemen's Relief and Retirement Fund (the Fund). The Fund is a single employer, contributory, defined benefit plan. The benefit provisions of the Fund are authorized by the Texas Local Fire Fighters' Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions. The plan is administered by the Board of Trustees of the Denton Firemen's Relief and Retirement Fund. The City does not have access to nor can it utilize assets within the retirement plan trust. The Fund issues a stand-alone report pursuant to GASB Statement No. 67, which may be obtained by writing the Denton Firemen's Reliefand Retirement Fund at P.O. Box 2375, Denton, Texas 76202. See that report for all information about the plan fiduciary net position.

Benefits Provided . . . Firefighters in the Denton Fire Department are covered by the Denton Firemen's Relief and Retirement Fund which provides service retirement, death, disability, and withdrawal benefits. These benefits fully vest after 20 years of credited service. Firefighters may retire at age 50 with 20 years of service. A partially vested benefit is provided for firefighters who terminate employment with at least 10 but less than 20 years of service. If a terminated firefighter has a partially vested benefit, the firefighter may retire starting on the date they would have both completed 20 years of service if they had remained a Denton firefighter and attained age 50. The present plan provides a monthly normal service retirement benefit, payable in a Joint and Two-Thirds to Spouse form of annuity, equal to 2.59% of Highest 36-Month Average Salary for each year of service.

A retiring firefighter who is at least age 52 with at least 22 years of service has the option to elect the Retroactive Deferred Retirement Option Plan (RETRO DROP) which will provide a lump sum benefit and a reduced monthly benefit. The reduced monthly benefit is based on the service and Highest 36-Month Average Salary as if the firefighter had terminated employment on their selected RETRO DROP benefit calculation date, which is no earlier than the later of the date the firefighter meets the age 52 and 22 years of service requirements and the date four years prior to the date the firefighter actually retires. Upon retirement, the employee will receive, in addition to the monthly retirement benefit, a lump sum equal to the sum of (1) the amount of monthly contributions the member has made to the Fund after the RETRO DROP benefit calculation date plus (2) the total of the monthly

retirement benefits the member would have received between the RETRO DROP benefit calculation date and the date retired under the plan. There are no account balances. The lump sum is calculated at the time of retirement and distributed as soon as administratively possible.

There is no provision for automatic postretirement benefit increases. The Fund has the authority to provide, and has periodically in the past provided, ad hoc postretirement benefit increases.

Employees Covered by Benefit Terms . . . In the December 31, 2023 actuarial valuation, the following numbers of members were covered by the Fund:

Inactive Employees or Beneficiaries Currently Receiving Benefits	96
Inactive Employees Entitled to But Not Yet Receiving Benefits	8
Active Employees	236
	340

Contributions . . . The contribution provisions of the Fund are authorized by TLFFRA. TLFFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each firefighter and a percentage of payroll by the City.

The contribution policy of the Denton Firemen's Relief and Retirement Fund requires contributions equal to 12.6% of pay by the firefighters, the rate elected by the firefighters according to TLFFRA. The City began contributing in December 2017 according to a new City funding policy. The ordinance defining it includes an actuarially determined contribution rate over a closed 25-year amortization period, a contribution rate of 18.5% for several years, a minimum rate standard, and City review and approval of each actuarial valuation. The December 31, 2023 actuarial valuation includes the assumption the City contribution rate will be 18.5% over the unfunded liability amortization period. The costs of administering the plan are paid from the Fund assets. The City's contributions to the Fund for the year ended September 30, 2024 were $5,530,963.

Ultimately, the funding policy also depends upon the total return of the Fund's assets, which varies from year to year. Investment policy decisions are established and maintained by the board of trustees. For the calendar year ending December 31, 2023, the money-weighted rate of return on pension plan investments was 9.31%. This measurement of the investment performance is net of investment-related expenses, reflecting the effect of the timing of the contributions received and the benefits paid during the year.

While the contribution requirements are not actuarially determined, state law requires that each change in plan benefits adopted by the Fund must first be approved by an eligible actuary, certifying the contribution commitment by the firefighters and the assumed city contribution rate together provide an adequate contribution arrangement. Using the entry age actuarial cost method, the plan's normal cost contribution rate is determined as a percentage of payroll. The excess of the total contribution rate over the normal cost contribution rate is used to amortize the plan's unfunded actuarial accrued liability (UAAL). The number of years needed to amortize the plan's UAAL is actuarially determined using an open, level percentage of payroll method.

Net Pension Liability . . . The City of Denton's net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined based on the actuarial valuation as of December 31, 2023.

Total Pension Liability	$ 167,333,614
Plan fiduciary net position	152,072,995
City's net pension liability	15,260,619
Plan fiduciary net position as a percentage of the total pension liability	90.9%

Actuarial Assumptions . . . The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50% per year
Overall payroll growth	3.00% per year, plus promotion, step and longevity increases that vary by service
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the PubS-2010 (public safety) total dataset mortality tables employees and for retirees (sex distinct), projected for mortality improvement generationally using the projection scale MP-2019.

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

PRELIMINARY

The long-term expected rate of return on pension plan investments is reviewed for each biennial actuarial valuation and was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future net real rates of return by the target asset allocation percentage (currently resulting in 4.96%) and by adding expected inflation (2.5%). In addition, the final 6.75% assumption was selected by rounding down and thereby reflects a reduction of 0.71% for adverse deviation.

The target allocation and expected arithmetic net real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Equities		
Large Cap Domestic	40.0%	6.00%
Small/Mid Cap Domestic	10.0%	6.50%
International Developed	10.0%	6.50%
Alternatives		
Master Limited Partnerships	8.0%	6.50%
Real Estate	15.0%	4.00%
Fixed Income	15.0%	1.00%
Cash	2.0%	0.00%
Total	100.0%	
Weighted Average		4.96%

Discount Rate . . . The discount rate used to measure the total pension liability was 6.75%. No projection of cash flows was used to determine the discount rate because the December 31, 2023 actuarial valuation showed expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in seven years. Because of the seven-year amortization period of the UAAL, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments of 6.75% was applied to all periods of projected benefit payments as the discount rate to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate . . . The following presents the net pension liability of the City of Denton, calculated using the discount rate of 6.75%, as well as what the city's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	$36,978,441	$15,260,619	$ (2,822,645)

Pension Plan Fiduciary Net Position . . . The plan fiduciary net position reported above is the same as reported by the Fund. Detailed information about the plan fiduciary net position is available in the Fund's separately issued audited financial statements, which are reported using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Investments are reported at fair value, the price that would be recognized to sell an asset in an orderly transaction between market participants at the measurement date.

PRELIMINARY

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/2023	$ 152,376,252	$ 136,802,800	$ 15,573,452
Changes for the year:			
Service cost	5,114,741	-	5,114,741
Interest	10,437,944	-	10,437,944
Change of benefit terms	-	-	-
Difference between expected and actual experience	5,114,242	-	5,114,242
Contributions - employer	-	4,888,426	(4,888,426)
Contributions - employee	-	3,329,414	(3,329,414)
Net investment income	-	12,849,568	(12,849,568)
Benefit payments, including refunds of employee contributions	(5,709,565)	(5,709,565)	-
Administrative expense	-	(87,648)	87,648
Net changes	14,957,362	15,270,195	(312,833)
Balance at 12/31/2024	$ 142,439,646	$ 152,072,995	$ 15,260,619

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions . . . For the year ended September 30, 2024, the City recognized a pension expense of $1,761,084. Amounts recognized in the fiscal year represent changes between the current and prior year measurement dates. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the Fund from the following sources:

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between projected and actual investment earnings	$ 443,898	$ -
Contributions subsequent to the measurement date	4,149,284	-
Differences between expected and actual economic experience	1,816,395.00	-
Difference in assumption changes	9,102,264	164,565
Total	$ 15,511,841	$ 164,565

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $4,149,284. will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2024, and the City's fiscal year ending September 30, 2025.

For the Year Ended September 30,	
2025	$ 603,586
2026	1,636,232
2027	4,215,649
2028	865,562
2029	1,305,048
Thereafter	2,571,915
Total	$11,197,992

PRELIMINARY

OTHER POST EMPLOYMENT BENEFITS . . . The City of Denton provides for two post-employment benefit (OPEB) plans; one provides for postemployment medical care through a single-employer defined benefit medical plan (Medical OPEB), and the other is the Texas Municipal Retirement System Supplemental Death Benefits Fund (TMRS SDBF), a single-employer defined benefit OPEB plan. Both plans are described in detail following.

Aggregate amounts for the two OPEB plans are as follows:

	Medical OPEB	TMRS SDBF	Total
OPEB Liability	$ 45,653,463	$ 4,146,417	$ 49,799,880
Deferred outflows of resources	$ 7,289,024	$ 946,282	8,235,306
Deferred inflows of resources	11,614,379	1,435,188	13,049,567
OPEB expense	3,496,457	179,938	3,676,395

Plan Description . . . The City of Denton provides post-employment medical care (OPEB) for retired employees through a single-employer defined benefit medical plan. The plan provides medical benefits for eligible retirees, their spouses and dependents though the City's group health insurance plans, which covers both active and retired members. The benefits, benefit levels, and contribution rates are recommended annually by the City management as part of the budget process. Any changes in rate subsidies for retirees are approved by the City Council. Since an irrevocable trust has not been established, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

Benefits Provided . . . The City provides post-employment medical, dental, and vision care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under the Texas Municipal Retirement System or the Denton Firemen's Relief and Retirement Plan. Retirees must make a one-time irrevocable decision to choose benefits at the time of retirement, after that their eligibility for the benefits ceases. However, retirees can move between plans and can add and drop dependents based on qualifying events.

All medical care benefits are provided through the City's self-insured health plan. The benefit levels are the same as those afforded to active employees.

In the December 31, 2023 actuarial valuation, the following number of employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	247
Active Employees	1,689
	1,936

Funding Policy . . . The plan premium rates are recommended annually by City management and approved by the City Council as part of the annual budget. The retiree's contribution is the full amount of the actuarially determined blended premium rate less a subsidy dependent upon years of service at retirement. By providing retirees with access to the City's healthcare plans based on the same rates it charges to active employees, the City is in effect providing a subsidy to retirees. This implied subsidy exists because, on average, retiree health care costs are higher than active employee healthcare costs. By the City not contributing anything toward this plan in advance, the City employs a pay-as-you-go method through paying the higher rate for active employees each year. The City contributes $40 per month for each five-year increment of service, up to $200 per month, toward the cost of retiree coverage. The full cost for dental and vision is paid by the retiree. Retirees are required to enroll in Medicare Part B once eligible (age 65) and are moved into a fully-insured Medicare Supplement plan at that time. The same City contribution level applies to the supplement.

Medical OPEB Liability. . . The City's medical OPEB liability of $45,653,463 was measured as of December 31, 2023, the same date as the actuarial valuation.

The medical OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement date, unless otherwise specified

PRELIMINARY

Significant method and assumptions used for this fiscal year valuation were as follows:

Valuation Date	December 31, 2023
Actuarial cost method	Individual Entry-Age Normal Method
Discount Rate	1.84% as of December 31, 2021 4.05% as of December 31, 2022 3.77% as of December 31, 2023
Inflation Rate	2.50% per annum
Projected salary increases	3.60% to 11.85% for TMRS, including inflation 3.00% to 9.18% for Fire, including inflation
Healthcare trend rates	Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years
Mortality	**TMRS:** For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements. **Firefighters**: The gender-distinct PubS-2010 (safety employees) total data set mortality are used. The rates are projected on a fully generational basis using the projection scale of MP-2019.
Participation Rates	65% for employees retiring at age 65 or older: 45% for employees retiring between the ages 50 and 64; 5% for employees retiring between the ages of 45 and 49; 0% for retirees under the age 50 at retirement

Changes in the Medical OPEB Liability

	Total Medical OPEB Liability
Balance at 12/31/2022	$ 41,482,438
Changes for the year:	
Service cost	2,538,726
Interest	1,687,421
Difference between expected and actual experience	(920,557)
Changes of assumptions	3,039,595
Benefit payments	(2,174,160)
Net Changes	4,171,025
Balance at 12/31/2023	$ 45,653,463

PRELIMINARY

Total OPEB liability as a percentage of covered payroll was 29.89%.

Sensitivity of the Medical OPEB Liability to Changes in the Discount Rate

The following schedule shows the impact of the medical OPEB liability if the discount rate used was 1% less than (2.77%) and 1% greater than (3.77%) the discount rate that was used (4.77%) in measuring the medical OPEB liability:

	1% Decrease (2.77%)	Current Discount Rate (3.77%)	1% Increase (4.77%)
Total medical OPEB Liability	$50,340,510	$ 45,653,463	$41,533,743

Sensitivity of the Medical OPEB Liability to Changes in the Healthcare Cost Trend Rate Assumption

The following schedule shows the impact of the medical OPEB liability if the healthcare trend cost rate used was 1% less than (6.20%) and 1% more than (7.20%) the healthcare cost trend rate that was used (8.20%) in measuring the medical OPEB liability:

	1% Decrease (6.20%)	Current Healthcare Cost Trend Rate (7.20%)	1% Increase (8.20%)
Total medical OPEB Liability	$42,093,159	$ 45,653,463	$49,836,643

Medical OPEB Expense and Deferred outflows of Resources and Deferred Inflows of Resources Related to Medical OPEB

For the year ended September 30, 2024, the City recognized medical OPEB expense of $3,496,457. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to medical OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 180,712	$ 2,386,995
Changes in actuarial assumptions	5,768,548	9,227,384
Contribution subsequent to the measurement date	1,339,764	-
Totals	$ 7,289,024	$ 11,614,379

Deferred outflows of resources related to OPEB contributions subsequent to the measurement date of $1,339,764 will be recognized as a reduction of the medical OPEB liability for the City's fiscal year ending September 30, 2025. Other amounts reported as deferred outflows of resources related to the medical OPEB will be recognized in OPEB expense as follows:

Year Ending September 30,	
2025	$ (729,690)
2026	(737,483)
2027	(953,233)
2028	(748,865)
2029	(800,886)
Thereafter	(1,694,962)
Total	$(5,665,119)

PRELIMINARY

Supplemental Death Benefit Fund . . . The City of Denton voluntarily participates in the Texas Municipal Retirement System Supplemental Death Benefits Fund (TMRS SDBF). The SDBF is a defined benefit group-term life insurance Other Postemployment Benefit (OPEB) plan as defined by GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. It is established and administered in accordance with the TMRS Act identically to the City's pension plan.

Benefits provided . . . The SDBF provides group-term life insurance to City employees who are active members in TMRS, including retirees. The City Council opted into this system via an ordinance, and may terminate coverage under and discontinue participation in, the SDBF by adopting an ordinance before November 1st of any year to be effective the following January 1st .

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an "other postemployment benefit" (OPEB) and is a fixed amount of $7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan.

In the December 31, 2023 actuarial valuation, the following number of employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	696
Inactive Employees entitled to but not yet receiving benefits	259
Active Employees	1,472
	2,427

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.28% for 2024 and 0.28% for 2023, of which 0.10% for 2024 and 0.10% for 2023, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all the death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The City's contribution to the SDBF for two years ended September 30, 2024 and 2023 were $377,550 and $300,164 respectively, representing contributions for both active and retiree coverage, which equaled the required contribution each year.

FINANCIAL INFORMATION

TABLE 12 - CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES

	Fiscal Year Ended September 30,				
Revenues:	2024	2023	2022	2021	2020
Program Revenue:					
Charges for Services	$ 23,487,878	$ 23,704,503	$ 25,203,727	$ 18,751,972	$ 17,442,268
Operating Grants and Contributions	13,042,489	10,623,546	9,545,392	8,607,304	8,991,320
Capital Grants and Contributions	35,255,951	27,351,806	34,406,757	23,945,640	34,911,879
General Revenue:					
Property Tax	106,555,772	92,185,668	79,552,638	78,243,553	75,431,860
Sales Tax	57,074,842	55,906,340	53,264,724	45,404,857	39,337,834
Other Taxes/Fees	38,667,030	43,582,046	42,503,178	35,648,023	32,100,345
Miscellaneous	22,670,126	17,283,086	7,125,797	5,876,421	7,111,569
Total Revenue	$296,754,088	$270,636,995	$251,602,213	$216,477,770	$215,327,075
Expenditures:					
General Government	$ 57,475,453	$ 53,383,319	$ 40,369,454	$ 37,401,990	$ 37,921,928
Public Safety	112,543,358	104,695,335	87,970,791	93,415,418	82,119,480
Public Works	27,466,868	39,086,849	25,489,369	14,063,366	26,049,847
Parks and Recreation	29,842,466	28,096,065	22,787,282	19,295,206	15,759,371
Interest on Long-Term Debt	12,698,504	10,198,425	8,571,877	7,380,293	6,757,736
Total Expenses	$240,026,649	$235,459,993	$185,188,773	$171,556,273	$168,608,362
Increase in Net Position before Transfers	$ 56,727,439	$ 35,177,002	$ 66,413,440	$ 44,921,497	$ 46,718,713
Transfers	(870,190)	4,017,015	2,913,731	1,975,432	1,296,624
Increase (Decrease) in Net Position	$ 55,857,249	$ 39,194,017	$ 69,327,171	$ 46,896,929	$ 48,015,337
Prior Period Adjustment	-	-	9,072,792 (2)	-	-
Net Position at Beginning of Year	446,287,278	407,093,261	328,693,298	281,796,369	233,781,032
Net Position at End of Year	$502,144,527 (1)	$446,287,278	$407,093,261	$328,693,298	$281,796,369

(1) Unrestricted net position, that part of the net position that may be used to meet the City's ongoing obligations, was $12,734,966 as of September 30, 2024. This table refers to governmental activities only and does not include enterprise funds such as solid waste or utility activities.

(2) An adjustment has been recorded to account for the recognition of intergovernmental revenues received in advance and held as an unearned revenue liability.

PRELIMINARY

TABLE 12A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Year Ended September 30,				
Revenues:	2024	2023	2022	2021	2020
Taxes	$ 123,923,215	$ 113,955,253	$ 102,491,584	$ 95,276,289	$ 88,273,338
Licenses and Permits	5,561,811	6,049,752	9,058,717	5,939,320	5,225,128
Franchise Fee	17,534,987	22,851,663	19,910,133	17,961,984	16,196,987
Fines and Forfeitures	2,525,000	1,961,982	1,875,399	1,572,587	2,279,771
Fees for Service	12,420,160	9,662,872	9,630,662	9,354,890	6,803,459
Interest Revenue	3,567,702	2,587,602	(127,267)	160,094	793,413
Intergovernmental	3,530,952	2,961,572	2,508,006	4,166,856	5,075,506
Miscellaneous	304,245	342,941	322,173	385,998	313,541
Total Revenues	$ 169,368,072	$ 160,373,637	$ 145,669,407	$ 134,818,018	$ 124,961,143
Expenditures:					
General Government	$ 36,294,711	$ 33,498,179	$ 26,563,210	$ 26,460,924	$ 26,969,064
Public Safety	104,782,629	96,317,917	86,682,395	80,847,727	75,985,961
Public Works	3,614,951	3,454,541	2,956,465	2,919,114	3,021,395
Parks and Recreation	24,836,184	15,781,789	13,308,304	11,259,612	8,872,556
Capital Outlay	635,578	475,410	540,289	476,296	442,932
Debt Service: Principal Retirement	-	-	-	-	-
Total Expenditures	$ 170,164,053	$ 149,527,836	$ 130,050,663	$ 121,963,673	$ 115,291,908
Excess (Deficiency) of Revenues Over Expenditures	$ (795,981)	$ 10,845,801	$ 15,618,744	$ 12,854,345	$ 9,669,235
Other Financing Sources (Uses):					
Transfers In	$ -	$ 25,750	$ 2,728	$ 33,964	$ -
Sale of Capital Assets	384,737	198,474	568,128	326,682	112,824
Transfers (Out)	(2,140,604)	(11,929,049)	(9,230,186)	(8,497,210)	(6,738,692)
Total Other Financing Sources (Uses)	$ (1,755,867)	$ (11,704,825)	$ (8,659,330)	$ (8,136,564)	$ (6,625,868)
Net Changes in Fund Balance	$ (2,551,848)	$ (859,024)	$ 6,959,414	$ 4,717,781	$ 3,043,367
Sale of Capital Assets	28,550 [(1)]	-	-	-	-
Fund Balance at Beginning of Year	44,628,932	45,459,406	38,499,992	33,782,211	30,738,844
Fund Balance at End of Year	$ 42,077,084	$ 44,600,382	$ 45,459,406	$ 38,499,992	$ 33,782,211

PRELIMINARY

TABLE 13 - MUNICIPAL SALES TAX HISTORY

The City has adopted the Municipal Sales and Use Tax Act, Texas Tax Code, Chapter 321, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Obligations. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly. In January 1994, the voters of the City approved the imposition of an additional one-half of one percent (½ of 1%) for property tax reduction. In September 2003, the voters of the City approved the imposition of an additional one-half of one percent (½ of 1%) for the Denton County Transportation Authority. The implementation of this tax began January 2004, and is allocated directly to the Denton County Transportation Authority.

Fiscal Year Ended 9/30	Total Collected [1]	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
2021	$45,404,857	58.40%	$ 0.3343	$316
2022	53,264,724	67.10%	0.3698	362
2023	55,906,340	60.93%	0.3343	371
2024	57,074,842	53.58%	0.2970	378
2025 [2]	29,207,284	24.23%	0.1384	188

(1) Source: City of Denton Annual Comprehensive Financial Report.
(2) Collections through April 1, 2025.

The sales tax breakdown for the City is as follows:

Property Tax Relief	0.50¢
Denton County Transportation Authority	0.50¢
City Sales & Use Tax	1.00¢
State Sales & Use Tax	6.25¢
Total	8.25¢

FINANCIAL POLICIES

Basis of Accounting . . . The accounting policies of the City conform to generally accepted accounting principles of the Governmental Accounting Standards Board and program standards adopted by the Government Finance Officers Association of the United States and Canada. The GFOA has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Denton for each fiscal year since 1983. The City's current report will be submitted to GFOA to determine its eligibility for another Certificate.

The City has also received the GFOA's award for Distinguished Budget Presentation each year since 1986.

The measurement focuses for the Enterprise Funds, Internal Service Funds and Nonexpendable Trust Funds are income determination and cost of service, respectively. Accordingly, the accrual basis, whereby revenues and expenses are identified in the accounting period in which they are earned and incurred and net income, is utilized for these funds. The modified accrual basis, whereby revenues are recognized when they become both measurable and available for use during the year and expenditures are recognized when the related fund liability is incurred, is used for all other funds.

Fund Balance Policy . . .The City strives to achieve and maintain and unassigned fund balance in the General Fund equal to 20% of budgeted expenditures. An additional 5% resiliency reserve (25% combined total) may be maintained to safeguard against unusual financial circumstances or economic downturns.

Budgetary Procedures . . . As prescribed by City Charter, the City Manager, within the time period required by law, submits to the City Council a proposed budget for the fiscal year beginning the following October 1. The budget includes proposed expenditures and revenues required to fund the expenditures. Following Council considerations, amendments and refinements, a public hearing is ordered and conducted for the purpose of obtaining taxpayer comments. The budget is finally approved and adopted by passage of an ordinance by the City Council prior to the beginning of the fiscal year. The budget is adopted on a basis consistent with generally accepted accounting principles. It is the goal of the City to achieve and maintain an unassigned fund balance in the general fund equal to 20% of budgeted expenditures. An additional 5% resiliency reserve (25% combined total) may be maintained to safeguard against unusual financial circumstances and/or economic downturns.

PRELIMINARY

INVESTMENTS

The City invests its investable funds in investments authorized by Texas law in accordance with investment policies approved by the City Council. Both Texas law and the City's investment policies are subject to change.

LEGAL INVESTMENTS . . . Under State law, the City is authorized to invest in: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (the "FDIC") or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed, or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the FDIC or the National Credit Union Share Insurance Fund (the "NCUSIF") or their respective successors; (8) interest-bearing banking deposits, other than those described in clause (7), that (i) are invested through a broker or institution with a main office or branch office in this state and selected by the City in compliance with the PFIA, (ii) the broker or institution arranges for the deposit of the funds in one or more federally insured depository institutions, wherever located, for the City's account, (iii) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States, and (iv) the City appoints as its custodian of the banking deposits, in compliance with the PFIA, the institution in clause (8)(i) above, a bank, or a broker-dealer; (9) certificates of deposit and share certificates meeting the requirements of the PFIA (i) that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the FDIC or the NCUSIF, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8), above, or secured in accordance with Chapter 2257, Texas Government Code, or in any other manner and amount provided by law for City deposits, or (ii) where (a) the funds are invested by the City through a broker or institution that has a main office or branch office in the State and selected by the City in compliance with the PFIA, (b) the broker or institution arranges for the deposit of the funds in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (d) the City appoints, in compliance with the PFIA, the institution in clause (9)(ii)(a) above, a bank, or broker-dealer as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described by clauses (1) or (12), which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with a stated maturity of 270 days or less, if the short-term obligations of the accepting bank, or of the holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P-1 or an equivalent by either (i) two nationally recognized credit rating agencies, or (ii) one nationally recognized credit rating agency if the commercial paper is fully secured by an irrevocable letter of credit issued by a United States or state bank; (13) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission and complies with Securities and Exchange Commission Rule 2a-7; (14) no-load mutual funds that are registered and regulated by the Securities and Exchange Commission that have a weighted maturity of less than two years and either (i) have a duration of one year or more and are invested exclusively in obligations approved in this paragraph, or (ii) have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset backed securities; (15) guaranteed investment contracts that have a defined termination date and are secured by obligations described in clause (1), excluding obligations which the City is explicitly prohibited from investing in, and in an amount at least equal to the amount of bond proceeds invested under such contract; and (16) securities lending programs if (i) the securities loaned under the program are 100% collateralized, including accrued income, (ii) a loan made under the program allows for termination at any time, (iii) a loan made under the program is either secured by (a) obligations described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent, or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (12) through (14) above, or an authorized investment pool, (iv) the terms of a loan made under the program require that the securities being held as collateral be pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party designated by the City, (v) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State, and (vi) the agreement to lend securities has a term of one year or less.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAA-m" or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution.

PRELIMINARY

The City if specifically prohibited from investing in (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES . . . Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the Public Funds Investment Act. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each funds' investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest during the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City Council.

Effective September 1, 2019, the investment officer of a local government is allowed to invest bond proceeds or pledged revenue only to the extent permitted by the PFIA and in accordance with (i) statutory provisions governing the debt issuance (or lease, installment sale, or other agreement) and (ii) the local government's investment policy regarding the debt issuance or the agreement.

ADDITIONAL PROVISIONS . . Under Texas law the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the registered principal of firms seeking to sell securities to the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the Treasurer, Chief Financial Officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the entity's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

PRELIMINARY

TABLE 14- CURRENT INVESTMENTS [1]

As of April 1, 2025, the City's available funds were invested as follows:

Description	Market Value Percent	Market Value	Book Value
Treasury Securities	52.03%	$477,876,110	$476,953,913
Federal Agency Issues - Coupon	16.83%	154,619,840	154,102,349
Federal Agency Issues - Callable	3.26%	29,957,060	29,920,721
Commercial Paper	6.44%	59,161,630	59,183,153
Local Government Inv. Pool- TexSTAR	9.43%	86,583,819	86,583,819
Local Government Inv. Pool- TexPool	10.89%	100,000,000	100,000,000
Demand Deposits/Wells Fargo [2]	0.62%	5,720,323	5,720,323
Municipal Bonds-Coupon	0.50%	4,564,917	4,531,821
	100.00%	$918,483,699	$916,996,099

_____

(1) There are no City funds invested in derivative securities, i.e., securities whose rate of return is determined by reference to some other instrument, index or commodity.

(2) Insured up to the FDIC limit with uninsured amounts collateralized by U.S. federal agency securities at a minimum of 102% of principal plus accrued interest.

TexSTAR is a local government investment pool for whom Hilltop Securities Asset Management, Inc. provides customer service and marketing. TexSTAR currently maintains a "AAAm" rating from Standard & Poor's and has an investment objective of achieving and maintaining a stable net asset value of $1.00 per share. Daily investments or redemptions of funds is allowed by the participants.

PRELIMINARY

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

TAX MATTERS

OPINIONS

The Certificates . . . On the date of initial delivery of the Certificates, McCall, Parkhurst and Horton L.L.P., Dallas, Texas, Bond Counsel to the City, will render its opinion that, in accordance with Existing Law, (1) interest on the Certificates for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Certificates will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Code. Except as stated above, Bond Counsel to the City will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Certificates. See Appendix C – Forms of Bond Counsel's Opinions.

The Bonds . . . On the date of initial delivery of the Bonds, Bond Counsel to the City, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel to the City will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds. See Appendix C – Forms of Bond Counsel's Opinions.

In rendering each of the foregoing opinions, Bond Counsel to the City will rely upon (a) certain information and representations of the City, including information and representations contained in the City's federal tax certificate with respect to each Obligation issue, and (b) covenants of the City contained in the Obligation documents relating to certain matters, including arbitrage and the use of the proceeds of the Obligations and the property financed or refinanced therewith. Failure by the City to observe the aforementioned representations or covenants could cause the interest on the Obligations to become taxable retroactively to the date of issuance.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Obligations in order for interest on the Obligations to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Obligations to be included in gross income retroactively to the date of issuance of the Obligations. The opinion of Bond Counsel to the City is conditioned on compliance by the City with the covenants and other requirements described in the preceding paragraph, and Bond Counsel to the City has not been retained to monitor compliance with these requirements subsequent to the issuance of the Obligations.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. The Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Obligations.

A ruling was not sought from the Internal Revenue Service by the City with respect to the Obligations or the projects being financed or refinanced therewith. Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the representations of the City that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether or not the Internal Revenue Service will commence an audit of the Obligations, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the City as the taxpayer and the holders of the Obligations may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

FEDERAL INCOME TAX ACCOUNTING TREATMENT OF ORIGINAL ISSUE DISCOUNT

The initial public offering price to be paid for one or more maturities of the Obligations may be less than the principal amount thereof or one or more periods for the payment of interest on the Obligations may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Obligations less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

PRELIMINARY

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Obligations and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

COLLATERAL FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Obligations. This discussion is based on Existing Law, all of which are subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE OBLGATIONS.

Interest on the Obligations may be includable in certain corporation's "adjusted financial statement income" determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Obligations, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Obligations, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

STATE, LOCAL AND FOREIGN TAXES

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Obligations under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

PRELIMINARY

INFORMATION REPORTING AND BACKUP WITHHOLDING

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Obligations will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

FUTURE AND PROPOSED LEGISLATION

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Obligations under Federal or state law and could affect the market price or marketability of the Obligations. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Obligations should consult their own tax advisors regarding the foregoing matters.

CONTINUING DISCLOSURE OF INFORMATION

In each of the Ordinances, the City has made the following agreement for the benefit of the holders and beneficial owners of the respective series of Obligations. The City is required to observe each agreement while it remains obligated to advance funds to pay such Obligations. Under each agreement, the City will be obligated to provide certain updated financial information and operating data annually, and the timely notice of specified events to the Municipal Securities Rulemaking Board ("MSRB"). This information will be available free of charge from the MSRB via the Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org.

ANNUAL REPORTS . . . The City shall provide annually to the MSRB, in the electronic format prescribed by the MSRB, financial information and operating data (the "Annual Operating Report") with respect to the City of the general type included in this Official Statement under Tables numbered 1 through 5 and 7 through 14. The City will additionally provide financial statements of the City (the "Financial Statements"), that will be (i) prepared in accordance with the accounting principles described in the City's annual audited financial statements or such other accounting principles as the City may be required to employ from time to time pursuant to State law or regulation and shall be in substantially the form included in this Official Statement and (ii) audited, if the City commissions an audit of such Financial Statements and the audit is completed within the period during which they must be provided. The City will update and provide the Annual Operating Report within six months after the end of each fiscal year and the Financial Statements within 12 months of the end of each fiscal year, in each case beginning with the fiscal year ending in and after 2025. The City may provide the Financial Statements earlier, including at the time it provides its Annual Operating Report, but if the audit of such Financial Statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited Financial Statements within such 12-month period and audited Financial Statements for the applicable fiscal year, when and if the audit report on such Financial Statements becomes available.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the United States Securities and Exchange Commission (the "SEC"), as permitted by SEC Rule 15c2-12 (the "Rule").

The City's current fiscal year end is September 30. Accordingly, it must provide the Annual Operating Report by March 31 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB of the change.

NOTICE OF CERTAIN EVENTS . . . The City will also provide timely notices of certain events to the MSRB. The City will provide notice of any of the following events with respect to the Obligations to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Obligations, or other material events affecting the tax status of the Obligations; (7) modifications to rights of holders of the Obligations, if material; (8) Obligation calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Obligations, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any Financial Obligation of the City, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial

PRELIMINARY

Obligation of the City, any of which reflect financial difficulties. In addition, the City will provide timely notice of any failure by the City to provide annual financial information in accordance with their agreement described above under "Annual Reports". For purposes of clauses (15) and (16) above, "Financial Obligation" means (i) a debt obligation, (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

For these purposes, any event described in (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

LIMITATIONS AND AMENDMENTS . . . The City has agreed to update information and to provide notices of specified events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Obligations at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Obligations may seek a writ of mandamus to compel the City to comply with its agreement.

The City may amend its continuing disclosure agreement for either or both of the Bonds and Certificates from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds or Certificates, as the case may be, in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds or Certificates, as the case may be, consent to the amendment or (b) any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds or Certificates, as the case may be. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Obligations in the primary offering of the Obligations. If the City so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . During the last five years, the City believes it has complied in all material respects with all continuing disclosure agreements made by it in accordance with SEC Rule 15c2-12.

PRELIMINARY

OTHER INFORMATION

RATINGS

The Obligations and the presently outstanding tax supported debt of the City are rated "AA+" by Fitch and "AA+" by S&P. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organizations and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of such rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Obligations.

LITIGATION

Various claims and lawsuits are pending against the City. In accordance with GAAP, those judgments considered “probable” are accrued, while those claims and judgments considered “reasonably possible” are disclosed but not accrued. In the opinion of City management and legal counsel, the maximum amount of all significant claims considered reasonably possible, excluding condemnation proceedings is approximately $500,000 as of September 30, 2024. Potential losses after insurance coverage on all probable claims and lawsuits will not have a material effect on the City's financial position as of September 30, 2024, see Appendix B, Notes to Basic Financial Statements G., page 86.

At the time of the initial delivery of the Bonds, the City will provide the Initial Purchasers with a certificate to the effect that, except as disclosed herein, no litigation of any nature has been filed or is then pending challenging the issuance of the Bonds or that affects the payment and security of the Bonds or in any other manner questioning the issuance, sale or delivery of the Bonds.

REGISTRATION AND QUALIFICATION OF OBLIGATIONS FOR SALE

The sale of the Obligations has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Obligations have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds or Certificates been qualified under the securities acts of any jurisdiction. The City assumes no responsibility for qualification of the Bonds or Certificates under the securities laws of any jurisdiction in which the Obligations may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Obligations shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

The Obligations. Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Obligations are negotiable instruments, investment securities governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Obligations are legal investments for state banks, savings banks, trust companies with at least $1 million of capital, and savings and loan associations.

The Certificates. Section 271.051, Texas Local Government Code, provides that the Certificates are legal and authorized investments for banks, savings banks, trust companies, savings and loan associations, insurance companies, fiduciaries, trustees and guardians, and for the sinking funds of municipalities, school districts, and other political subdivisions or public agencies of the State of Texas. The Certificates are eligible to secure deposits of any public funds of the State, municipalities, school districts, and other political subdivisions of the State, and are legal security for those deposits to the extent of their market value.

General Considerations. For political subdivisions in Texas that have adopted investment policies and guidelines in accordance with the Public Funds Investment Act (Texas Government Code, Chapter 2256), the Obligations may have to be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency before such obligations are eligible investments for sinking funds and other public funds. The City has made no investigation of other laws, rules, regulations, or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Obligations for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Obligations for such purposes. The City has made no review of laws in other states to determine whether the Obligations are legal investments for various institutions in those states.

LEGAL OPINIONS AND NO-LITIGATION CERTIFICATE

The City will furnish a complete transcript of proceedings had incident to the authorization and issuance of the Bonds and of the Certificates, including the unqualified approving legal opinions of the Attorney General of Texas approving the Initial Bond and the Initial Certificate and to the effect that the Bonds and the Certificates are valid and legally binding obligations of the City, and based upon examination of such transcript of proceedings, the approving legal opinions of Bond Counsel, to like effect and to the effect that the interest on the Bonds and the Certificates will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described under "Tax Matters" herein. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Obligations, or which would affect the provision made for their payment or security or in any manner questioning the validity of said Obligations will also be furnished. Though it represents the Financial Advisor and purchasers of debt from governmental issuers from time to time in matters unrelated to the issuance of the Obligations, Bond Counsel has been engaged by and only represents the City in connection with the issuance of the Obligations. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Notice of Sale and Bidding Instructions, the Official Bid Form and the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Obligations in the Official Statement to verify that such description conforms to the provisions of the Bond Ordinance and the Certificate Ordinance. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Obligations is contingent on the sale and delivery of the Obligations. The legal opinion will accompany the Obligations deposited with DTC or will be printed on the Obligations in the event of the discontinuance of the Book-Entry-Only System.

PRELIMINARY

The legal opinions to be delivered concurrently with the delivery of the Obligations express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS

Public Finance Partners LLC, will deliver to the City, on or before the settlement date of the Bonds, its verification report indicating that it has verified the mathematical accuracy of the mathematical computations of the adequacy of the cash, if any, and the maturing principal of and interest on the Escrowed Securities, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Refunded Obligations.

Public Finance Partners LLC relied on the accuracy, completeness and reliability of all information provided to it by, and on all decisions and approvals of, the City. In addition, Public Finance Partners LLC has relied on any information provided to it by the City's retained advisors, consultants or legal counsel.

The report will be relied upon by Bond Counsel in rendering its opinion with respect to the defeasance of the Refunded Obligations.

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

The financial data and other information contained herein have been obtained from City records, audited financial statements, and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents, and ordinances contained in this Official Statement are made subject to all of the provisions of such statutes, documents, and ordinances. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

FINANCIAL ADVISOR

Hilltop Securities Inc., ("HilltopSecurities") is employed as Financial Advisor to the City in connection with the issuance of the Obligations. The Financial Advisor's fee for services rendered with respect to the sale of the Obligations is contingent upon the issuance and delivery of the Obligations. HilltopSecurities, in its capacity as Financial Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants, and representations contained in any of the legal documents with respect to the federal income tax status of the Obligations, or the possible impact of any present, pending, or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the City has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

INITIAL PURCHASER OF THE CERTIFICATES

After requesting competitive bids for the Certificates, the City accepted the bid of _____ (the "Initial Purchaser of the Certificates") to purchase the Certificates at the interest rates shown on page 2 of the Official Statement at a price of par plus a cash premium of $_____. The Initial Purchaser of the Certificates can give no assurance that any trading market will be developed for the Certificates after their sale by the City to the Initial Purchaser of the Certificates. The City has no control over the price at which the Certificates are subsequently sold and the initial yield at which the Certificates will be priced and reoffered will be established by and will be the sole responsibility of the Initial Purchaser of the Certificates.

INITIAL PURCHASER OF THE BONDS

After requesting competitive bids for the Bonds, the City accepted the bid of _____ (the "Initial Purchaser of the Bonds") to purchase the Bonds at the interest rates shown on page 4 of the Official Statement at a price of par plus a cash premium of $_____. The Initial Purchaser of the Bonds can give no assurance that any trading market will be developed for the Bonds after their sale by the City to the Initial Purchaser of the Bonds. The City has no control over the price at which the Bonds are subsequently sold and the initial yield at which the Bonds will be priced and reoffered will be established by and will be the sole responsibility of the Initial Purchaser of the Bonds.

The Initial Purchaser of the Bonds and the Initial Purchaser of the Certificates are herein collectively referred to as the "Initial Purchasers".

PRELIMINARY

CERTIFICATION OF THE OFFICIAL STATEMENT

At the time of payment for and delivery of the Obligations, the City will furnish to the Initial Purchasers a certificate, executed by a proper City officer, acting in such officer's official capacity, to the effect that to the best of such officer's knowledge and belief: (a) the descriptions and statements of or pertaining to the City contained in the Official Statement, and any addenda, supplement, or amendment thereto, on the date of the Official Statement, on the date of sale of the Obligations, and the acceptance of the best bid therefor, and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the City and its affairs, including its financial affairs, are concerned, the Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the City, and their activities contained in the Official Statement are concerned, such statements and data have been obtained from sources which the City believes to be reliable and the City has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the City since the date of the last audited financial statements of the City.

CYBERSECURITY

The unauthorized access, use, disclosure, disruption, modification, or destruction of the City's information or information systems could negatively impact the operations of the City and its ability to provide services to its citizens. The City uses a risk-based approach, least privileged access where possible, and "best practices" to protect the confidentiality, integrity and availability of the information and information systems that it is entrusted with. Employees are required to take annual security training which is re-enforced with continuous phishing email tests. The City uses the NIST-CSF framework to assure compliance with multiple standards, regulations, and other obligations. In addition, to help protect the City against claims and expenses due to a cybersecurity incident, the City maintains cyber insurance.

FORWARD LOOKING STATEMENTS DISCLAIMER

The statements contained in this Official Statement, and in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. The City's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

PRELIMINARY

LINKS TO WEBSITES

The City has provided links to websites in this Official Statement to allow investors independent access to information or expertise that may be of value. INFORMATION ON SUCH WEBSITES IS NOT INCORPORATED INTO THIS OFFICIAL STATEMENT BY REFERENCE OR OTHERWISE. The inclusion of any links does not imply a recommendation or endorsement of the information or views expressed within a website. The City has not participated in the preparation, compilation or selection of information or views in any website referenced in this Official Statement, and assumes no responsibility or liability for the information or views, or accuracy or completeness thereof, in any website referenced herein.

MISCELLANEOUS

The Ordinances authorizing the issuance of the Obligations will approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and will authorize its further use in the reoffering of the Obligations by the Initial Purchasers.

PRICING OFFICER
City of Denton, Texas

Schedule I

SCHEDULE OF REFUNDED OBLIGATIONS*

Certificates of Obligation, Series 2015

Original Dated Date	Maturity Date	Interest Rate	Principal Amount Outstanding	Principal Amount Refunded
6/1/2015	2/15/2026	5.000%	$ 2,455,000	$ 2,455,000
	2/15/2027	5.000%	2,585,000	2,585,000
	2/15/2028	5.000%	2,710,000	2,710,000
	2/15/2029	5.000%	2,850,000	2,850,000
	2/15/2030	5.000%	3,000,000	3,000,000
	2/15/2031	3.750%	3,125,000	3,125,000
	2/15/2032	4.000%	3,255,000	3,255,000
	2/15/2033	4.000%	3,390,000	3,390,000
	2/15/2034	4.000%	3,535,000	3,535,000
	2/15/2035 (1)	4.000%	3,675,000	3,675,000
			$30,580,000	$30,580,000

The 2026 – 2035 maturities will be redeemed prior to original maturity on September 29, 2025* at par.

(1) Represents mandatory sinking fund redemption amount of a term bond with a stated maturity of February 15, 2039.

General Obligation Refunding and Improvement Bonds, Series 2015

Original Dated Date	Maturity Date	Interest Rate	Principal Amount Outstanding	Principal Amount Refunded
6/1/2015	2/15/2029	4.000%	$ 1,215,000	$ 1,215,000
	2/15/2030	4.000%	1,265,000	1,265,000
	2/15/2031	4.000%	1,315,000	1,315,000
	2/15/2032	4.000%	1,370,000	1,370,000
	2/15/2033	4.000%	1,425,000	1,425,000
	2/15/2034	4.000%	1,485,000	1,485,000
	2/15/2035	4.000%	1,545,000	1,545,000
			$ 9,620,000	$ 9,620,000

The 2029 – 2035 maturities will be redeemed prior to original maturity on September 29, 2025* at par.

PRELIMINARY

* Preliminary, subject to change.

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

PRELIMINARY

Finance Department
215 E. McKinney St., Denton, TX 76201 • (940) 349-8244

March 19, 2025

The Honorable Mayor, Members of the City Council and Citizens
City of Denton
Denton, Texas

It is with great pleasure that we present to you a copy of the Annual Comprehensive Financial Report (ACFR) of the City of Denton (the City) for the fiscal year ended September 30, 2024. The purpose of the report is to provide the City Council, management, citizens, and other interested parties with detailed information concerning the City's financial condition.

THE REPORT

The Texas Local Government Code (§ 103.001) requires an annual audit for municipalities. In addition, the City Charter (Section 2.13) requires a Certified Public Accountant who, as of the end of the fiscal year, shall make an "independent audit of accounts" and prepare a report to the City Council and the City Manager. This document fulfills the above-mentioned requirements, and the independent auditor's opinion is included in the report for the fiscal year ended September 30, 2024.

The ACFR is presented in three main sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, the City's organizational chart, and a list of principal officials. The Financial Section includes the Management's Discussion and Analysis (MD&A), Basic Financial Statements, Required Supplementary Information, Combining and Individual Fund Financial Statements, along with the independent auditors' report. The Statistical Section and Other Supplementary Information include selected financial and demographic information, generally presented on a multi-year basis.

The responsibility for both the accuracy of the presented information and the completeness and fairness of the presentation of the data, including all disclosures, rests with the City, and is based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the results of our operations in each of the various funds reported by the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

PRELIMINARY

The accounting firm of Weaver and Tidwell, L.L.P. has issued an unmodified opinion on the City of Denton's financial statements for the period ended September 30, 2024. As a recipient of federal and state grant awards, a separate audit is prepared to meet the requirements of the Single Audit Act Amendments of 1996 and related Uniform Guidance. As a part of the City's single audit, tests are conducted to determine that the City has complied with applicable laws and regulations related to federal awards.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

CITY OF DENTON PROFILE

Denton distinguishes itself from other cities in North Texas through its vibrant arts and culture scene, robust university partnerships, dynamic community collaborations, and commitment to 100% renewable energy. Originally incorporated on September 26, 1866, Denton has evolved from a serene college town on the outskirts of the Dallas-Fort Worth metroplex into one of the fastest-growing cities in the United States, with a current

population of approximately 150,000. This figure is projected to reach 229,192 by 2040, according to U.S. Census Bureau forecasts. Denton combines a reverence for its history with an eagerness to innovate. The City of Denton is in the northern portion of the Dallas/Fort Worth Consolidated Metropolitan Statistical Area (CMSA). The City is a part of the Dallas/Fort Worth Metroplex and is situated at the apex of a triangle based by Dallas (37 miles to the southeast) and Fort Worth (35 miles to the southwest) providing excellent access to and from all parts of the area. The heart of the city's urban core is anchored by a vibrant cultural arts district within Downtown Denton as well as three university campuses. The community is also recognized for its commitment to sustainability and environmental stewardship, in addition to its focus on health and wellness, highlighted by over 5,000 acres of parkland, more than 60 hiking trails, and numerous recreational facilities.

CITY SERVICES AND ORGANIZATION OF THE GOVERNMENT

The City is a home rule city and operates under the Council-Manager form of government. The elected seven-member council consists of a Mayor and six Council Members. The Mayor and two Council Members are elected at large, while the remaining representatives are elected from single member districts. The City Council enacts local laws, determines policy, and adopts the annual budget, and the City Manager is the chief executive officer for the City.

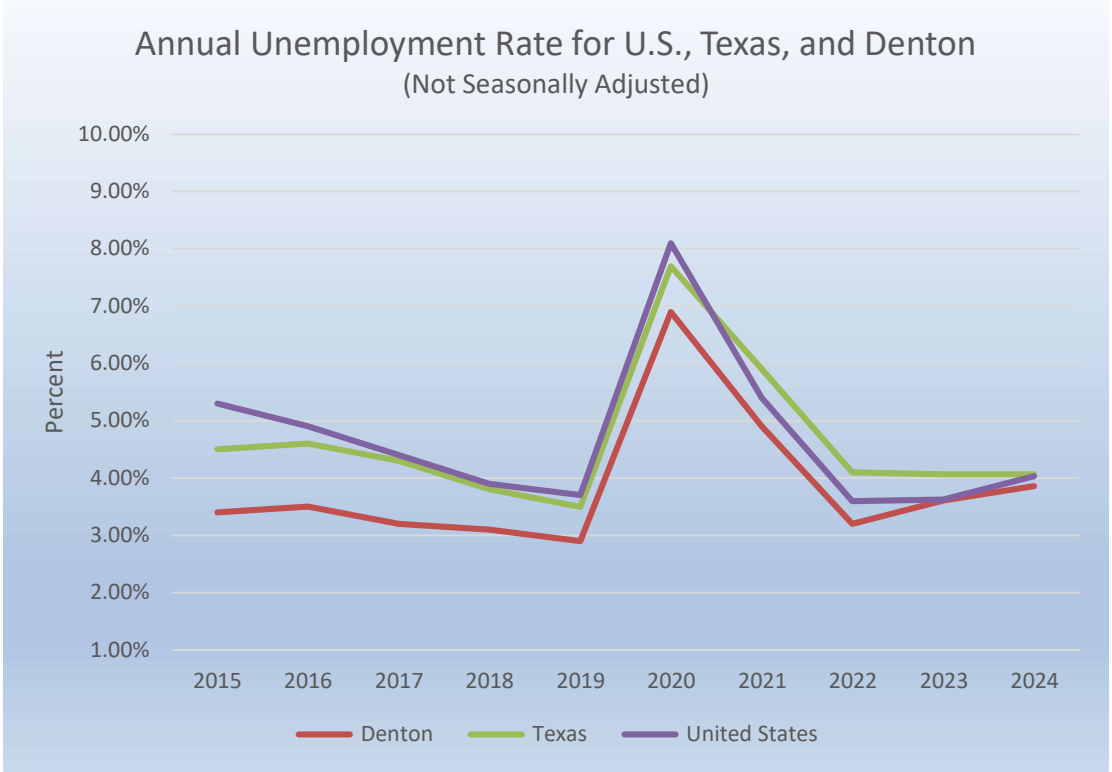
The City provides a full range of general government services to its citizens including: public safety (police and fire protection); public works (construction and maintenance of highways, streets, and infrastructure); parks and recreation; library; planning and zoning; economic development; and general administrative services. The City's enterprise fund operations consist of a utility system, solid waste, and airport operations. The City's utility system provides electric, water, and wastewater services.

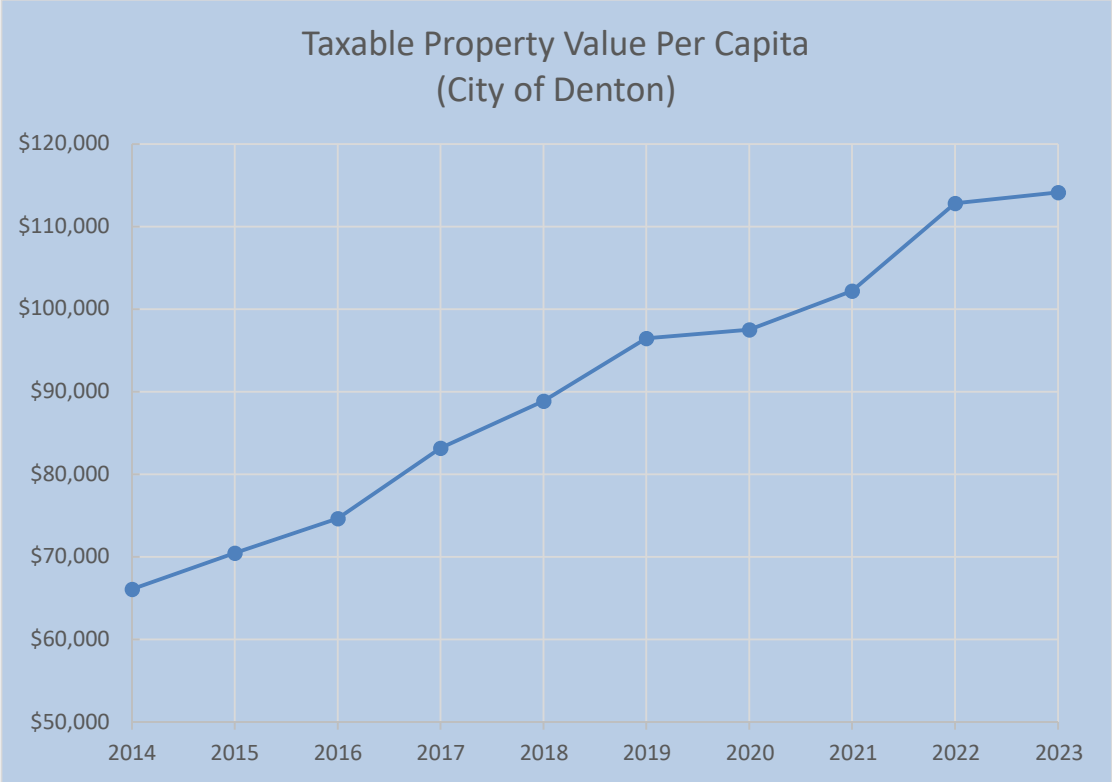
The internal service operations consist of Materials Management, Fleet Services, Risk Retention, Health Insurance, Engineering Services, Technology Services, Customer Service, Facilities, and Environmental Services funds. The Materials Management Fund accounts for the financing of Warehouse and Purchasing services which are provided to other City departments. The Fleet Services Fund accounts for the financing of goods and services provided by the municipal garage to other departments within the City. The Risk Retention Fund accounts for the accumulation of resources for the payment of workers' compensation, general liability claims, and insurance policies. The Health Insurance Fund accounts for administration of the self-insurance program for health coverage in the City. The Engineering Services Fund accounts for the provision of internal engineering services to various City operations and capital projects. The Technology Services Fund provides support for the various information and computer systems within the City. The Customer Service Fund accounts for the financing of customer service activities provided to the residents and businesses of the City on behalf of other departments within the City. The Facilities Management Fund is responsible for maintaining all city-owned facilities and vertical construction projects. The Environmental Services Fund accounts for the consolidated environmental-related services provided across the City. The financial statements presented include all government activities, organizations, and functions for which the City is financially accountable as defined by the Governmental Accounting Standards Board (GASB).

PRELIMINARY

LOCAL ECONOMY

As the Dallas Ft. Worth Metroplex continues to grow, the City of Denton is seeing increased growth. In Fiscal year 2023-24, the City continued to see an increase in development and economic activity, resulting in strong property tax collection, sales tax collection, and an increase in return on investment (ROI) revenue from city utilities. Greater than one-third of the total General Fund revenue is generated from ad valorem taxes. As shown below, the 2024 certified value increased by 10.16% or $1,958,758,443 (excluding TIRZ) from the 2023 certified value. Analysis of the increase shows there was approximately $1.21 billion in new value added to the appraisal roll due to new growth and construction. The City received a certified total from the Denton County Appraisal District (DCAD) with only 1.04% of properties still under protest. The low amount of protested value helps create more certainty in the revenue forecast.





https://data.bls.gov/timeseries/LNS14000000
https://texaslmi.com/
Accessed 2-10-25

In fiscal year 2023-2024, the Rayzor Ranch mixed-use development in Denton experienced significant growth, enhancing both its residential and commercial offerings.

The Rayzor Ranch mixed-use development is located on both the north and south sides of US Highway 380 in Denton. Rayzor Ranch Marketplace, on the north side of the development, has constructed over 500,000 square feet of retail and commercial space. Sam's Club and Wal-Mart anchor the development that includes a Home Depot, as a recent tenant addition. The Town Center also includes the Embassy Suites Hotel and Convention Center described in more detail below. In addition, a new 300-unit multifamily project, the Village at Rayzor Ranch, opened in late 2019, and construction began in 2020 and opened in 2021, on the Residences at Rayzor Ranch, a 40-acre site that will include 215 town homes, 65 single family homes and 31 single-family homes. They began leasing three- and four-bedroom town homes this past summer. Portillo's, Salata and Pei Wei are new restaurant tenants at the Town Center. Recent developments include an At Home and Dick's Sporting Goods that have opened and a future 148,000 square foot and $22.7 million Target store that is nearing completion.

Residential Developments:

Resia Rayzor Ranch:

- This 433-unit apartment community officially opened in December 2024, offering one-, two-, and three-bedroom apartments with modern amenities such as stainless-steel appliances, in-unit washers and dryers, and granite countertops. Residents can also enjoy a 24-hour fitness center, swimming pool, basketball court, and a forthcoming pickleball court.

Altera Rayzor Ranch:

- In October 2024, Wood Partners broke ground on a 192-unit multifamily community within Rayzor Ranch. This development will feature one-, two-, and three-bedroom layouts, with amenities including a resort-style pool, modern fitness facility, outdoor socializing spaces, and coworking areas. The project is expected to be completed by the third quarter of 2025.

Commercial Developments:

Target Store:

- A new 148,000-square-foot Target store, representing a $22.7 million investment, is nearing completion within Rayzor Ranch. This addition will further enhance the retail offerings available to residents and visitors.

At Home:

- The home décor superstore opened a new location in September 2023 within the Rayzor Ranch Town Center. This addition has provided residents with a wide range of home furnishing options and has drawn shoppers from surrounding areas, contributing to increased retail activity.

During the fiscal years 2023-2024, Denton experienced significant industrial development, enhancing its economic landscape:

Longhorn Steakhouse

- In April 2024, Longhorn Steakhouse opened a new 5,780-square-foot restaurant at 2900 S I-35E, in front of Buc-ee's Travel Center.

Exeter Property Group:

- Constructed three industrial buildings at the northeast corner of Western Boulevard and Jim Christal Road, measuring 324,000, 421,000, and 1,076,000 square feet. Ariat International leased 500,000 square feet at 1011 Western Boulevard.

PRELIMINARY

Holt Lunsford Commercial Investments:

- Secured $32.7 million in August 2024 for the development of Denton Point III, IV, and V, totaling 451,856 square feet at 670-710 Masch Branch Road.

High Street Logistics Properties:

- Completed the Golden Point Industrial project, a 180,657-square-foot warehouse south of US 380 along I-35, with construction starting in November 2023 and completion expected by May 2024.

EastGroup Properties:

- Initiated construction of Denton Exchange 35 Industrial Facility in Q2 2024, comprising two Class A industrial buildings totaling approximately 243,859 square feet, with completion anticipated by Q4 2025.

Southwire Company:

- Announced a 100,000-square-foot expansion of its Denton facility, investing $85.4 million over three years, with an expected valuation increase of over $69 million and the creation of 95 new jobs.

Ironwood Realty Partners and Scannell Properties:

- Partnered on Denton Crossing @ I-35, a project encompassing approximately 1.2 million square feet of industrial speculative space along Western Boulevard. Buildings 1 and 2, totaling nearly 700,000 square feet, have been completed, with Buildings 3 and 4 adding 398,000 and 127,000 square feet, respectively.

The City of Denton uses various economic development tools including financial districts to improve and enhance infrastructure and encourage private investment in specific areas of the City. These development districts support development and revitalization and are commonly known as public improvement districts, tax increment reinvestment zones, or municipal management districts.

Denton currently has two active development districts:

- Tax Increment Reinvestment Zone Number One (Downtown TIRZ)
- Tax Increment Reinvestment Zone Number Two (Westpark TIRZ)

In the Downtown TIRZ area, the following projects are underway:

- **Fine Arts Theater:** The Denton City Council approved a $1.6 million economic development agreement to help with renovations and redevelopment at the Fine Arts Theater of Denton. The Theatre will be a multiuse facility for live performances, movies, special festivals, concerts, and private rentals. The 9,900-square-foot theater has been part of downtown since 1877, when it opened as an opera house, then became part of the Texas movie theater chain in 1935 and then the Fine Arts Theater in 1957.
- **Roses Costumes:** Longtime Denton costume shop Rose Costumes moved into the former McNeill's space directly on the Downtown Square. The business received a $50,000 downtown reinvestment grant.

Several projects, which will total over 3 million square feet, are currently underway in the Westpark Tax Increment Reinvestment Zone (TIRZ) and industrial area.

Westpark Industrial

- A 16-acre parcel, at 251 N Western Boulevard, will include two speculative buildings at just over 100,000 square feet each.

PRELIMINARY

During the fiscal year 2023-2024, Denton experienced notable advancements in its tech and entrepreneurial sectors, significantly bolstered by initiatives from Stoke Denton and Texas Woman's University's (TWU) Center for Women Entrepreneurs (CWE).

AccelerateHER Program:

- In collaboration with TWU's CWE, Stoke Denton concluded the fourth cohort of the AccelerateHER program in January 2024. This incubator supports women entrepreneurs by providing resources and education to fast-track their startups into scalable businesses. The 2023-2024 cohort comprised seven women who participated in weekly workshops and one-on-one mentorship sessions over five months. The program culminated in a virtual showcase, allowing each entrepreneur to present their business and growth strategies.

FlintConf 2024:

- In May 2024, Stoke Denton hosted FlintConf, Denton's annual startup conference aimed at empowering the local economy, entrepreneurs, and creatives. The event featured various workshops, panel discussions, and networking opportunities, attracting a diverse group of attendees and fostering collaboration within the entrepreneurial community.

Global Entrepreneurship Week (GEW) 2023:

- From November 13-19, 2023, Stoke Denton celebrated GEW by organizing multiple events to support and inspire local entrepreneurs. The lineup included a fireside chat with Kari Meyercord-Westerman, owner of Thistle Creative Reuse; a virtual Coffee + Convo session with Heather Gregory, Executive Director of Stoke; a Denton Creative Mixer at Denton County Brewing Company; and the Denton Pitch Competition and Small Business Expo at Sunago Bell. These events collectively enhanced community engagement and provided valuable resources for business development.

Denton Pitch Competition:

- As part of GEW 2023, the Denton Pitch Competition offered local entrepreneurs a platform to present their business ideas to potential investors and partners. The event featured ten businesses pitching their concepts, with a total of 13 entrepreneurs participating in the accompanying Entrepreneur Expo. This initiative provided 28 hours of coaching to 17 entrepreneurs, fostering business growth and innovation within the community.

Coffee + Convo Sessions:

- Throughout the fiscal year, Stoke Denton hosted monthly "Coffee + Convo" sessions, totaling 11 events with 75 attendees. These informal gatherings facilitated discussions on various business topics, allowing entrepreneurs to share experiences, seek advice, and build networks within the local startup ecosystem.

These developments reflect Denton's robust industrial growth during the 2023-2024 fiscal years, contributing to economic expansion and job creation.

FINANCIAL INFORMATION AND FINANCIAL POLICY

The City's financial direction begins with the City's Charter, which is the basis for all financial policies the City implements. The City maintains financial policies for general operations, which include policies for financial management and fund balances, budget compliance, debt issuance and management, accounts payable, water service, and purchasing, among others.

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the liability is incurred. Proprietary (which includes Internal Service Funds) operations are maintained on the full accrual basis.

PRELIMINARY

The City's Annual Operating Budget is proposed by the City Manager and approved by the City Council following public discussion. The City's Charter requires adoption of the City's budget no later than September 30th. The budget structure is organized by funds. Normally, funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The two types of funds utilized in the budget are Governmental and Proprietary (which includes Internal Service Funds). Budgetary control is maintained at the fund level by the Finance Department.

All legally required funds are budgeted annually by type, as follows:

- Governmental Funds
  - General Fund
  - General Debt Service Fund
  - Street Improvement Fund
  - Tourist and Convention Fund
  - Police Confiscation Fund
  - Catalyst Fund (formerly the Economic Development Investment Fund)*
  - Parks Gas Well Fund
  - Roadway Impact Fee Fund
  - Tree Mitigation Fund
  - Public Education Government (PEG) Fund
  - McKenna Trust Fund
  - Park Land Dedication and Development Trust Fund
  - Downtown Tax Increment Reinvestment Zone (TIRZ) Fund
  - Westpark Tax Increment Reinvestment Zone (TIRZ) Fund
  - Sustainability Framework Fund
  - Other Miscellaneous Special Revenue Funds
- Proprietary Funds
  - Electric Fund
  - Water Fund
  - Wastewater Fund
  - Solid Waste Fund
  - Airport Fund
  - Internal Service Funds
    - Customer Service Fund
    - Engineering Services Fund
    - Environmental Services Fund
    - Facilities Management
    - Fleet Management Fund
    - Health Insurance Fund
    - Materials Management Fund
    - Risk Retention Fund
    - Technology Services Fund

PRELIMINARY

LONG-TERM FINANCIAL PLANNING

In conjunction with this document, interested parties are encouraged to read the City of Denton's FY 2024-25 Annual Budget document. This document details the City's strategic plan, long-term financial policies, program accomplishments, and other key initiatives. The document also includes the long-term financial forecasts for each of the major funds, and a summary of the assumptions that are included in these plans. In addition, the budget document provides an overview of the adopted Capital Improvement Program and planned future debt issuances. The Annual Budget can be accessed through the City's web site at www.cityofdenton.com and selecting Financial Transparency under the "Open Government" link.

RELEVANT FINANCIAL POLICIES

The City of Denton maintains reserve balances for emergencies. In the General Fund, the target reserve level is a minimum of 20% of budgeted expenditures with an additional 5% resiliency reserve for a combined total of 25% to provide stability and flexibility for the organization. As described in the accompanying ACFR document, the unassigned fund balance is $42.1 million, or 22.3%, of the budgeted General Fund expenditures for the fiscal year ended September 30, 2024.

Beginning in FY 2011-12, the City adopted a policy which requires a minimum ending working capital balance (current assets minus current liabilities) of at least 8% of budgeted expenditures for the Electric, Water, Wastewater and Solid Waste Funds. If the working capital level should fall below the desired minimum, the City will implement necessary corrective action with a five-year plan to restore the working capital balance to 8% of budgeted expenditures.

Additionally, rate reserve levels were established for the Electric, Water, Wastewater, and Solid Waste Funds in FY 2011-12 according to the unique operational aspects of each utility. The rate reserve levels were most recently revised in FY 2020-21 based on the factors of revenue stability, expense and demand volatility, infrastructure age, debt levels and management plans for the use of these reserves. The rate reserve level is established at a range of 38% to 61% of expenses for the Electric Fund, at a range of 20% to 31% of expenses for the Wastewater Fund, at a range of 25% to 42% of expenses for the Water Fund, and at a range of 6% to 10% of expenses for the Solid Waste Fund. If the rate reserve level falls below the range, the City will implement the necessary corrective action within a five-year plan to restore the balances to the levels outlined above.

The City of Denton has adopted an Investment Policy which guides the investment of all City funds. In accordance with State law, the policy is reviewed annually by the City Council to ensure that public funds are being invested in a conservative and prudent fashion. In addition, the City also annually reviews and approves a Debt Management policy. The purpose of this policy is to provide general guidelines regarding the issuance of City debt and the use and limitation of such debt. The City complied with all aspects of the Investment and Debt Management policies during FY 2023-24.

SUMMARY

MAJOR INITIATIVES

The City's Strategic Plan and Council specifically identified improving facility infrastructure as a major goal. In response to this goal, the FY 2024-25 Budget includes additional issuance of General Obligation Bonds. This increase in funding shows the City's continued commitment to facility infrastructure and equipment funding.

The combination of increased operating funding along with the issuance of debt shows the strong commitment to improving our infrastructure. In the future, the City staff will continue efforts to identify additional funding for facility infrastructure and equipment funding activities along with potential future debt issuances for street reconstruction to continue to improve the condition of the City's streets over the long term.

AWARDS AND ACKOWLEDGEMENTS

The Government Finance Officers' Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023, for the thirty-seventh consecutive year. To be awarded the Certificate of Achievement in Financial Reporting, the City must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfies both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is held for a period of one year only. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The City also received the GFOA award for Distinguished Budget Presentation for its fiscal year 2023-24 Annual Budget for the thirty-seventh consecutive year. To qualify for the Distinguished Budget Presentation Award, the City's budget document was judged according to its compliance with specific guidelines established by GFOA. These guidelines help ensure that Denton's budget is distinguished as an operations guide, financial plan, policy document, and communications device. The City has submitted its fiscal year 2024-25 Annual Budget to GFOA

to determine its eligibility for another certificate. We believe it continues to meet the Distinguished Budget Presentation Award criteria.

The City received a Certificate of Distinction from the Government Treasurers of Texas (GTOT). The distinction was received for developing an investment policy that meets the requirements of the Public Funds Investment Act and the standards for prudent public investing as established by the GTOT. The GTOT awards an estimated 38 distinctions annually, which the City has received nine times since 1999.

In 2024, City of Denton was awarded the Six Transparency Stars by the Texas Comptroller, which recognizes cities, counties, special purpose districts and school districts to provide easy online access to important financial data. The City of Denton is only one of five local government in Texas to receive all six transparency stars. Transparency Stars are granted and maintained on an ongoing basis.

We would like to thank the City Council for their strong leadership and support that helped make the presentation of this report possible. We would also like to thank the City Manager, Finance staff, department directors, division heads and especially the Accounting Division staff for their diligent efforts in the preparation of the annual financial report.

DocuSigned by:
Christine Taylor
2B3E02ECE3184D8...

Christine Taylor
Assistant City Manager

Signed by:
Jessica Williams
8E9AFB49EC4C49C...

Jessica Williams
Chief Financial Officer, MPA, CPFO

PRELIMINARY

APPENDIX B

EXCERPTS FROM THE

CITY OF DENTON, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended September 30, 2024

The information contained in this Appendix consists of excerpts from the City of Denton, Texas Annual Comprehensive Financial Report for the Year Ended September 30, 2024, and is not intended to be a complete statement of the City's financial condition. Reference is made to the complete Report for further information.

PRELIMINARY

APPENDIX C

FORMS OF BOND COUNSEL'S OPINIONS

PRELIMINARY

ORDINANCE NO. 25-____

AN ORDINANCE OF THE CITY OF DENTON CONSIDERING ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE AND DELIVERY OF UP TO $254,050,000 IN PRINCIPAL AMOUNT OF "CITY OF DENTON CERTIFICATES OF OBLIGATION, SERIES 2025"; AUTHORIZING THE ISSUANCE OF THE CERTIFICATES; DELEGATING THE AUTHORITY TO CERTAIN CITY OFFICIALS TO EXECUTE CERTAIN DOCUMENTS RELATING TO THE SALE OF THE CERTIFICATES; APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING TO SAID CERTIFICATES; ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Denton, Texas (the "Issuer"), deems it advisable to issue Certificates of Obligation in the amount of up to $254,050,000 for the purposes hereinafter set forth; and

WHEREAS, the Certificates of Obligation hereinafter authorized and designated are to be issued and delivered for cash pursuant to Subchapter C of Chapter 271, Texas Local Government Code, Subchapter B, Chapter 1502, Texas Government Code and Chapter 1371, Texas Government Code; and

WHEREAS, the City Council has heretofore passed two ordinances authorizing and directing the City Secretary to give notice of intention to issue Certificates of Obligation, and said notices have been duly published in a newspaper of general circulation in said Issuer, said newspaper being a "newspaper" as defined in Section 2051.044, Texas Government Code; and

WHEREAS, the Issuer received no petition from the qualified electors of the Issuer protesting the issuance of such Certificates of Obligation; and

WHEREAS, no bond proposition to authorize the issuance of bonds for the same purpose as any of the projects being financed with the proceeds of the Certificates of Obligation was submitted to the voters of the Issuer during the preceding three years and failed to be approved; and

WHEREAS, the Issuer is an "issuer" within the meaning of Section 1371.001(4)(P), Texas Government Code, having (i) a principal amount of at least $100 million in outstanding long-term indebtedness, in long-term indebtedness proposed to be issued, or in a combination of outstanding or proposed long-term indebtedness and (ii) some amount of long-term indebtedness outstanding or proposed to be issued that is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Texas Government Code Chapter 551; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. RECITALS, AMOUNT, PURPOSE AND DESIGNATION OF THE CERTIFICATES.

(a) The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

(b) The term "Certificates" as used in this Ordinance shall mean and include collectively the certificate of obligation initially issued and delivered pursuant to this Ordinance (the "Initial Certificate") and all substitute certificates of obligation exchanged therefor, as well as all other substitute certificates of obligation and replacement certificates of obligation issued pursuant hereto, and the term "Certificate" shall mean any of the Certificates.

(c) The Certificates of Obligation of the City of Denton, Texas (the "Issuer") are hereby authorized to be issued and delivered in the maximum aggregate principal amount of $254,050,000 for the purpose of paying all or a portion of the Issuer's contractual obligations incurred pursuant to contracts for the purchase, construction and acquisition of certain real and personal property, to wit: up to $207,515,000 in principal amount for the purpose of: (i) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the Issuer's waterworks and wastewater system; and (ii) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the Issuer's electric light and power system; and also for the purpose of paying all or a portion of the Issuer's contractual obligations for professional services, including engineers, architects, attorneys, map makers, auditors, and financial advisors, in connection with said projects and said Certificates of Obligation; and up to $46,535,000 in principal amount for the purpose of: (i) acquisition of vehicles and equipment for the fire, police, building inspections, community improvement services, animal services, streets and traffic control, facilities management, airport, technology services, fleet management, warehouse management, and parks and recreation departments; (ii) renovations to, and equipping of, existing municipal buildings, including the acquisition and installation of replacement heating, venting and air conditioning equipment, roofing and flooring; (iii) acquiring, constructing and installing building security systems, including security system technology equipment and software, for municipal buildings; (iv) constructing, reconstructing, renovating, installing and equipping municipal parks; (v) acquisition and installation of technology equipment, including radio equipment, computer equipment and software, for various municipal departments; (vi) constructing and improving streets, including traffic signalization, landscaping, drainage, sidewalks, utility line relocations and the acquisition of land and rights-of-way therefor; (vii) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the Issuer's drainage and storm sewer systems; (viii) acquisition of vehicles and equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the Issuer's solid waste disposal system; and (ix) renovations to existing public safety facility for the police department; and also for the purpose of paying all or a portion of the Issuer's contractual obligations for professional services, including engineers, architects, attorneys, map makers, auditors, and financial advisors, in connection with said projects and said Certificates of Obligation (collectively, the "Projects").

(d) Each Certificate issued pursuant to this Ordinance shall be designated: "CITY OF DENTON CERTIFICATE OF OBLIGATION, SERIES 2025," and initially there shall be issued, sold, and delivered hereunder fully registered certificates, without interest coupons, payable to the respective registered owners thereof (with the Initial Certificate being made payable to the Purchaser as described in Section 10 hereof), or to the registered assignee or assignees of said Certificates or any portion or portions thereof (in each case, the "Registered Owner"). The Certificates shall be in the respective principal amounts, shall be numbered, shall mature and be payable on the date or dates in each of the years and in the principal amounts,

and shall bear interest to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the Pricing Certificate.

SECTION 2. DELEGATION TO PRICING OFFICER.

(a) As authorized by Section 1371.053, Texas Government Code, as amended, the City Manager or the Chief Financial Officer (the "Pricing Officer") is hereby authorized to act on behalf of the Issuer in selling and delivering the Certificates and carrying out the other procedures specified in this Ordinance, including, determining the date of the Certificates, any additional or different designation or title by which the Certificates shall be known, the price at which the Certificates will be sold, the years in which the Certificates will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms upon and at which the Certificates shall be subject to redemption prior to maturity at the option of the Issuer, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Certificates, including without limitation, obtaining municipal bond insurance for all or any portion of the Certificates (including in connection therewith the execution of any commitment agreements, membership agreements in mutual insurance companies, and other similar agreements) and providing for the terms and provisions thereof applicable to the Certificates, all of which shall be specified in the Pricing Certificate; provided that:

(i) the aggregate original principal amount of the Certificates shall not exceed the amount set forth in Section 1(c) hereof;

(ii) the maximum stated maturity of the Certificates shall not exceed February 15, 2055;

(iii) the Certificates shall bear interest at a fixed rate, and the net effective interest rate on the Certificates shall not exceed 5.00%;

(iv) the delegation made hereby shall expire if not exercised by the Pricing Officer through execution of the Pricing Certificate on or prior to January 15, 2026; and

(v) on or prior to delivery, the Certificates shall be rated by a nationally recognized rating agency for municipal securities in one of the four highest categories for long-term obligations.

(b) In establishing the aggregate principal amount of the Certificates, the Pricing Officer shall establish an amount not exceeding the aggregate principal amount authorized in Subsection (a) hereof, and not exceeding the respective amounts set forth in Section 1(c) hereof for each group of Projects, which shall be sufficient in amount to provide for the purposes for which the Certificates are authorized and to pay costs of issuing the Certificates. The Certificates shall be sold with and subject to such terms as set forth in the Pricing Certificate.

SECTION 3. CHARACTERISTICS OF THE CERTIFICATES.

(a) Registration, Transfer, Conversion and Exchange; Authentication. The Issuer shall keep or cause to be kept at the principal corporate trust office of BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar") books or records for the registration of the transfer, conversion and exchange of the Certificates (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and

exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Certificate to which payments with respect to the Certificates shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Certificate or Certificates. Registration of assignments, transfers, conversions and exchanges of Certificates shall be made in the manner provided and with the effect stated in the FORM OF CERTIFICATE set forth in this Ordinance. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate.

Except as provided in Section 3(c) of this Ordinance, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate, date and manually sign said Certificate, and no such Certificate shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Certificates and Certificates surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Certificate or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificates in the manner prescribed herein, and said Certificates shall be printed or typed on paper of customary weight and strength. Pursuant to Chapter 1201, Government Code, as amended, the duty of conversion and exchange of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the converted and exchanged Certificate shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates that initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General of the State of Texas (the "Attorney General") and registered by the Comptroller of Public Accounts of the State of Texas (the "Comptroller").

(b) Payment of Certificates and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Certificates, and of all conversions and exchanges of Certificates, and all replacements of Certificates, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the past due interest shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(c) In General. The Certificates (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the Registered Owners thereof, (ii) may or shall be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the Issuer at least 45 days prior to any such redemption date), (iii) may be converted and exchanged for other Certificates, (iv) may be transferred and assigned, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Certificates shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Certificates, all as provided, and in

the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE set forth in this Ordinance (as modified in the Pricing Certificate). The Initial Certificate is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate issued in conversion of and exchange for any Certificate or Certificates issued under this Ordinance the Paying Agent/Registrar shall execute the Paying Agent/Registrar's Authentication Certificate, in the form set forth in the FORM OF CERTIFICATE.

(d) Paying Agent/Registrar for the Certificates. The Issuer covenants with the Registered Owners of the Certificates that at all times while the Certificates are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other entity to act as and perform the services of Paying Agent/Registrar for the Certificates under this Ordinance, and that the Paying Agent/Registrar will be a single entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 60 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Certificates, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Certificates, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(e) Authentication. Except as provided below, no Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Paying Agent/Registrar's Authentication Certificate substantially in the form provided in this Ordinance, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Paying Agent/Registrar's Authentication Certificate on all of the Certificates. In lieu of the executed Paying Agent/Registrar's Authentication Certificate described above, the Initial Certificate delivered on the closing date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Ordinance, manually executed by the Comptroller or by her duly authorized agent, which certificate shall be evidence that the Initial Certificate has been duly approved by the Attorney General and that it is a valid and binding obligation of the Issuer, and has been registered by the Comptroller.

(f) Book-Entry-Only System. The Certificates issued in exchange for the Initial Certificate shall be initially issued in the form of a separate single fully registered Certificate for each of the maturities thereof. Upon initial issuance, the ownership of each such Certificate shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and except as provided in subsection (g) hereof, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an

interest in the Certificates. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown on the Registration Books, of any notice with respect to the Certificates, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown in the Registration Books of any amount with respect to principal of or interest on the Certificates. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Registration Books as the absolute owner of such Certificate for the purpose of payment of principal and interest with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Certificates only to or upon the order of the Registered Owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Certificates to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the Registered Owner at the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

The previous execution and delivery of the Blanket Issuer Letter of Representations with respect to obligations of the Issuer is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Certificates.

(g) Successor Securities Depository; Transfers Outside Book-Entry-Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the Blanket Issuer Letter of Representations to DTC or that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Certificates and transfer one or more separate certificated Certificates to DTC Participants having Certificates credited to their DTC accounts. In such event, the Certificates shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

(h) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the Blanket Issuer Letter of Representations to DTC.

(i) Cancellation of Initial Certificate. On the closing date, the Initial Certificate, representing the entire principal amount of the Certificates, payable in stated installments to the Purchaser designated in Section 10 or its designee, executed by manual or facsimile signature of the Mayor and City Secretary of

the Issuer, approved by the Attorney General, and registered and manually signed by the Comptroller, will be delivered to such Purchaser or its designee. Upon payment for the Initial Certificate, the Paying Agent/Registrar shall cancel the Initial Certificate and deliver to DTC on behalf of such Purchaser one registered definitive Certificate for each year of maturity of the Certificates, in the aggregate principal amount of all of the Certificates for such maturity. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Certificates in safekeeping for DTC.

(j) Conditional Notice of Redemption. With respect to any optional redemption of the Certificates, unless the prerequisites to such redemption required by this Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Issuer shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

SECTION 4. FORM OF CERTIFICATES. The form of the Certificates, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Comptroller's Registration Certificate to be attached to the Certificates initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance, and with the Form of Certificate to be modified pursuant to, and completed with information set forth in, the Pricing Certificate.

(a) [Form of Certificate]

NO. R-	UNITED STATES OF AMERICA STATE OF TEXAS CITY OF DENTON CERTIFICATE OF OBLIGATION SERIES 2025	PRINCIPAL AMOUNT $_____

Interest Rate	Dated Date	Maturity Date	CUSIP No.
	_____, 2025	February 15, 20__	

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

ON THE MATURITY DATE specified above, the City of Denton, in Denton County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date at the Interest Rate per annum specified above. Interest is

payable on _____, 20__ and semiannually on each _____ and _____ thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate shall be paid to the Registered Owner hereof upon presentation and surrender of this Certificate at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of BOKF, NA, Dallas, Texas, which is the "Paying Agent/Registrar" for this Certificate. The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Certificate (the "Certificate Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the last business day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner of a Certificate appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Certificate prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Certificate for redemption and payment at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the Registered Owner of this Certificate that on or before each principal payment date, interest payment date, and accrued interest payment date for this Certificate it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Certificate Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates, when due.

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

THIS CERTIFICATE is one of a series of Certificates dated _____, 2025, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of $[254,050,000]

for the purpose of paying all or a portion of the Issuer's contractual obligations incurred pursuant to contracts for the purchase, construction and acquisition of certain real and personal property, to wit: $[207,515,000] for the purpose of: (i) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the Issuer's waterworks and wastewater system; and (ii) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the Issuer's electric light and power system; and also for the purpose of paying all or a portion of the Issuer's contractual obligations for professional services, including engineers, architects, attorneys, map makers, auditors, and financial advisors, in connection with said projects and said Certificates; and $[46,535,000] for the purpose of: (i) acquisition of vehicles and equipment for the fire, police, building inspections, community improvement services, animal services, streets and traffic control, facilities management, airport, technology services, fleet management, warehouse management, and parks and recreation departments; (ii) renovations to, and equipping of, existing municipal buildings, including the acquisition and installation of replacement heating, venting and air conditioning equipment, roofing and flooring; (iii) acquiring, constructing and installing building security systems, including security system technology equipment and software, for municipal buildings; (iv) constructing, reconstructing, renovating, installing and equipping municipal parks; (v) acquisition and installation of technology equipment, including radio equipment, computer equipment and software, for various municipal departments; (vi) constructing and improving streets, including traffic signalization, landscaping, drainage, sidewalks, utility line relocations and the acquisition of land and rights-of-way therefor; (vii) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the Issuer's drainage and storm sewer systems; (viii) acquisition of vehicles and equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the Issuer's solid waste disposal system; and (ix) renovations to existing public safety facility for the police department; and also for the purpose of paying all or a portion of the Issuer's contractual obligations for professional services, including engineers, architects, attorneys, map makers, auditors, and financial advisors, in connection with said projects and said Certificates.

ON _____, 20__, or on any date thereafter, the Certificates of this series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Certificates, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Certificate may be redeemed only in an integral multiple of $5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

[THE CERTIFICATES scheduled to mature on _____ in the years ____ and ____ (the "Term Certificates") are subject to scheduled mandatory redemption by the Paying Agent/Registrar by lot, or by any other customary method that results in a random selection, at a price equal to the principal amount thereof, plus accrued interest to the redemption date, out of moneys available for such purpose in the interest and sinking fund for the Certificates, on the dates and in the respective principal amounts, set forth in the following schedule:

Term Certificate Maturity: February 15, 20__		Term Certificate Maturity: February 15,20__	
Mandatory Redemption Date	Principal Amount	Mandatory Redemption Date	Principal Amount
February 15,20__	$ _____	February 15,20__	$_____
February 15,20__	_____	February 15,20__	_____
February 15,20__	_____	February 15,20__	_____

February 15,20__ (maturity) _____ February 15,20__ (maturity) _____

The principal amount of Term Certificates of a stated maturity required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Term Certificates of the same maturity which, at least 50 days prior to a mandatory redemption date (1) shall have been acquired by the Issuer at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.]

AT LEAST 30 days prior to the date fixed for any redemption of Certificates or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the Registered Owner of each Certificate to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure of the Registered Owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Certificate. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Certificates or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate shall be redeemed, a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of $5,000, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Certificate Ordinance.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Certificates called for redemption, such notice may state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date or any prerequisite set forth in such notice of redemption. If such redemption is not effectuated, the Paying Agent/Registrar shall, within five days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received or such prerequisites were not met and shall rescind the redemption.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered certificates, without interest coupons, in the denomination of any integral multiple of $5,000. As provided in the Certificate Ordinance, this Certificate may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Certificates, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of $5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Certificate Ordinance. Among other requirements for such

assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in any integral multiple of $5,000 to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be registered. The Form of Assignment printed or endorsed on this Certificate may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Certificate or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Certificates is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Certificate Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owners of the Certificates.

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Certificate have been performed, existed and been done in accordance with law; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law; and that this Certificate is additionally secured by and payable from a limited pledge (not to exceed $1,000) of the surplus revenues derived by the Issuer from the ownership and operation of the Issuer's Utility System (consisting of the Issuer's combined waterworks system, sanitary sewer system, and electric light and power system), all as provided in the Certificate Ordinance.

THE ISSUER HAS RESERVED THE RIGHT to issue, in accordance with law, and in accordance with the Certificate Ordinance, other and additional obligations, and to enter into contracts, payable from ad valorem taxes and/or revenues of the Issuer's Utility System, on a parity with, or with respect to said revenues, superior in lien to, this Certificate.

THE ISSUER HAS RESERVED THE RIGHT to amend the Certificate Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the Registered Owners of a majority in aggregate principal amount of the outstanding Certificates.

BY BECOMING the Registered Owner of this Certificate, the Registered Owner thereby acknowledges all of the terms and provisions of the Certificate Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Certificate Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Certificate and the Certificate Ordinance constitute a contract between each Registered Owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Certificate to be signed with the manual or facsimile signature of the Mayor of the Issuer (or in the Mayor's absence, of the Mayor Pro-Tem) and countersigned with the manual or facsimile signature of the City Secretary of said Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Certificate.

(signature)	(signature)
City Secretary	Mayor

(SEAL)

[INSERT BOND INSURANCE LEGEND, IF ANY]

(b) [Form of Paying Agent/Registrar's Authentication Certificate]

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Certificate is not accompanied by an executed Comptroller's Registration Certificate)

It is hereby certified that this Certificate has been issued under the provisions of the Certificate Ordinance described in the text of this Certificate; and that this Certificate has been issued in conversion or replacement of, or in exchange for, a certificate, certificates, or a portion of a certificate or certificates of a series that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____

_____
BOKF, NA, Dallas, Texas
Paying Agent/Registrar

By:_____
Authorized Representative

(c) [Form of Assignment]

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____.

Please insert Social Security or Taxpayer Identification Number of Transferee

_____

(Please print or typewrite name and address, including zip code, of Transferee.)

_____

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.	NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Certificate in every particular, without alteration or enlargement or any change whatsoever.

(d) [Form of Comptroller's Registration Certificate]

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that this Certificate of Obligation has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and that this Certificate of Obligation has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

_____

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(e) [Initial Certificate Insertions]

(i) The Initial Certificate shall be in the form set forth in paragraph (a) of this Section, except that:

A. immediately under the name of the Certificate, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As shown below" and "CUSIP No. _____" shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"THE CITY OF DENTON, TEXAS, in Denton County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Years	Principal Installments ($)	Interest Rates (%)

(Information from Pricing Certificate to be inserted)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date at the respective Interest Rate per annum specified above. Interest is payable on _____, 20__ and semiannually on each _____ and _____thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full."

C. The Initial Certificate shall be numbered "T-1."

SECTION 5. INTEREST AND SINKING FUND; SURPLUS REVENUES.

(a) A special Interest and Sinking Fund (the "Interest and Sinking Fund") is hereby created solely for the benefit of the Certificates, and the Interest and Sinking Fund shall be established and maintained by the Issuer at an official depository bank of the Issuer. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the Issuer, and shall be used only for paying the interest on and principal of the Certificates. All ad valorem taxes levied and collected for and on account of the Certificates, together with any accrued interest received upon sale of the Certificates, shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Certificates or interest thereon are outstanding and unpaid, the governing body of the Issuer shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Certificates as such interest becomes due, and to provide and maintain a sinking fund adequate to pay the principal of its Certificates as such principal matures or is scheduled for redemption (but never less than 2% of the original principal amount of the Certificates as a sinking fund each year). Said tax shall be based on the latest approval tax rolls of the Issuer, with full allowance being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the Issuer for each year while any of the Certificates or interest thereon are outstanding and unpaid; and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to

provide for the payment of the interest on and principal of the Certificates, as such interest comes due and such principal matures or is scheduled for redemption, are hereby pledged for such payment, within the limit prescribed by law.

(b) The Certificates are additionally secured by revenues derived by the Issuer from the ownership and operation of the Issuer's Utility System (consisting of its combined waterworks system, sanitary sewer system, and electric light and power system) that remain after the payment of all maintenance and operation expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) or contractual obligations (now or hereafter existing) which are payable from all or any part of the net revenues of the Issuer's Utility System, constituting "Surplus Revenues", not to exceed $1,000. The Issuer shall deposit such Surplus Revenues to the credit of the Interest and Sinking Fund created pursuant to this Section, to the extent necessary to pay the principal and interest on the Certificates. Notwithstanding the requirements of this Section, if Surplus Revenues or other lawfully available moneys of the Issuer are actually on deposit or budgeted and appropriated to be deposited in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to subsection (a) of this Section may be reduced to the extent and by the amount of the Surplus Revenues or other lawfully available funds then on deposit or budgeted and appropriated to be deposited in the Interest and Sinking Fund. If Surplus Revenues are budgeted and appropriated for deposit into the Interest and Sinking Fund, the Issuer:

(i) shall transfer and deposit in the Interest and Sinking Fund each month an amount of not less than 1/12th of the annual debt service on the Certificates to be paid from Surplus Revenues until the amount on deposit in the Interest and Sinking Fund equals the amount required for annual debt service on the Certificates;

(ii) shall establish, adopt and maintain an annual budget that provides for either the monthly deposit of sufficient Surplus Revenues and/or tax revenues, the monthly deposit of any other legally available funds on hand at the time of the adoption of the annual budget, or a combination thereof, into the Interest and Sinking Fund for the repayment of the Certificates; and

(iii) shall at all times maintain and collect sufficient Utility System rates and charges in conjunction with any other legally available funds that, after payment of the costs of operating and maintaining the Utility System, produce revenues in an amount not less than the debt service requirements of all outstanding Utility System revenue bonds of the Issuer and other obligations of the Issuer which are secured in whole or in part by a pledge of revenues of the Utility System and for which the Issuer is budgeting the repayment of such obligations from the revenues of the Utility System, or the Issuer shall provide documentation which evidences the levy of an ad valorem tax rate dedicated to the Interest and Sinking Fund, in conjunction with any other legally available funds except Utility System rates and charges, sufficient for the repayment of Utility System debt service requirements.

(c) Chapter 1208, Texas Government Code, applies to the issuance of the Certificates and the pledge of the taxes and Surplus Revenues granted by the Issuer under this Section and Section 9, respectively, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Certificates are outstanding and unpaid, the result of such amendment being that the pledge of the taxes and Surplus Revenues granted by the Issuer under this Section is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the Registered Owners of the Certificates a security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

SECTION 6. DEFEASANCE OF CERTIFICATES.

(a) Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Certificate") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Certificate, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Government Obligations that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates shall have become due and payable. At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Government Obligations. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Certificates that is made in conjunction with the payment arrangements specified in Subsection (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Certificates for redemption; (2) gives notice of the reservation of that right to the Registered Owners of the Defeased Certificates immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from such Government Obligations received by the Paying Agent/Registrar that is not required for the payment of the Certificates and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Government Obligations are held for the payment of Defeased Certificates may contain provisions permitting the investment or reinvestment of such moneys in Government Obligations or the substitution of other Government Obligations upon the satisfaction of the requirements specified in Subsection (a)(i) or (ii) of this Section. All income from such Government Obligations received by the Paying Agent/Registrar which is not required for the payment of the Defeased Certificates, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) Unless modified in the Pricing Certificate, the term "Government Obligations" means any securities and obligations now or hereafter authorized by state law that are eligible to discharge obligations such as the Certificates, including (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America., (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the Issuer adopts or approves the proceedings authorizing the financial arrangements, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Issuer adopts or approves the proceedings authorizing the financial arrangements, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

(d) Until all Defeased Certificates shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) In the event that the Issuer elects to defease less than all of the principal amount of Certificates of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Certificates by such random method as it deems fair and appropriate.

SECTION 7. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES.

(a) Replacement Certificates. In the event any outstanding Certificate is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new Certificate of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Certificate, in replacement for such Certificate in the manner hereinafter provided.

(b) Application for Replacement Certificates. Application for replacement of damaged, mutilated, lost, stolen or destroyed Certificates shall be made by the Registered Owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Certificate, the Registered Owner applying for a replacement Certificate shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft or destruction of a Certificate, the Registered Owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Certificate, as the case may be. In every case of damage or mutilation of a Certificate, the Registered Owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Ordinance, in the event any such Certificate shall have matured, and no default has occurred that is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Certificate, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Certificate) instead of issuing a replacement Certificate, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Certificates. Prior to the issuance of any replacement Certificate, the Paying Agent/Registrar shall charge the Registered Owner of such Certificate with all legal, printing, and other expenses in connection therewith. Every replacement Certificate issued pursuant to the provisions of this Section by virtue of the fact that any Certificate is lost, stolen or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen or destroyed Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates duly issued under this Ordinance.

(e) Authority for Issuing Replacement Certificates. In accordance with Sec. 1206.022, Government Code, this Section 7 of this Ordinance shall constitute authority for the issuance of any such replacement Certificate without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such Certificates is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates in the form and manner and with the effect, as provided in Section 3(a) of this Ordinance for Certificates issued in conversion and exchange for other Certificates.

SECTION 8. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED; ENGAGEMENT OF BOND COUNSEL.

(a) The Mayor of the Issuer is hereby authorized to have control of the Initial Certificate and all necessary records and proceedings pertaining to the Initial Certificate pending its delivery and its investigation, examination, and approval by the Attorney General, and its registration by the Comptroller. Upon registration of the Initial Certificate said Comptroller (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificate, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Certificates issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owners of the Certificates. In addition, if bond insurance is obtained, the Certificates may bear an appropriate legend as provided by the insurer.

(b) The obligation of the Purchaser to accept delivery of the Certificates is subject to the Purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Certificates to the Purchaser. The engagement of such firm as bond counsel to the Issuer in connection with the issuance, sale and delivery of the Certificates is hereby approved and confirmed. The execution and delivery of an engagement letter between the Issuer and such firm, with respect to such services as bond counsel, is hereby authorized in such form as may be approved by the Mayor, and the Mayor is hereby authorized to execute such engagement letter.

SECTION 9. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE CERTIFICATES.

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Certificates as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Certificates, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Certificates (less amounts deposited into a reserve fund, if any) is

directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Certificates being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Certificates being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Certificates, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Certificates, other than investment property acquired with -

(A) proceeds of the Certificates invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the rules and regulations of the United States Department of the Treasury ("Treasury Regulations"), and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Certificates;

(7) to otherwise restrict the use of the proceeds of the Certificates or amounts treated as proceeds of the Certificates, as may be necessary, so that the Certificates do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Certificates or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Certificates in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Certificates) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Certificates have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(9), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the Certificateholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. The Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Certificates. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the United States Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated that modify or expand provisions

of the Code, as applicable to the Certificates, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Certificates, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Mayor or the Pricing Officer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, that may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

(d) Allocation of, and Limitation on, Expenditures for the Projects. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the construction and acquisition of the Projects on its books and records in accordance with the requirements of the Code. The Issuer recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates, or (2) the date the Certificates are retired. The Issuer agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Certificates. For purposes hereof, the issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Projects. The Issuer covenants that the property constituting the Projects will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of the foregoing, the Issuer may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Reimbursement. This Ordinance is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

SECTION 10. SALE OF CERTIFICATES AND APPROVAL OF OFFICIAL STATEMENT; FURTHER PROCEDURES.

(a) The Certificates shall be sold and delivered subject to the provisions of Section 1 and Section 2 hereof through a negotiated sale, competitive sale or private placement and pursuant to the terms and provisions of a purchase contract or a notice of sale and official bid form (in either case, the "Purchase Agreement"), the terms and provisions of which are to be determined by the Pricing Officer in accordance with Section 2 hereof, and in which the purchaser or purchasers of the Certificates (the "Purchaser") shall be designated. The Pricing Officer is hereby authorized to execute and deliver the Purchase Agreement for

an on behalf of the Issuer. The Certificates shall initially be registered in the name of the Purchaser or its designee.

(b) The Issuer hereby approves the form and content of the draft preliminary official statement relating to the Certificates and any addenda, supplement or amendment thereto, and approves the distribution of such preliminary official statement in the reoffering of the Certificates by the Purchaser in final form, with such changes therein or additions thereto as the Pricing Officer may deem advisable. The Pricing Officer is hereby authorized, in the name and on behalf of the Issuer, to approve, distribute, and deliver a final preliminary official statement and a final official statement relating to the Certificates to be used by the Purchaser in the marketing of the Certificates.

(c) The Pricing Officer is authorized, in connection with effecting the sale of the Certificates, to obtain from a municipal bond insurance company so designated in the Pricing Certificate (the "Insurer") a municipal bond insurance policy (the "Insurance Policy") in support of the Certificates. To that end, should the Pricing Officer exercise such authority and commit the Issuer to obtain a municipal bond insurance policy, for so long as the Insurance Policy is in effect, the requirements of the Insurer relating to the issuance of the Insurance Policy as set forth in the Pricing Certificate are incorporated by reference into this Ordinance and made a part hereof for all purposes, notwithstanding any other provision of this Ordinance to the contrary. The Pricing Officer shall have the authority to execute any documents to effect the issuance of the Insurance Policy by the Insurer, including commitment agreements, membership agreements in mutual insurance companies and other similar agreements.

(d) The Mayor and Mayor Pro Tem, the City Manager, the Chief Financial Officer and City Secretary and all other officers, employees and agents of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer a Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Pricing Certificate, the Certificates, the sale of the Certificates, any Purchase Agreement and the Official Statement. In case any officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 11. INTEREST EARNINGS ON CERTIFICATE PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Certificates issued for the Projects shall be used along with other Certificate proceeds for the Projects; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on Certificate proceeds that are required to be rebated to the United States of America pursuant to Section 9 hereof in order to prevent the Certificates from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

SECTION 12. CONSTRUCTION FUND OR ACCOUNT; INVESTMENTS.

(a) The proceeds of sale of the Certificates, excluding any accrued interest received from the initial purchaser of the Certificates and any other amounts to be deposited into the Interest and Sinking Fund, and amounts to pay costs of issuance of the Certificates, shall be deposited in one or more construction funds or accounts for use, along with any investment earnings thereon, by the Issuer for payment of all lawful costs associated with the acquisition and construction of the Projects as hereinbefore provided. Upon payment of all such costs, any moneys remaining on deposit in said funds or accounts, including investment

earnings, shall be transferred to the Interest and Sinking fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in Section 5 of this Ordinance.

(b) The Issuer may invest proceeds of the Certificates (including investment earnings thereon) issued for the Projects and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the Issuer hereby covenants that the proceeds of the sale of the Certificates will be used as soon as practicable for the purposes for which the Certificates are issued.

(c) All deposits authorized or required by this Ordinance shall be secured to the fullest extent required by law for the security of public funds.

SECTION 13. COMPLIANCE WITH RULE 15c2-12.

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

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

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

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

(b) Annual Reports.

(i) The Issuer shall provide annually to the MSRB, in the electronic format prescribed by the MSRB, financial information and operating data (the "Annual Operating Report") with respect to the Issuer of the general type included in the final Official Statement authorized by this Ordinance, being the information described in the Pricing Certificate. The Issuer will additionally provide financial statements of the Issuer (the "Financial Statements"), that will be (i) prepared in accordance with the accounting principles described in the Pricing Certificate or such other accounting principles as the Issuer may be required to employ from time to time pursuant to State law or regulation and shall be in substantially the form included in the final Official Statement and (ii) audited, if the Issuer commissions an audit of such Financial Statements and the audit is completed within the period during which they must be provided. The Issuer will update and provide the Annual Operating Report within six months after the end of each fiscal year and the Financial Statements within 12 months of the end of each fiscal year, in each case beginning with the fiscal year ending in and after 2025. The Issuer may provide the Financial Statements earlier, including at the time it provides its Annual Operating Report, but if the audit of such Financial Statements is not complete within 12 months after any such fiscal year end, then the Issuer shall file unaudited Financial Statements within such 12-month period and audited Financial Statements for the applicable fiscal year, when and if the audit report on such Financial Statements becomes available. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(ii) If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

(c) Event Notices.

(i) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Certificates, if such event is material within the meaning of the federal securities laws:

1. Non-payment related defaults;
2. Modifications to rights of holders of the Certificates;
3. Certificate calls;
4. Release, substitution, or sale of property securing repayment of the Certificates;
5. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
6. Appointment of a successor or additional trustee or the change of name of a trustee; and
7. Incurrence of a Financial Obligation of the Issuer or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders.

(ii) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Certificates, without regard to whether such event is considered material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Certificates, or other material events affecting the tax-exempt status of the Certificates;
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of an obligated person; and
10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

(d) Limitations, Disclaimers, and Amendments.

(i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Certificates within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes the Certificates no longer to be outstanding.

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

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

(v) Notwithstanding anything to the contrary in Section 14 hereof, the provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the Registered Owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the Registered Owners and beneficial owners of the Certificates. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable

provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

(e) Amendment of the Rule. The provisions of this Section shall be revised by the Pricing Officer to reflect the requirements of the Rule if the Rule is amended after the adoption of this Ordinance but prior to the delivery of the Certificates so as to permit an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule. Any such revisions shall be set forth in the Pricing Certificate and are incorporated by reference into this Ordinance and made a part hereof for all purposes, notwithstanding any other provision of this Ordinance to the contrary.

SECTION 14. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The Issuer may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the holders, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of the Issuer's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the holders of Certificates aggregating in principal amount a majority of the aggregate principal amount of then outstanding Certificates that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the then outstanding Certificates that are the subject of a proposed amendment, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the affected Certificates so as to:

(1) Make any change in the maturity of any of the affected outstanding Certificates;

(2) Reduce the rate of interest borne by any of the affected outstanding Certificates;

(3) Reduce the amount of the principal of, or redemption premium, if any, payable on any affected outstanding Certificates;

(4) Modify the terms of payment of principal or of interest or redemption premium on affected outstanding Certificates or impose any condition with respect to such payment; or

(5) Change the minimum percentage of the principal amount of Certificates necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Ordinance under this Section, the Issuer shall send by U.S. mail to each Registered Owner of the affected Certificates a copy of the proposed amendment and cause notice of the proposed amendment to be published at least once in a financial publication published in The City of New York, New York or in the State of Texas. Such published notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the office of the Issuer for inspection by all holders of such Certificates.

(d) Whenever at any time within one year from the date of publication of such notice the Issuer shall receive an instrument or instruments executed by the holders of at least a majority in aggregate principal amount of all of the Certificates then outstanding that are required for the amendment, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the Issuer and all holders of such affected Certificates shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Certificate pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the publication of the notice provided for in this Section, and shall be conclusive and binding upon all future holders of the same Certificate during such period. Such consent may be revoked at any time after six months from the date of the publication of said notice by the holder who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the holders of a majority in aggregate principal amount of the affected Certificates then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

For the purposes of establishing ownership of the Certificates, the Issuer shall rely solely upon the registration of the ownership of such Certificates on the Registration Books kept by the Paying Agent/Registrar.

SECTION 15. DEFAULT AND REMEDIES.

(a) Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Certificates when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Issuer, the failure to perform which materially, adversely affects the rights of the Registered Owners of the Certificates, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the Issuer.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Issuer for the purpose of protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or

at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Certificates then outstanding.

(c) Remedies Not Exclusive.

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Certificate authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or agents of the Issuer or the members of its governing body.

SECTION 16. APPROPRIATION. To pay the debt service coming due on the Certificates, if any, prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount, which together with capitalized interest received from the sale of the Certificates, if any, will be sufficient to pay such debt service, and such amount shall be used for no other purpose.

SECTION 17. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Council.

SECTION 18. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

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:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 15th day of July, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

Susan Keller
Digitally signed by Susan Keller
Date: 2025.07.09 17:56:21 -05'00'

BY: _____



FY
2024-2025

City Council Bond Ordinances

July 15, 2025 ID's 25-1037; 25-1038

GO Projects:
2019 Bond Program
Prop A Streets

		BUDGET		BOND SALE
Street Reconstruction	$	13,400,000	$	13,400,000
Street Lighting		3,500,000		3,500,000
Sidewalks		2,000,000		2,000,000
2019 Bond Program Total	**$**	**18,900,000**	**$**	**18,900,000**

GO Projects:
2023 Bond Program

		BUDGET		BOND SALE
Ruddell, Mingo Roadway & Quiet Zones (Prop A)	$	12,000,000	$	2,000,000
Oakland Drainage & Upstream Detention Improv (Prop B)		3,000,000		3,000,000
PEC 3&4 Drainage Improvements (Prop B)		6,265,000		3,268,000
Aquatic Improvements (Prop C)		13,000,000		1,000,000
Fire Station # 5 (Prop D)		7,671,000		7,671,000
Fire Station # 6 (Prop D)		7,671,000		7,671,000
Public Art - Public Safety (Prop D)		503,000		-
Affordable Housing (Prop E)		5,000,000		-
2023 Bond Program Total	**$**	**55,110,000**	**$**	**24,610,000**

2025 Debt Refunding

2015 Series

Rate Change	
Average Interest Rate of Refunded Bonds	4.14%
Projected Interest Rate	3.55%

Refunding Bonds Opportunity	Principal Refund	Maturities Refund
General Obligation Refunding & Improvement Bonds, Series 2015	$ 9,620,000	2029-2035
Certificates of Obligation, Series 2015	$ 30,580,000	2026-2035
Total Refunding Opportunity	**$ 40,200,000**	

Total Projected Savings*
$ 1,392,353

Projected Savings by Debt Type					
General Fund	Solid Waste	Water	Wastewater	Electric	**Total**
$ 361,672	$ 75,709	$ 58,128	$ 140,622	$ 756,222	**$ 1,392,353**

*Preliminary, subject to change

GO Bond Sale

2019 Bond Program	$ 18,900,000
2023 Bond Program	24,610,000
Potential Refundings	99,055,000
Issuance Cost*	-
GO Bond Sale Total	$ 142,565,000

*Covered by CO estimate

Notice of Intent to Issue COs

- Council approved May 20, 2025.
- Published in Denton Record Chronicle on May 24th & 31st.
- This Bond Ordinance to authorize the sale of COs is at least 46 day after the first publication per state law.

General Government COs – 1 of 2

	NOI	BOND SALE
Fleet HVAC (Int. Svc. - Fleet)	$ 1,000,000	$ 1,000,000
End User Computing (Technology Services)	941,000	941,000
Infrastructure Replacement (Tech Services)	1,000,000	-
Radios & Modems (Tech Services)	300,000	300,000
Citywide Fiber Replacement (Tech Services)	500,000	500,000
Internal Service Total	**$ 3,741,000**	**$ 2,741,000**

	NOI	BOND SALE
Property Acquisition (Facilities)	$ -	$ -
Security Hardware Upgrade (Facilities)	80,000	80,000
Facilities ADA Upgrades (Facilities)	500,000	500,000
Adjacency Remodels (Facilities)	200,000	200,000
Municipal Court Renovation (Facilities)	1,000,000	1,000,000
Gun Range Cleanup (Env. Svc.)	2,000,000	2,000,000
ADA Transition Plan Improvements (Parks)	318,270	318,270
Avondale Park Playground (Parks)	341,000	-
North Pointe Park Playground (Parks)	320,000	320,000
Traffic Signal Cabinets (Traffic)	208,000	208,000

Continued on next slide

General Government COs – 2 of 2

		NOI		BOND SALE
Traffic Signal Design and Rebuilds (Traffic)	$	1,950,000	$	1,950,000
ADA Transition Plan Improvements (Transportation)		1,172,500		1,172,500
HSIP Projects (Transportation)		500,000		500,000
Vision Zero Implementation Items (Transportation)		1,172,500		1,172,500
Robson Ranch Road Signal (Transportation)		600,000		600,000
Vehicle Replacement - General Fund (Motorpool)		2,860,000		2,860,000
Vehicle Addition - Fire Engine # 3 & PD Vehicles (Motorpool)		2,885,000		2,885,000
Pecan Creek Watershed Preliminary Design (Drainage)		750,000		750,000
Woodland & Longridge Street Sections (Drainage)		220,000		220,000
Oaktree Drainage Ph 1 (Drainage)		595,000		595,000
Infrastructure Repair (Drainage)		500,000		500,000
Flood Monitoring (Drainage)		75,000		75,000
Hickory Creek Road Phase 3 (Streets)		8,000,000		8,000,000
Bike Lanes: Hinkle Street Side Path Connector (Streets)		-		-
2019 Street Recon Bond Neighborhood Completion (Streets)		3,000,000		3,000,000
Bonnie Brae 5 (Streets)		2,000,000		2,000,000
General Government Total	**$**	**31,247,270**	**$**	**30,906,270**
Grand Total General Governmnet	**$**	**34,988,270**	**$**	**33,647,270**

Solid Waste CO Projects

		NOI		BOND SALE
Concrete Replacement	$	350,000	$	350,000
Scalehouse		640,000		640,000
Fleet Shop at Solid Waste		2,200,000		2,200,000
Cell 5 & 6 Construction		4,000,000		4,000,000
Vehicles - New Additions		285,711		285,711
Vehicles - Replacements		3,650,000		3,650,000
Solid Waste Total	**$**	**11,125,711**	**$**	**11,125,711**

Water Utility CO Projects - 1 of 3

	NOI	BOND SALE
AMI/AMR Replacements	$ 2,000,000	$ 2,000,000
Annual Field Service Replacements (CIP In House Cntstrct)	1,050,000	1,050,000
Bonnie Brae (Phase 3)	900,000	900,000
Bonnie Brae (Phase 5)	675,000	675,000
Bonnie Brae (Phase 6)	100,000	100,000
Clear Creek Slope Maintenance	1,000,000	1,000,000
Elm and Locust (Phase 2)	3,000,000	3,000,000
VFDs at LLRWPS and the LLWTP HSPS	250,000	250,000
Fallmeadow Street Water Main	500,000	500,000
Fire Hydrant Installs	61,493	61,493
Lake Lewisville Filter Media Replacement	-	-
Lake Lewisville Raw Water Station Rehab	2,000,000	2,000,000
Lakey Street Water Main	500,000	500,000
Large Valve Replacements	-	-
LCR (Lead and Copper Rule) Compliance	1,000,000	1,000,000
LCR (Lead and Copper Rule) Remediation	500,000	500,000

Continued on next slide

Water Utility CO Projects - 2 of 3

	NOI	BOND SALE
LLWTP DME Pond Infill	$ -	$ -
LLWTP LAS Bulk Storage Capacity Redesign	-	-
LLWTP Raw Water Transmission Line	500,000	500,000
LLWTP Sludge Dewatering Improvement Project	1,000,000	1,000,000
McKenna Park BPS Rehab & Fence Replacement	500,000	500,000
Oversize Participation Agreements	5,360,000	5,360,000
Ray Roberts Ozone Generator PLC Upgrades	900,000	900,000
RRWTP Capacity Rerate and Performance Upgrades	29,200,000	29,200,000
RRWTP Disinfection Conversion and Chemical Improvements	6,250,000	6,250,000
RRWTP Evaluation and Upgrade of Emergency Generator ATS	1,000,000	1,000,000
RRWTP Fiber Installation	750,000	750,000
RRWTP Raw Electric Assessment	-	-
RRWTP Raw Water Line Cleaning for Zebra Mussel Accumulation	-	-
Sampling Station Upgrades	200,000	200,000

Continued on next slide

Water Utility CO Projects – 3 of 3

		NOI		BOND SALE
SCADA/HMI Upgrade Water	$	1,000,000	$	1,000,000
Service Center Renovation		3,000,000		3,000,000
Supplement to Bond Election 2019 Projects		14,000,000		14,000,000
Tank Painting		200,000		200,000
Transmission Line Condition Assessment		1,000,000		1,000,000
Transmission Line Condition Repairs		200,000		200,000
Distributor Replacement Program		-		-
Water Meters		900,000		900,000
Water Production Water Storage Tank Mechanical Mixing Evaluation		250,000		250,000
Water Taps		308,122		308,122
West Allred Transmission Line		-		-
Westgate Road and Drainage		560,000		560,000
Water Total	**$**	**80,614,615**	**$**	**80,614,615**

Wastewater Utility CO Projects – 1 of 2

	NOI	BOND SALE
12/15-inch Robson Ranch Interceptor (HC: O-4)	$ 500,000	$ 500,000
21/27/30-inch Roark Branch Interceptor Phase 2 (HC: D-4)	2,500,000	2,500,000
Annual Field Service Replacements	500,000	500,000
Bonnie Brae PH 3-6 Wastewater Upgrades	2,000,000	2,000,000
Collector Replacement Program	-	-
Cooper Creek Lift Station Improvement Project	650,000	650,000
Emergency Response Equipment Storage Building	-	-
Fallmeadow Street Water Main	500,000	500,000
Granada Lift Station Replacement	500,000	500,000
Hickory Creek Interceptor IV	1,000,000	1,000,000
Hickory Creek Water Reclamation Plant Ph 1	100,000	100,000
Hobson Lift Station Electrical Upgrade	500,000	500,000
Lakey Street Water Main	500,000	500,000
Legends Sewer Line	-	-
Lift Station Replacement	500,000	500,000

Continued on next slide

Wastewater Utility CO Projects – 2 of 2

		NOI		BOND SALE
Manhole Repair/Replace/Lining	$	150,000	$	150,000
Milam Creek Basin Wastewater Line and Lift Station		23,888,000		23,888,000
Mingo/Ruddell/Quiet Zone Sewer Upgrades		1,000,000		1,000,000
Oversize Participation		13,040,000		13,040,000
PCWRP Expansion to 26 MGD and 75 MGD Headworks		9,400,000		9,400,000
PCWRP Utility Power Switch Replacement		-		-
Pipe/Force Main Condition Assessment		-		-
Robson Ranch Wastewater Improvement Project Phase I & II		-		-
Robson West Lift Station		1,000,000		1,000,000
SCADA/HMI Upgrade Water Rec		1,000,000		1,000,000
Supplement to Bond Election 2019 Projects		13,000,000		13,000,000
Vehicle Replacement		903,286		903,286
Water Reclamations Grinder		-		-
Service Center Renovation		4,000,000		4,000,000
Wastewater Total	**$**	**77,131,286**	**$**	**77,131,286**

Electric Utility CO Projects

		NOI		BOND SALE
Automated Meter Reading	$	1,850,000	$	1,850,000
Land and Building Construction		3,900,000		-
Distribution Substations		5,054,394		5,054,394
Distribution Transformers		-		-
Feeder Extensions & Improvements		9,000,000		9,000,000
New Residential & Commercial		2,000,000		2,000,000
Power Factor Improvement		150,000		150,000
Steet Lighting		176,330		176,330
Transmission Lines		625,000		625,000
Transmission Substation		10,160,000		10,160,000
DME Production Plant		6,358,000		6,358,000
Technology - Software/Hardware		7,626,276		7,626,276
Electric Relocations		1,000,000		1,000,000
Electric Total	**$**	**47,900,000**	**$**	**44,000,000**

CO Bond Sale Summary

General Government	$ 33,647,270
Solid Waste	11,125,711
Water	80,614,615
Wastewater	77,131,286
Electric	44,000,000
Subtotal	$ 246,518,882
Issuance Cost*	7,531,118
CO Bond Sale Total	**$ 254,050,000**

*Shared with GO Bond Sale

Next Steps

- **July 23, 2025**
  - Date of Sale
- **August 26, 2025**
  - Preliminary date of close and delivery of funds

Questions

Randee Klingele
Treasury Manager



File #: ID 25-1117, **Version:** 1

AGENDA CAPTION

Consider approval of a resolution to appoint a member to the Board of Directors of the Texas Municipal Power Agency, a Texas Joint Powers Agency, to represent the City of Denton, a Texas Home-Rule Municipal Corporation; and declaring an effective date.

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: **Denton Municipal Electric**

DCM: **Cassey Ogden**

DATE: **July 15, 2025**

SUBJECT

Consider approval of a resolution to appoint a member to the Board of Directors of the Texas Municipal Power Agency, a Texas Joint Powers Agency, to represent the City of Denton, a Texas Home-Rule Municipal Corporation; and declaring an effective date.

BACKGROUND

TMPA has notified the City that the term of one of its appointees to their Board of Directors will be expiring on July 18, 2025. TMPA is requesting that the City take formal action to reappoint the current appointee or select a new appointee. The City of Denton, as a member of the TMPA, holds two seats on the TMPA Board of Directors. The term of the expiring seat will end on July 18, 2025 and is currently held by Mr. Jesse Davis. The other seat is held by Mr. Billy Cheek, current Chair of the City's Public Utilities Board and his term will not expire until July 18, 2026.

Per its governance requirement, TMPA is requesting that the City adopt a resolution appointing a representative to fill the term from July 18, 2025 to July 18, 2027. Pursuant to concurrent Ordinance No. 75-22, TMPA requires that a resolution be passed by each member city supporting its nomination of a Director to the TMPA Board of Directors.

For City Council's consideration, staff has received no nominations, but Mr. Jesse Davis has expressed a desire to serve another term on the Board and has been on the Board since 2021 (2 terms). Staff has attached his nomination application for your reference.

RECOMMENDATION

In order to maintain its full representation on the TMPA Board of Directors, staff recommends that the City appoint a representative to fill the upcoming vacancy.

EXHIBITS

1. Agenda Information Sheet
2. Nominee Application – Jesse Davis
3. Resolution
4. Presentation

Respectfully submitted:
Antonio Puente, Jr.
940-349-8487
DME General Manager

Texas Municipal Power Agency Board

NAME: JESSE DAVIS		
HOME ADDRESS: [redacted]		E-MAIL ADDRESS: [redacted]
HOME PHONE	CELL PHONE [redacted]	BUSINESS PHONE
VOTER REGISTRATION NUMBER OR DATE OF BIRTH* [redacted]		NUMBER OF YEARS AS A DENTON RESIDENT 42

*Note: For specific boards, being a qualified voter of the City is required. The City can only verify this through a voter registration number or date of birth.

EMPLOYER, IF ANY: DENTON COUNTY	
OCCUPATION/FORMER OCCUPATION: ASST. DISTRICT ATTORNEY	REFERRED BY COUNCIL MEMBER (If Applicable): N/A

Have you ever served on a City of Denton board or commission? ☒ yes ☐ no

If yes, which one? TMPA, City Council, Board of Ethics, Development Code Review Cmte., Denton Housing Authority

Please list any special knowledge, education or experience that qualifies you to serve:

I am currently the Secretary of the TMPA Board, in line to serve as President of the Board in 2 years. I have represented Denton on the TMPA Board for the last 4 years, and I have developed crucial relationships with TMPA Board members and staff. I have helped Denton maintain a prominent role in the decision-making and strategic planning of the Agency, and am a leading voice in guiding the Agency into new frontiers and opportunities for our ratepayers—including more robust transmission and next wave generation. I have become a key negotiator and problem solver in the intra-city dynamic.

Professional and/or community activities

Volunteer and Lay Leader, St. David of Wales Episcopal Church

Volunteer and Leader, Boy Scouts of America

Board Member, Denton Housing Authority

Chief Felony Prosecutor, 16th Judicial District Court

Member, Texas District and County Attorney Association

Active Alumnus and Former Adjunct Professor, University of North Texas

Former Adjunct Professor, University of Texas at Arlington

Applicant Signature _____ **Date** 6/10/25

*See Attached for Instructions

NOTE: THIS APPLICATION IS SUBJECT TO RELEASE PURSUANT TO THE TEXAS PUBLIC INFORMATION ACT. IF APPOINTED, APPLICANT'S NAME WILL BE POSTED ON THE CITY'S WEBSITE.

Please return completed application:
Mail: City Secretary, City of Denton, 215 E. McKinney Street, Denton, Texas 76201
E-mail: city.secretary@cityofdenton.com
Fax: 940/349-8596

FOR OFFICE USE ONLY

DATE APPLICATION RECEIVED: _____ NEW APPLICANT? ☐ YES ☐ NO ☐ REAPPOINTED

IF NO, APPLICANT PREVIOUSLY SERVED ON: _____

APPLICANT APPOINTED TO: _____ TERM EXPIRES: _____

NOMINATING COUNCIL MEMBER: _____ DISTRICT: _____

☐ FULL TERM ☐ UNEXPIRED TERM ☐ ALTERNATE MEMBER ☐ EX-OFFICIO

RESOLUTION NO._____

A RESOLUTION TO APPOINT A MEMBER TO THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY, A TEXAS JOINT POWERS AGENCY, TO REPRESENT THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the City of Denton, a Texas home-rule municipal corporation, and the Cities of Bryan, Garland and Greenville, all Texas home-rule municipal corporations, are the members of the Texas Municipal Power Agency, a Texas joint powers agency, ("TMPA"); and

WHEREAS, the City of Denton appoints a Director for Place 3 in even-numbered years and for Place 4 in odd-numbered years, each to serve a two-year term in accordance with Ordinance No. 75-22; and

WHEREAS, _____, a resident of Denton, is eligible to be one of the two members of the TMPA Board of Directors which represent Denton; and

WHEREAS, the City Council of Denton, after due consideration, has selected _____ for appointment to a two-year term as a member of the TMPA Board of Directors in Place 4 to represent Denton for the term beginning on July 18, 2025 and ending on July 18, 2027; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The recitations contained in the preamble of this resolution are incorporated by reference as findings of the City Council.

SECTION 2. Pursuant to Ordinance 75-22, _____ is appointed to a two-year term as a member of the Board of Directors of the Texas Municipal Power Agency to represent the City of Denton in Place 4 for the term beginning July 18, 2025 and ending on July 18, 2027.

SECTION 3. This resolution shall become effective immediately upon its passage and approval.

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

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

Scott Bray
Deputy City Attorney

TMPA Board Appointment 2025

Tony Puente

DME General Manager

July 15, 2025

Legistar ID #25-1117

About TMPA

- Texas Municipal Power Agency (TMPA)
  - A "Joint Powers Agency" owned by the cities of Denton, Bryan, Greenville and Garland.
  - Created in 1975.
  - Purpose: the generation and sale or exchange of electric energy; or the provision of wholesale transmission service.
  - Generation Assets - Sold the Gibbons Creek Steam Electric Station and all generation assets to a private party in January 2021.
  - Mine Property – Sold approximately 11,000 acres to a private party in December 2021. Approximately 723 acres remain which are currently being marketed for sale. Remaining acreage was never mined, has highway frontage, and is likely valued higher on a per acre basis.
  - Transmission Assets – Possible unbundling and transfer of ownership to each member city. May lead to dissolution of agency if no assets remain.

Board Background

- TMPA Board Representatives
  - Each TMPA member city has 2 dedicated seats on the Board.
  - Must be a qualified voter and reside within Denton's city limits; or be an employee or officer of the City; or a member of the Denton City Council; or a retail customer of DME.
  - TMPA has formally notified the City that one of its Board seats (currently held by Mr. Jesse Davis) will be expiring on July 18, 2025. The other seat is held by Mr. Billy Cheek and his term will not expire until July 18, 2026.
  - Staff notified the City Council of the vacancy by an Informal Staff Report on June 13, 2025, so that members of the City Council could submit nominees for this agenda item.
  - Staff received no nominations, but Mr. Jesse David has expressed a desire to serve another term. Mr. Davis' application was provided with today's agenda packet. He has served on the Board since 2021 (2 terms).

Action Required

- Per TMPA governance requirements, the City must formally adopt a resolution of appointment for the representative it wishes to fill the next term for the expiring seat.

- To avoid a lapse in the City's representation on the TMPA Board of Directors, staff is requesting that the City Council select a nominee and affirm by resolution.
  - Staff recommends that City Council use the following phrase for consideration of an appointee, "Move approval of the resolution with (Name of Person) in each of the appropriate blanks."

- The selected representative will serve from July 18, 2025 to July 18, 2027.

File #: ID 25-914, **Version:** 1

AGENDA CAPTION

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 United States Cold Storage, LP, 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 $1,067,871; and providing an effective date. The Economic Development Partnership Board recommends approval (11-0-1).

AGENDA INFORMATION SHEET

DEPARTMENT: **Economic Development**

ACM: **Christine Taylor**

DATE: **July 15, 2025**

SUBJECT

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 United States Cold Storage, LP, 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 $1,067,871; and providing an effective date. The Economic Development Partnership Board recommends approval (11-0-1).

BACKGROUND

US Cold Storage, LP is an existing Denton business, which provides its clients with refrigerated and frozen food warehousing and transportation with 37 facilities in 13 states. The project serves clients such as Kraft, Butterball, Jardine Foods, Bar S Foods, and many others. The company has four existing facilities in Dallas, Fort Worth, and Arlington. The company, which has been operating for 126 years, started as American Ice Company in 1899, it was renamed in 1920 and became a wholly owned subsidiary of John Swire & Sons in 1982.

In 2018, the company received a 50% cost share of the sales and use taxes (up to $70,000) for the construction of their new distribution facility on a 40-acre site in the Westpark TIRZ Number Two. They received a Certificate of Occupancy in 2020. The electric demand of the company is 1.5 megawatts annually, which makes them a Top 25 customer for Denton Municipal Electric (DME). The Agreement with the company was terminated in 2023, as the grantee failed to meet conditions of the Agreement by not obtaining a Texas Direct Pay Permit with the State Comptroller of Public Accounts and the City could not verify the sales taxes for the construction and equipping of the facility, as they filed with Dallas.

Project

US Cold Storage, LP currently maintains a cold storage facility located at 3255 Jim Christal Road in Denton and is a leader in temperature-controlled storage and transportation logistics for many of the country's largest food providers. The company currently employs 148 with an average salary of $53,053.

The Denton facility has been identified as a potential location for expansion due to the City’s demonstrated commitment to supporting the company’s growth and success at this location, but the facility is in competition for capital with several other locations in Texas.

US Cold Storage, LP plans on adding on a second phase to its existing refrigerated warehouse facility and estimate that their investment in new building, machinery, and equipment will create approximately $35 million in new ad valorem value in Denton. The project involves plans to create 172 jobs with a weighted average salary of $57,583. The company provides health and wellness and 401(k) benefits, comprehensive training programs, and education assistance for degree programs to their employees.

STRATEGIC AND POLICY ALIGNMENT

City of Denton Strategic Plan

- Key Focus Area #3: Foster Economic Opportunity and Affordability

Economic Development Strategic Plan

- Goal 1: Accelerate Recovery
  - Business Retention and Workforce Development
  - Retain existing businesses
- Goal 2: Foster Growth
  - Energy Efficiency and Conservation

Policy Considerations

The project NAICS falls under the Connected Strategic Growth Areas (SGAs) industry targets and addressed the SGA considerations below and detailed in the Incentive Evaluation Matrix (Exhibit 2). The Incentive Evaluation Matrix score for the project is 90, which falls under the Excellent (85-175 points) category.

- Engages is sustainable practices: Project has adopted sustainable or green business practices (e.g. LEED certification, renewable energy commitment or use, energy efficient construction);
- Pays a living wage for all new employees in accordance with the current "Living Wage" from the MIT Living Wage Calculator for Denton County;
- Expands the tax base through property, sales, Hotel Occupancy Tax (HOT), or other taxes to the City, County, DISD, and DCTA through the development of property, facility or by making improvements to an existing property or facility, through the development of a new business or expansion of an existing business, through the development of a new multi-tenant complex where businesses can locate, or through the addition or increase in jobs available in the City;
- Generates new utility customers (priority consideration for larger customers); and
- Provides benefits to employees that may include: on-site childcare services; adult care; vouchers or other financial assistance for child or adult care; backup or temporary childcare services; flexible hours or remote work accommodations; and flexible spending accounts; 401(k) matching/pension; tuition reimbursement; or other benefits.

Project Benefits

Staff conducted an analysis on the information provided by the company to ensure stated policy criteria were met and to determine both the qualitative and quantitative public benefits. Staff also used an economic impact analysis model to quantify the economic impact and rate of return. Total Impact, by Austin-based Impact DataSource, is a customized economic development modeling tool that performs economic and fiscal impact analysis and incentive analysis. The economic impact is based on a Regional Input-Output Modeling System (RIMS II) created by the U.S. Department of Commerce, Bureau of Economic Analysis, which is widely used to estimate the direct and secondary impacts of an event on the regional economy using input and output methods.

Quantitative Benefits and Economic Impact for the Community

- Capital Investment: $35 million
- Total Jobs:
  - Direct Jobs: 172
  - Spin Off: 111.7

- 10-year net benefits estimated at $1,405,425
- Rate of Return: 24.8%
- Payback period: 4.8 years

Qualitative Benefits and Community Impact

- Business retention and expansion
    - Retaining 148 jobs in Denton
    - 172 New jobs created to help support the local economy
- Supply chain
    - Transportation logistics company that is essential to the cold chain
- Engaging in sustainable practices and activities
    - CO2 emission reduction of 11.4% for the company
    - Goal to reach net zero emissions by 2050
    - Food waste and sustainability program
- High energy electric customer
    - Demand of 1.5 megawatts annually at current facility

STAFF RECOMMENDATION

Staff recommends approval of a Chapter 380 Grant, total not to exceed $1,067,871 for the following:

- Performance-based ad valorem tax rebate at 60% for 8 years for the business expansion
- Sales and Use Tax for the construction and equipping of the facility rebate at 75%

PRIOR ACTION/REVIEW

May 14, 2025: The Economic Development Partnership Board recommended approval (11-0-1).

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Incentive Evaluation Matrix
Exhibit 3 – Economic Impact Summary
Exhibit 4 – Ordinance and Agreement
Exhibit 5 – Presentation

Respectfully submitted:
Brittany Sotelo
Director of Economic Development

Prepared By:
Erica Sullivan
Economic Development Program Administrator

Evaluation Matrix

(125 points) + (30 "Other" bonus points) = 155 total points

SGA Targets by NAICS	**Target: 10 points (Total 15 Points)**	**Points**
	NAICS:	
	Connected	10
	Creative	
	Sustainable	
	Competitive	
	Other Target Areas (Max 5 points): business retention	4
	SGA Targets Subtotal	14
Economic and Fiscal Impacts	**Economic and Fiscal Impacts (50 points)**	**Points**
	Expand The Tax Base (Max Points 10) Project provides new property, sales, HOT, or other taxes to the City, County, DISD, and DCTA through the development of property or facility or by making improvements to an existing property or facility, a new business or expansion, a new multi-tenant complex, or increase in jobs	8
	Public-Private Partnership (Max Points 10) Project includes development of public infrastructure or amenities deemed beneficial, or developer assumes responsibility for development of infrastructure or public facilities beyond what is required. Project will involve a significant relationship with DISD or institution of higher education	5
	Increases High Wage Jobs (Max Points10) Project includes new jobs with an average or has a significant percentage of jobs that earn an annual base salary of $65,000 or more	6
	Encourage Knowledge Base Jobs (Max Points 5) Project includes new jobs or has a significant percentage of jobs that require specialized and theoretical knowledge, usually acquired through experience or a college education, or other training which provides comparable knowledge; requires some research, analysis, or requires special licensing, certification	6
	Pays a living wage for all new employees (Max 10 points) From the most current MIT Living Wage Calculator for Denton County	7
	Other (Max 5 points): Adding equipment and additional 172 jobs	3
	Economic and Fiscal Impacts Subtotal	35
Connective	**Connective (15 points)**	**Points**
	Generates New Utility Customers (Max Points 10) Project is a customer of City utilities focusing on electric. Higher points awarded for larger customers.	9
	Other Target Areas (Max 5 points):	
	Connective Subtotal	9
Creative	**Creative (30 points)**	**Points**
	Community Investment (Max Points 5) Project, company, or developer demonstrates a commitment to community support or involvement through monetary or in-kind support of local nonprofits, public institutions, or community organizations	3
	Encourages New Business Markets/Suppliers And Entrepreneurship (Max Points 10) Project is from an industry not significantly represented in local economy or company is a new business startup or entrepreneurial endeavor	6
	Benefits Package (Max Points 10) Provides on-site child care; adult care; vouchers or other financial assistance; backup services; flexible or remote work accommodations; flexible spending accounts; 401K matching/pension; tuition reimbursement; or other benefits	9
	Other Considerations (Max 5 points):	
	Creative Subtotal	18
Sustainable	**Sustainable (25 Points)**	**Points**
	Engages in Sustainable Practices (Max Points 10) Project has adopted sustainable or green business practices (e.g. LEED certification, renewable energy commitment or use, energy efficient construction)	7
	Spur Infill Development Or Redevelopment (Max Points 10) Project is to develop/redevelop a property or facility in a manner that reduces urban sprawl and or increases density in a desirable area; project includes use of existing facility that has been vacant for at least 2 years	4
	Other Considerations (Max 5 points):	
	Sustainable Subtotal	11
Competitive	**Competitive(20 Points)**	**Points**
	Headquarters (Max Points 10) The project is an international or national headquarters facility	0
	Use of Local Contractors/Construction Vendors (Max Points 5) Project agrees to use vendors that have their principal place of business within the Denton City Limits	3
	Other Factors (Max 5 points):	
	Competitive Subtotal	3
Total by Category	**Total by Category**	**Score**
	Total	**90**
	Poor (0-44 points)	
	Acceptable (45-84 points)	
	Excellent (85-155 points)	X

IMPACT REPORT - EXPANSION ONLY

USCS EXPANSION

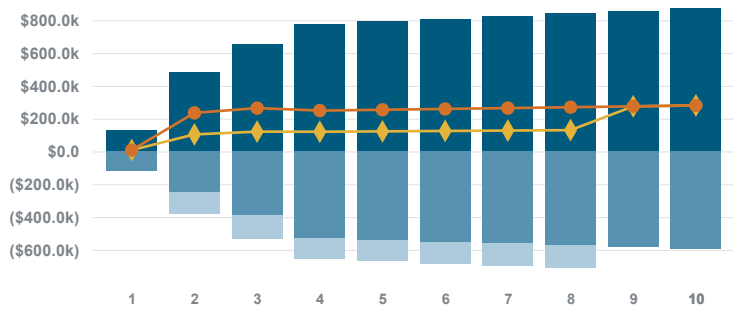
Scenario 2

Business Retention & Expansion | 48-49 - Transportation and Warehousing

City of Denton

BENEFITS	COSTS	INCENTIVES
$7,038,644	($4,685,041)	($946,856)

NET BENEFITS	NET BENEFITS LESS INCENTIVES
$2,353,603	$1,406,747



JOBS

283.7 Total
172.0 Direct
111.7 Spin-off

172.0 New Jobs @ $57,583

This summary does not include the impact from the company's current activity including:
148.0 Retained Jobs @ $53,053

SALARIES

$60,459 Avg
$57,583 Direct
$64,888 Spin-off

CAPITAL INVEST.

$34.9M
Buildings + FF&E

NET BENEFITS LESS INCENTIVES	$1,406,747
Present Value	$1,017,372
NET BENEFITS	**$2,353,603**
Present Value	$1,762,135

BENEFITS

Sales Taxes	$280,050
Real Property Taxes	$1,959,899
FF&E Property Taxes	$0
Inventory Property Taxes	$0
New Residential Property Taxes	$58,251
Hotel Occupancy Taxes	$1,916
Building Permits and Fees	$0
Utility Revenue	$4,267,421
Utility Franchise Fees	$27,653
Miscellaneous Taxes and User Fees	$443,454
Benefits Subtotal	**$7,038,644**

COSTS

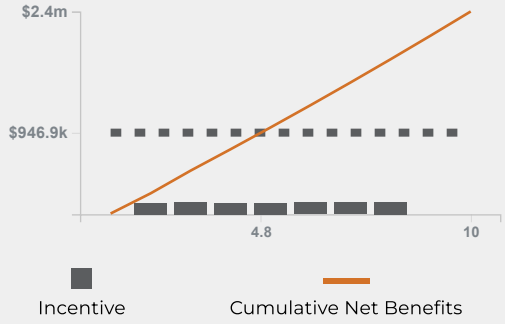
Cost of Government Services	($507,239)
Cost of Utility Services	($4,177,802)
Costs Subtotal	**($4,685,041)**

INCENTIVES

Sales Tax Rebate - Capital Investment	($58,970)
Property Tax Rebate	($887,886)
Incentives Subtotal	**($946,856)**

INCENTIVE ANALYSIS

$946,856	$5,505
Total Incentive	Per Job
24.9%	**4.8 Yrs**
Rate of Return	Payback Period



NET BENEFITS LESS INCENTIVES OVER 10 YEARS

CITY	$1,406,747
COUNTY	$642,743
SCHOOL DISTRICT	$1,610,992
TRANSIT DISTRICT	$109,193

IMPACT DASHBOARD

ORDINANCE NO. _____

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 UNITED STATES COLD STORAGE, LP, 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 $1,067,871; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, United States Cold Storage, LP, a Texas limited partnership ("USCS"), has made a request, on or about March 12, 2025, of the City of Denton ("City") to establish economic development incentives under Chapter 380 of the Texas Local Government Code for an expansion grant and job-based grant to expand their business and increase the number of jobs in the city to stimulate economic development and growth ("Grant Application"); and

WHEREAS, the Grant Application was subsequently recommended by the Economic Development Partnership Board as compliant with the City of Denton's Chapter 380 Policy (Resolution No. 24-822, as adopted, on May 7, 2024) and the City Council hereby also finds compliance therewith; and

WHEREAS, City and USCS have negotiated a Chapter 380 Economic Development Agreement to reflect the terms of the incentive, a copy of which is attached hereto and made a part hereof by reference (the "Agreement"); and

WHEREAS, the City Council of the City of Denton hereby finds that the contemplated use for the proposed purposes and considerations provided for in the Agreement, and the other terms and conditions of the Agreement, will promote economic development, increase capital investment, and stimulate business and commercial activity within the City of Denton for the benefit of the public and therefore meets the requirements under Chapter 380 of the Texas Local Government Code; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The recitals and findings contained in the preamble of this Ordinance are found to be true and are incorporated into the body of this Ordinance.

SECTION 2. The City Manager, or their designee, is hereby authorized to execute the Agreement attached hereto on behalf of the City of Denton and to carry out the City's responsibilities and rights under the Agreement, including without limitation the authorization to make the expenditures set forth in the Agreement.

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:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Scott Bray _____ Scott Bray
Deputy City Attorney

Docusign Envelope ID: 8B06D869-E4D5-4A4C-AFCC-E06DDE28D85D

THE STATE OF TEXAS §

COUNTY OF DENTON §

ECONOMIC DEVELOPMENT AGREEMENT WITH UNITED STATES COLD STORAGE, LP

This Economic Development Agreement (this "Agreement") is made and entered into as of the Effective Date as defined herein by **United States Cold Storage, LP** ("Grantee"), a Texas Limited Partnership located at 5150 Pulaski Street, Dallas, TX 75247, and the **City of Denton** ("City"), a Texas home-rule municipal corporation, located at 215 E. McKinney St., Denton, Texas, for the purposes and considerations stated below. Grantee and City may be individually referred to as a "Party" and collectively as the "Parties."

WHEREAS, this Agreement is authorized pursuant to Article III, Section 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code (the "Act") to promote local economic development and to stimulate business and commercial activity in the City of Denton; and

WHEREAS, Grantee intends to expand their business (the "Expansion Plans" as shown in Exhibit B attached hereto and incorporated herein for all purposes) and increase the number of jobs in the City of Denton; and

WHEREAS, on or about March 12, 2025, Grantee submitted an application to the City to request economic development incentives pursuant to the Act (the "Grant Application" ; and

WHEREAS, the Grant Application was reviewed by the Economic Development Partnership Board (the "EDP Board") in accordance with the City of Denton Chapter 380 Policy on May 14, 2025 , and the EDP Board found the Grant Application meets the qualifications for financial incentives and recommended approval of the proposed incentives unanimously; and

WHEREAS, the City Council of the City of Denton ("City Council"), authorized, by ordinance, an incentive in the form of a grant to the Grantee to expand the business and retain jobs in the City of Denton and found that the contemplated use of funds to be provided will promote economic development, increase employment, and stimulate business and commercial activity within the City of Denton for the benefit of the public and therefore meets the requirements under Chapter 380 of the Texas Local Government Code; and

WHEREAS, the City Council determined that a grant of funds in accordance with the terms of this Agreement will accomplish the public purpose of stimulating economic development and that all transactions involving the use of public funds and resources in the establishment and administration of this Agreement contain controls likely to ensure that the public purpose is accomplished; and

NOW, THEREFORE, the City and Grantee, for and in consideration of the promises contained herein do hereby contract, covenant, and agree as follows:

Docusign Envelope ID: 8B06D869-E4D5-4A4C-AFCC-E06DDE28D85D

I.
DEFINITIONS

"Base Year" means the 2024 calendar year.

"Base Year Value" means the 2024 certified valuation on January 1, 2024 of the Premises.

"Certificate of Occupancy" means a Certificate issued by the City Building Official for the use of a building, structure or land, when it is determined by the Building Official that the building, structure or proposed land use complies with the provisions of all applicable Codes of the City of Denton pursuant to the Denton Development Code Subchapter 23-5.

"Construction Materials" has the meaning set forth in Paragraph III.A.2 of this Agreement.

"Ad Valorem Rebate" has the meaning set forth in paragraph III.A.1 of this Agreement.

"Sales Tax Grant" has the meaning set forth in paragraph III.A.2 of this Agreement.

"Improvements" means the real property improvements erected or affixed to the Premises by the Grantee following the Base Year, including the approximately 100,000 square foot expansion of the current manufacturing facility situated on the Premises—excluding inventory, vehicles, and supplies, which is not eligible property—as shown on the Expansion Plans attached as Exhibit B.

The "Premises" means the property located at 3255 Jim Christal Road in Denton, Texas, more particularly described on Exhibit C.

"Required Completion Date" has the meaning set forth in paragraph III.B. of this Agreement.

"Required Valuation" has the meaning set forth in paragraph III.B. of this Agreement.

"Resident Job" means a job in the City of Denton held by a permanent, full-time employee (not independent contractor) of the Grantee residing inside the corporate limits of the City of Denton on or before the effective date of this Agreement and during the term of this Agreement.

"Sales and Use Tax(es)" means the 1.5% general municipal sales and use taxes imposed by the City pursuant to Chapter 321 of Texas Tax Code.

"Texas Direct Payment Permit" means a permit issued by the Comptroller allowing payment of Sales and Use Taxes directly to the Comptroller, instead of the seller collecting the Sales and Use Taxes, as authorized by Texas Administrative Code, Title 34, Chapter 3, Subchapter O, Rule Section 3.288, which is received by filing a qualifying Texas Application for Direct Payment Permit, Form AP-101 of the Comptroller.

Docusign Envelope ID: 8B06D869-E4D5-4A4C-AFCC-E06DDE28D85D

"Texas Direct Payment Return" means Form 01-119 of the Comptroller used for reporting and paying Sales and Use Taxes directly to the Comptroller under a Texas Direct Payment Permit, or other form used for this purpose that may be required by the Comptroller in the future.

II.
GRANT CONDITIONS

Grantee shall satisfy the following conditions to receive the grant payments from the City provided in Articles III and IV, and to avoid termination of this Agreement pursuant to Article VI:

A. Grantee covenants and agrees with the City that the City's obligations under this Agreement are subject to the fulfillment of the Grantee's obligations under this Agreement, and Grantee hereby agrees to perform and comply with the terms, conditions, and provisions of this Agreement and in all other instruments and agreements, if any, between Grantee and the City with respect to the financial or other incentives provided herein.

B. Grantee is duly authorized and existing under U.S. law and is in good standing under such laws and is registered to do business in the State of Texas.

C. In the event of any conflict between the City of Denton Code of Ordinances or federal, state, or other local regulations and this Agreement, such ordinances and/or regulations shall control.

D. In accordance with Chapter 2264 of the Texas Government Code, Grantee covenants and certifies that Grantee shall not knowingly employ any person who is not lawfully admitted for permanent residence to the United States or who is not authorized under law to be employed in that manner in the United States ("Undocumented Worker"). During the term of this Agreement, Grantee shall notify the City of any complaint brought against Grantee alleging that Grantee has knowingly employed Undocumented Workers. In accordance with section 2264.052 of the Texas Government Code, if Grantee is convicted of a violation of 8 U.S.C. section 1324a(f) for employing an Undocumented Worker, all grant payments shall be terminated, and Grantee shall repay the amount of all grants with interest of ten percent (10%) per annum from the date the grant payment(s) was made. Repayment shall be paid within 120 days after the date Grantee receives notice of such conviction from the City.

E. For the term of the Grant, Grantee must maintain a place of business within the corporate limits of the City of Denton. For the avoidance of doubt, nothing herein precludes Grantee from maintaining satellite offices in any location, provided the place of business remains within the corporate limits of the City of Denton.

F. Grantee agrees to obtain a Texas Direct Payment Permit prior to purchasing any Construction Materials grantee wants to include in the grant, as defined below, and to thereafter pay Sales and Use Taxes for purchases relating to the construction of the Improvements using Texas Direct Payment Returns. Grantee shall only enter into "separated contracts, and not "lump-sum contracts", as those terms are defined in Texas Administrative Code, Title 34, Chapter 3, Subchapter O, Rule Section 3.291(a)(3) and (13), for construction of the Improvements.

Docusign Envelope ID: 8B06D869-E4D5-4A4C-AFCC-E06DDE28D85D

G. Grantee shall not fail to render for taxation any property located within the City of Denton, nor shall it allow the ad valorem taxes owed to the City on any property owned by the Grantee and located within the City of Denton to become delinquent beyond the last day they can be paid without assessment of penalty, as such date is generally extended to allow for any appeal.

H. Grantee shall not allow any other municipal fees, levies, assessments, bills, or fines to become delinquent.

I. Grantee shall not discriminate in employment and contracting based on race, sex, sexual orientation, gender identity, age, disability, creed, color, genetics, or national origin, and shall not violate any applicable anti-discrimination laws in connection with Grantee's business.

J. Grantee agrees to use good faith efforts to purchase and select goods, services, and contractors from businesses located in the City of Denton whenever such goods, services, and contractors are comparable in availability, quality, and price. In the selection of contractors, suppliers, or other persons proposed for work on this Agreement, Grantee agrees to use its good faith efforts to select and employ historically underutilized businesses for work on this Agreement, whenever such vendors are comparable in availability, quality and price; however, Grantee is not required to use such vendors. Grantee is not required to but may submit information related to any good faith efforts as it relates to the local procurement of goods and services or the use of historically underutilized businesses with its annual Certificate of Compliance.

III.
TERMS OF GRANTS

A. As consideration for the retention of jobs for the residents of the City of Denton, the Grantee's ongoing business and increased capital investment within the City of Denton, and subject to the Grantee meeting all of the terms and conditions of this Agreement, the City will provide the following grants to the Grantee:

1. A grant equal to 60% of the increase in City ad valorem taxes above the Base Year attributable to the Improvements and tangible personal property on the Premises (excluding inventory, vehicles and supplies, and increases to land value) as determined by the Denton Central Appraisal District (DCAD), paid annually for a period of eight (8) years, commencing the first year following receipt by Grantee of the new Certificate of Occupancy based on the Improvements completed after the Base Year (the "Ad Valorem Rebate").

2. A Sales Tax Grant equal to seventy-five percent (75%) of the Sales and Use Taxes, up to a maximum of Eighty Five Thousand Nine Hundred and One dollars ($85,901.00), paid by Grantee and actually received by the City on taxable purchases for items utilized in or incorporated into the construction, development, and furnishing of the Improvements, such items which include, but are not limited to, construction materials, furniture, fixtures, equipment, operational supplies and equipment (collectively, the

Docusign Envelope ID: 8B06D869-E4D5-4A4C-AFCC-E06DDE28D85D

"Construction Materials") as set forth in the Texas Direct Payment Returns submitted by Grantee to the Comptroller and verified by the City's Economic Development and Finance Departments; provided however, that City shall not be obligated to pay any portion of the Grant related to Construction Materials purchased for the Improvements after the later of (i) 180 days after the date upon which a Certificate of Occupancy is issued for the Improvements, or (ii) the Required Completion Date. Grantee acknowledges and understands that: (i) the Construction Materials are required by state law to be purchased for Grantee's own use and not resold; and (ii) labor is not taxable, so the contract(s) entered by Grantee, and desired by Grantee to be included in the calculation of the Grant amount, must be "separated contracts" rather than "lump-sum contracts" in order for the Sales and Use Tax to be eligible for payment on Texas Direct Payment Returns and included in the Sales Tax Grant calculations.

B. A condition of the Grant is that, by December 31, 2027 (the "Required Completion Date"), Grantee shall have made the Improvements on the Premises which result in a combined assessed valuation of the improvements and tangible personal property (excluding inventory, vehicles, and supplies) on the Premises of at least $26,000,000, as determined by DCAD the Required Completion Date. The City may, in its sole discretion, grant an extension of up to 180 days for the making of the Improvements.

C. The total amount of the Sales Tax Grant and the Ad Valorem Rebate shall not exceed One Million Sixty Seven Thousand, Eight Hundred Seventy One dollars (1,067,871).

D. Payment of any portion of the Grant is subject to annual appropriation by the City Council in the annual budget, and the City's obligations under this Agreement shall not constitute a general obligation of the City or indebtedness under the constitution or laws of the State of Texas.

E. If the assessed value for the Premises for any year during the Term of this Agreement, as determined by the DCAD, is less than $26,000,000, the City will not make any payment for any portion of the Ad Valorem Rebate for that year.

IV.
PAYMENTS OF GRANTS

A. Subject to the terms and conditions of this Agreement, the City hereby agrees to pay the Grantee, on an annual basis, after the completion of the Improvements and the first assessment of ad valorem taxes on the Premises following receipt by Grantee of a Certificate of Occupancy for the Improvements, an amount equal to 60% of the difference between: (a) the then-current City ad valorem taxes payable for the Premises and the Improvements and (b) the Base Year Valuation City ad valorem taxes for the Premises and Improvements, as provided in Section III.A.

B. The payments shall be made annually for a period not to exceed eight (8) years during the term of this Agreement, with the first payment being due and payable on or before 90 days after the City is in receipt of all City ad valorem taxes due and payable for the Property and

Docusign Envelope ID: 8B06D869-E4D5-4A4C-AFCC-E06DDE28D85D

Improvements as of January 1st of the year following the calendar year in which the Improvements are completed and a Certificate of Occupancy is issued by the City for the Improvements and the business personal property category breakdown is provided by DCAD.

C. As a condition precedent to Grantee receiving the Sales Tax Grant payment, Grantee shall satisfy of all the terms, conditions, requirements and conditions precedent in this Agreement no later than 180 days following the date of issuance of a Certificate of Occupancy by City for the Improvements. Grantee shall submit a written Request for the Sales Tax Grant Payment to City within sixty (60) days after the last to occur of: (i) the Required Completion Date or (ii) the Required Valuation. Grantee's written request for payment of the Sales Tax Grant ("Request for Grant Payment") shall include: (i) a copy of Grantee's Texas Direct Payment Returns, with evidence of filing and payment of amounts reflected thereon, which reflect an amount to be included in the calculation of the Sales Tax Grant payment and the total of Grant payment requested and (ii) a completed Certificate of Compliance in the form attached hereto as Exhibit A.

D. Payments shall be issued to United States Cold Storage, LP unless an approved assignment occurs under Article XIV herein, in which case payment shall be directed to the entity assigned rights under this Agreement.

V
AUDITS AND MONITORING

Grantee shall deliver to the City before March 31st of each year a Certificate of Compliance utilizing the form attached as **Exhibit A**, beginning on the year following issuance of the Certificate of Occupancy and each year thereafter during the term of this Agreement. Said Certificate of Compliance shall reflect all relevant information from the previous calendar year. In the Certificate of Compliance, Grantee shall warrant to the City that it is in full compliance with its obligations under this Agreement for the preceding year.

During the term of this Agreement, the City reserves the right to conduct audits of the employment records of the Grantee related to this Agreement if, in the sole opinion of the City, such action is determined to be necessary. Grantee agrees upon reasonable advance request to furnish the City with additional records and information reasonably requested to support that the terms and conditions of this Agreement have been satisfied. Failure to provide such assistance shall be grounds for default, and City may withhold a Grant rebate payment until such assistance is provided. During the term of this Agreement, the City will keep, or cause to be kept, copies of the Certificates of Compliance and all documentation or employment records provided by the Grantee, payments made to Grantee, and any other calculations, allocations, and payments required by this Agreement.

VI.
DEFAULT AND TERMINATION

If a party fails to perform any of its obligations under this Agreement and such failure is not cured within thirty (30) days after written notice, the failure of the non-performing party to

Docusign Envelope ID: 8B06D869-E4D5-4A4C-AFCC-E06DDE28D85D

cure within such thirty (30) day period (or to commence and continue diligently to cure such default if the nature of the failure cannot reasonably be cured within 30 days in the exercise of all due diligence) shall constitute a default under this Agreement. A default by either party shall entitle the non-defaulting party to all remedies available at law or in equity, including but not limited to, termination of this Agreement, injunctive relief, specific performance, and suspending or withholding rebate Grant payments.

VII.
INDEMNITY

IT IS UNDERSTOOD AND AGREED THAT GRANTEE IN PERFORMING ITS OBLIGATIONS HEREUNDER IS ACTING INDEPENDENTLY AND THE CITY ASSUMES NO RESPONSIBILITIES OR LIABILITIES IN CONNECTION THEREWITH TO THIRD PARTIES AND GRANTEE AGREES TO DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY FROM AND AGAINST ANY AND ALL DIRECT AND INDIRECT DAMAGES INCURRED BY THE CITY RESULTING FROM CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER BROUGHT BY ANY THIRD PARTY ARISING OUT OF GRANTEE'S NEGLIGENCE IN THE PERFORMANCE OF ITS OBLIGATIONS HEREUNDER.

VIII.
REPRESENTATIONS AND WARRANTIES BY THE CITY

The City represents and warrants that:

A. The City is a home rule Texas municipal corporation that has the power to enter into and has taken all actions to date required to authorize this Agreement and to carry out its obligations hereunder; and

B. The City knows of no litigation, proceedings, initiative, referendum, investigation, or threat of any of the same contesting the powers of the City or its officials with respect to this Agreement that has not been disclosed in writing to Grantee; and

C. The City knows of no law, order, rule, or regulation applicable to the City or to the City's governing documents that would be contravened by, or conflict with, the execution and delivery of this Agreement; and

D. This Agreement constitutes a valid and binding obligation of the City, enforceable according to its terms, except to the extent limited by governmental immunity and bankruptcy, insolvency, and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity;

E. The funds granted by the City are derived from sources lawfully available to the City and are not proceeds of bonds or other obligations of the City payable from ad valorem taxes.

Docusign Envelope ID: 8B06D869-E4D5-4A4C-AFCC-E06DDE28D85D

IX.
REPRESENTATIONS AND WARRANTIES BY GRANTEE

Grantee represents and warrants that:

A. Grantee is a Limited Partnership duly registered and validly existing under the laws of the State of Texas and is, or prior to the Effective Date of this Agreement will be, qualified to do business in the State of Texas and has the legal capacity and the authority to enter into and perform its obligations under this Agreement; and

B. The execution and delivery of this Agreement and the performance and observance of its terms, conditions and obligations have been duly and validly authorized by all necessary action on its part to enter into this Agreement; and

C. Grantee knows of no litigation proceeding, initiative, referendum, or investigation or threat of any the same contesting the powers of the City, Grantee or any of its principals or officials with respect to this Agreement that has not been disclosed in writing to the City; and

D. Grantee has the necessary legal ability to perform its obligations under this Agreement and has the necessary financial ability, through borrowing or otherwise, to construct improvements on the portions of the property that Grantee may acquire or improve in accordance with this Agreement. This Agreement constitutes a valid and binding obligation of Grantee, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity.

X.
RIGHTS OF LENDERS AND INTERESTED PARTIES

The City is aware that financing for Grantee may be provided, in whole or in part, from time to time, by one or more third parties, including, without limitation, lenders, major tenants, equity partners and purchasers or developers (individually, an “Interested Party” and collectively, “Interested Parties”). In the event Grantee fails to perform any of its obligations under this Agreement, all notices to which Grantee is entitled under Article XV of this Agreement shall be provided to the Interested Parties at the same time they are provided to Grantee (provided the Interested Parties have previously been identified to the City and provided their notice addresses to the City). If any Interested Party is permitted under the terms of its agreement with Grantee to cure the event of default and/or to assume Grantee's position with respect to this Agreement, the City agrees to recognize such rights of the Interested Party and to otherwise permit the Interested Party to cure the event of default and to assume all of the rights and obligations of Grantee under this Agreement. The City shall, at any time upon reasonable request by Grantee, provide to any Interested Party an estoppel certificate or other document evidencing that this Agreement is in full force and effect and that no event of default by Grantee exists hereunder (or, if appropriate, specifying the nature and duration of any existing event of default). Upon request by any Interested Party, the City will enter into a separate assumption or similar agreement with such Interested Party, consistent with the provisions of Article XIV.

Docusign Envelope ID: 8B06D869-E4D5-4A4C-AFCC-E06DDE28D85D

XI.
COMPLIANCE

This Agreement shall be conditioned upon and subject to compliance with applicable federal, state, and City laws, ordinances, rules, and regulations.

XII.
NO VESTED RIGHTS

The Grantee shall be subject to all applicable ordinances of the City, whether now existing or in the future arising. This Agreement shall confer no vested rights, as defined and referenced in Chapter 245 of the Texas Local Government Code, as amended, on the Grantee or property where Grantee conducts business. Grantee agrees and acknowledges that this Agreement is not required by the City to complete the project described in the Grant Application.

XIII.
ENTIRE AGREEMENT; CHANGES AND AMENDMENTS

This Agreement constitutes the entire agreement of the Parties with regard to the subject matter hereof. Except as specifically provided otherwise in this Agreement, any alterations or deletions to the terms of this Agreement shall be by written amendment executed by both Parties to this Agreement.

XIV.
SUCCESSORS AND ASSIGNS

This Agreement shall be binding on and inure to the benefit of the Parties, their respective successors, and assigns. Grantee may assign all or part of its rights and/or obligations in or to or under this Agreement upon written notice to the City of such assignment. The City may execute an amendment to this Agreement evidencing the assignment and the City's execution of said amendment to the Agreement shall not be unreasonably withheld or delayed. If an assignee agrees in writing to be bound by the terms and conditions of this Agreement and executes an amendment to this Agreement stating the same, the assignor shall be released as to the obligations assigned but not as to any obligations or liabilities of the assignor to the City that arose prior to the assignment.

XV.
NOTICE

Any notice and/or statement required or permitted to be delivered shall be deemed delivered five business days after being deposited in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses, or at such other addresses provided by the Parties in writing. Any such notice and/or statement shall also be deemed delivered when delivered by a nationally recognized delivery company (e.g., FedEx or UPS) with evidence of delivery signed by anyone at the delivery address.

Docusign Envelope ID: 8B06D869-E4D5-4A4C-AFCC-E06DDE28D85D

If to Grantee:

UNITED STATES COLD STORAGE, LP
Attn: Erica Mathews
2 Aquarium Drive, Ste. 400
Camden, NJ 08103
Phone: 856-813-4892

If to the City:

City of Denton
Attn: City Manager
215 E. McKinney
Denton, Texas 76201
Phone: (940) 349-8307
Fax: (940) 349-8596

With a copy to:

City of Denton
Attn: City Attorney
215 E. McKinney
Denton, Texas 76201
Phone: (940) 349-8333
Fax: (940) 382-7923

XV.
APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws and court decisions of the State of Texas. Venue for any action under this Agreement shall be the State's District Court of Denton County, Texas. This Agreement is performable in Denton County, Texas.

XVI.
BENEFIT OF AGREEMENT

This Agreement is executed solely for the benefit of the Parties and their successors and assigns, and nothing in this Agreement is intended to create any rights in favor of or for the benefit of any third party.

XVII.
LEGAL CONSTRUCTION/PARTIAL INVALIDITY OF AGREEMENT

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and it is the intention of the Parties to this Agreement that in lieu of each provision that is found to be illegal, invalid or unenforceable, upon written, mutual agreement of both parties and approval of the City Council, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

XVIII.
FORM 1295

Submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission's (the ''TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the

Docusign Envelope ID: 8B06D869-E4D5-4A4C-AFCC-E06DDE28D85D

"Form 1295"). The City hereby confirms receipt of the Form 1295 from the Owner and the Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Parties understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Owner; and neither the City nor its consultants have verified such information.

XIX.
TERM

This Agreement shall be effective as of the Effective Date. This Agreement will terminate on the earlier to occur of December 31, 2035 or the date of termination for default in accordance with Article VI. After termination of this Agreement, the City shall not be liable to make any further payments to Grantee.

EXECUTED and effective as of the _____ day of _____, 2025 ("Effective Date"), by the City signing by and through its City Manager, duly authorized to execute same by action of the City Council, and by Grantee, acting through its duly authorized officials.

CITY OF DENTON, TEXAS

By: _____
SARA HENSLEY, CITY MANAGER

ATTEST:

_____
LAUREN THODEN, CITY SECRETARY

APPROVED AS TO LEGAL FORM:

Scott Bray
Deputy City Attorney

By: _____
MACK REINWAND , CITY ATTORNEY

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational obligations and business terms.

Signed by:
Brittany Sotelo
C4A78D1808B6439...
SIGNATURE

Brittany Sotelo
PRINTED NAME

Director
TITLE

Economic Development
DEPARTMENT

Docusign Envelope ID: 8B06D869-E4D5-4A4C-AFCC-E06DDE28D85D

UNITED STATES COLD STORAGE, LP

By: Signed by: Erica Mathews 6CBB957E0C1D4B6...

Its: VP Finance & Accounting

Docusign Envelope ID: 8B06D869-E4D5-4A4C-AFCC-E06DDE28D85D

EXHIBIT A

CITY OF DENTON
INCENTIVE
ANNUAL CERTIFICATE OF COMPLIANCE

United States Cold Storage, LP

A. Payment

1. The Chapter 380 Agreement provides annual payments for up to 8 years based on conditions being met. For years one through ten, the Agreement provides for annual rebates equal to 60 percent of the increase above the base year of the City' s ad valorem taxes received for the previous year, excluding the value of land, inventory or vehicles.

2. The City property taxes paid for January 1, 20_ valuation are:

3255 Jim Christal Rd.
Real Property: _____
Business Personal Property: _____

3.List dates and periods of filing of Texas Direct Payment Returns and the amount of City of Denton Sale and Use Taxes paid to the Comptroller with each return (attach additional page if needed):

Reporting Period	Date Return Filed	Amount Paid

A. Required Attachments

I hereby certify that, to the best of my knowledge and belief, the information provided herein is accurate and in compliance with the terms of the Economic Development Agreement with the City of Denton, Texas. I have provided a copy of all documentation needed to substantiate the job retention threshold requirement for which I am requesting a rebate payment.

Docusign Envelope ID: 8B06D869-E4D5-4A4C-AFCC-E06DDE28D85D

_____

Printed Name and Title of Certifying Officer

_____ _____

Signature of Certifying Officer Date

Note: This form is due by March 31 of each year after the commencement date, and as long as this Agreement is in effect.

Attach employee roster as required by Economic Development Agreement.

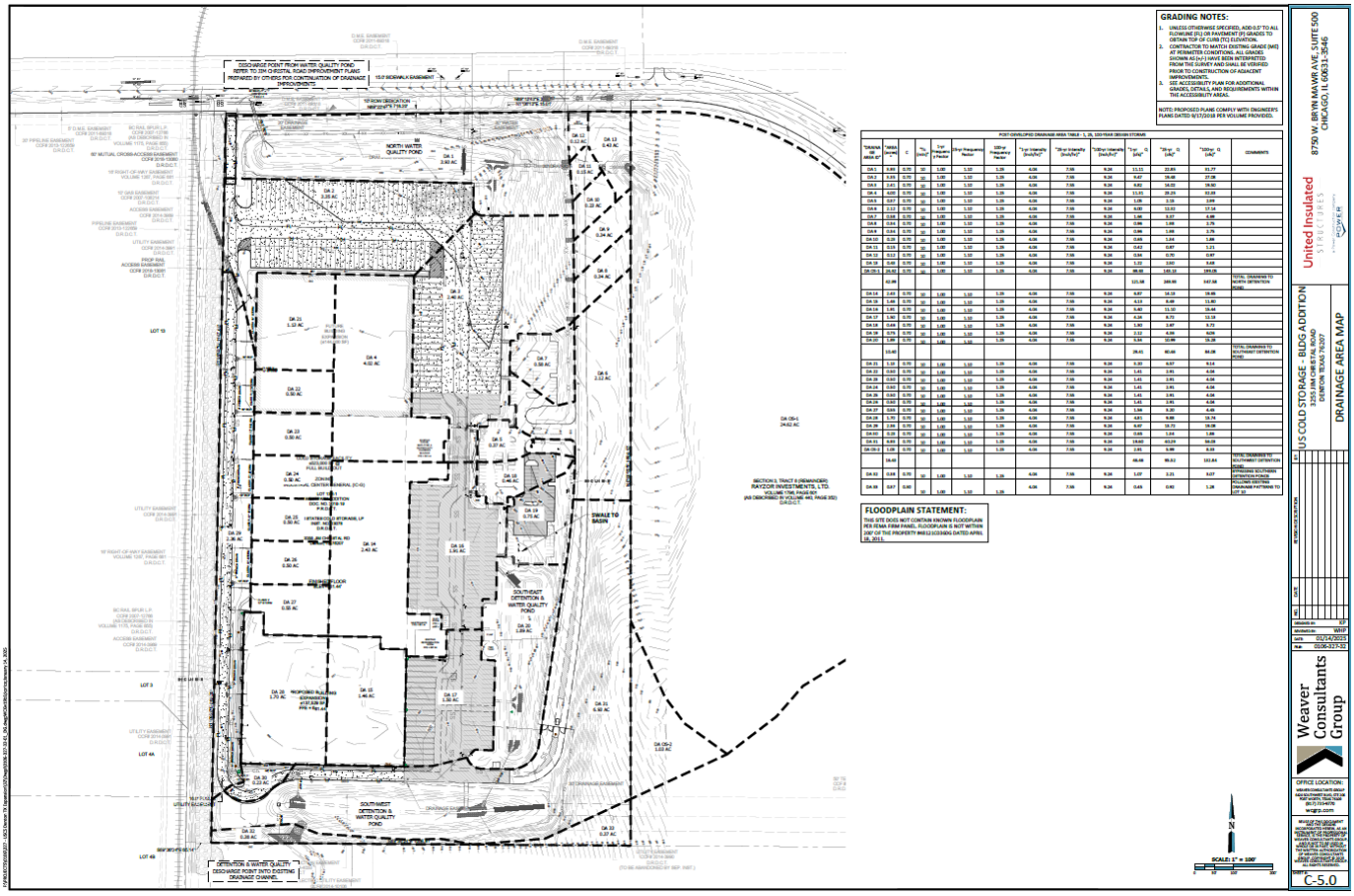
This Certificate of Compliance should be mailed to:

City of Denton
Attn: Economic Development
401 N. Elm St.
Denton, TX 76201

Docusign Envelope ID: 8B06D869-E4D5-4A4C-AFCC-E06DDE28D85D

EXHIBIT B

Expansion Plans



Docusign Envelope ID: 8B06D869-E4D5-4A4C-AFCC-E06DDE28D85D

EXHIBIT C

Property Description

BEING Lot 13R-1, Block A of the WESTPARK ADDITION to the City of Denton, Denton County, Texas, according to the plat thereof recorded in cc#2018-54, Plat Records of Denton County, Texas.

July 15, 2025

UNITED STATES COLD STORAGE

ECONOMIC DEVELOPMENT INCENTIVE REQUEST

City Council Meeting

CITY OF DENTON
Office of Economic Development

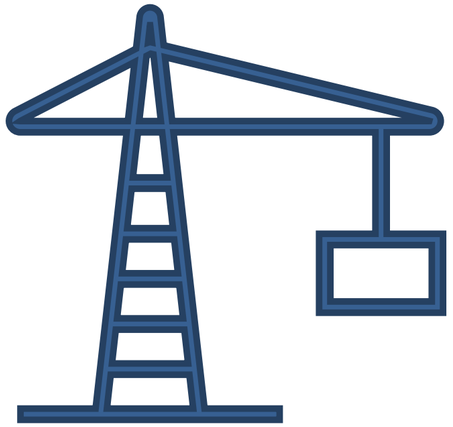
COMPANY BACKGROUND

- Leader in temperature-controlled storage and transportation logistics for many of the country's largest food providers.
- Existing Denton Company that has 37 existing facilities in 13 states.
- The company, which has operating for 126 years, started as American Ice Company in 1899, it was renamed to United States Cold Storage (USCS) in 1920 and became a wholly owned subsidiary of John Swire & Sons in 1982.



INCENTIVE REQUEST

- USCS is examining multiple expansion opportunities in Texas
- The Denton facility has been identified as a potential location for a 100,000 square foot expansion.
- The request includes the investment in the building, machinery and equipment.



LOCATION: 3255 Jim Christal Road



Facility is located on a 45-acre site in the Westpark TIRZ Number Two

ID25-914; 07/15/2025

INCENTIVE APPLICATION

TOTAL CAPITAL INVESTMENT	IMPROVEMENTS	BUS. PERSONAL PROPERTY	NEW JOBS*
$35 Million	$12 Million	$23 Million	172

ID25-914; 07/15/2025

JOB/WAGE INFORMATION

New Jobs Created Type/Description	Year 1	Year 2	Year 3	Year 4	Total Number	Annual Salary	Hourly Wage
Logistics / Distribution	40	40	40	40	160	$55,806	$26.83
Professional / Management	1	1	1	1	4	$108,024	$56.08
Administrative Support	0	0	3	0	3	$58,333	$30.28
Customer Care	1	1	1	2	5	$59,211	$30.75
Totals	**42**	**42**	**45**	**43**	**172**		

- Weighted average of the **172** new jobs is **$57,583** (annually)/ **$27.68** an hour for all positions
- The jobs are approaching the County's average wage of **$61,651** (annually)/ **$29.6** an hour

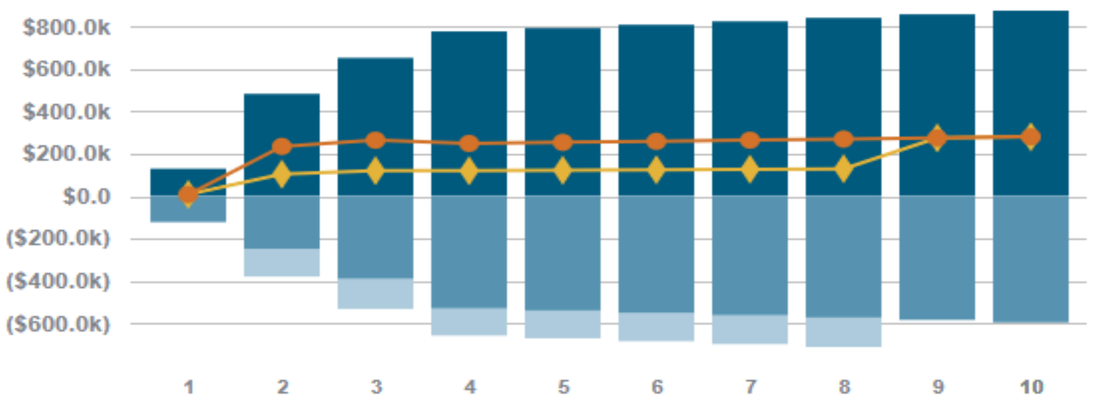
IMPACT REPORT

Business Retention & Expansion | 48-49 - Transportation and Warehousing

City of Denton

BENEFITS	COSTS	INCENTIVES
$7,038,644	($4,685,041)	($946,856)

NET BENEFITS	NET BENEFITS LESS INCENTIVES
$2,353,603	$1,406,747



CITY	$1,406,747
COUNTY	$642,743
SCHOOL DISTRICT	$1,610,992
TRANSIT DISTRICT	$109,193

JOBS

283.7 Total
172.0 Direct
111.7 Spin-off

SALARIES

$60,459 Avg
$57,583 Direct
$64,888 Spin-off

172.0 New Jobs @ $57,583

This summary does not include the impact from the company's current activity including:
148.0 Retained Jobs @ $53,053

CAPITAL INVEST.

$34.9M
Buildings + FF&E

24.9%	4.8 Yrs
Rate of Return	Payback Period

ID25-914; 07/15/2025

BENEFITS

BUSINESS RETENTION AND EXPANSION

- The project is retaining 148 jobs in Denton
- 172 New jobs created to help support the local economy

SUSTAINABILITY

- Project Winter's CO2 emission reduction 11.4% for the company
- Goal to reach net zero emissions by 2050
- Food waste and sustainability program

SUPPLY CHAIN

- USCS is a transportation logistics company providing best in service, facilities, and is essential to the cold chain

GENERATES ADDITIONAL UTILITY USAGE

- The Company is a high energy electric user for DME

INCENTIVE EVALUATION MATRIX

- Total Points: 90 Excellent (85-175 points)

INCENTIVE & PROJECT REVENUE GENERATION

	Total Incentive
Proposed Incentive	
60% Property Tax Rebate on Improvements and BPP for 8 years	**$981,970**
Sales and Use Tax for Construction rebate 75% - Est. Year 2	**$85,901**
Cumulative Incentive/Total	**$1,067,871**
City Revenue	
40% on Improvements and *BPP* for 8 years, 100% for 2 years	**$1,063,801**
Sales and Use Tax for Construction rebate 25%	**$28,634**
Cumulative City Revenue/Total	**$1,092,435**

Project	Current Valuation	Estimated Increase in Valuation	Estimated Total Valuation	Current City Revenue	Estimated Increase in Revenue	Estimated Total Revenue
Land	$5,902,162	$0	$5,902,162	$34,552	$0	$34,552
Improvements	$33,597,838	$11,969,305	$45,567,143	$196,688	$70,071	$266,759
BPP	$8,466,200	$22,976,052	$31,442,252	$49,563	$134,506	$184,069
Total Valuation	**$47,966,200**	**$34,945,357**	**$82,911,557**	**$280,804**	**$204,577**	**$485,381**

INCENTIVE RECOMMENDATION

Chapter 380 Grant

- Performance-based ad valorem tax rebate at 60% for 8 years for the business expansion
- Sales and Use Tax for Construction Rebate at 75%
  - Agreement to include a valuation threshold and cap on funding amounts for each grant.
- An incentive would make the company eligible for Nomination to the State of Texas Enterprise Zone Program (separate approval and compliance process).

QUESTIONS?

File #: ID 25-1125, **Version:** 1

AGENDA CAPTION

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 PR Gypsum, LLC, regarding the expansion of operations and increase in the number of jobs in the City of Denton; authorizing the expenditure of funds therefore in an amount not-to-exceed $236,857; and providing an effective date. The Economic Development Partnership Board recommends approval (9-0).

AGENDA INFORMATION SHEET

DEPARTMENT: **Economic Development**

ACM: **Christine Taylor**

DATE: **July 15, 2025**

SUBJECT

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 PR Gypsum, LLC, regarding the expansion of operations and increase in the number of jobs in the City of Denton; authorizing the expenditure of funds therefore in an amount not-to-exceed $236,857; and providing an effective date. The Economic Development Partnership Board recommends approval (9-0).

BACKGROUND

This is the first manufacturing expansion in the United States for a company that produces joint compound used in the construction of residential and commercial projects. The project involves Panel Rey, a subsidiary of Grupo Promax, the largest producer of gypsum drywall and joint compound in Latin America. Grupo Promax is a family-owned Mexican business conglomerate with over 100 years of market presence, operating 17 manufacturing facilities across five countries and serving customers in more than 40 countries worldwide. The company began working with Texas Governor's Office of Economic Development and Tourism and a site selector in January 2025 to identify suitable locations within Texas.

Project

Panel Rey is considering the purchase an existing 60,000 square foot building at 3651 Shelby Lane in Denton as Phase I of their U.S. expansion. The facility will be enhanced with a 34,000 square foot "patio cover" to protect the loading area on the east side of the building, along with the addition of two silos on the north end and upgraded electrical infrastructure to support new machinery. This strategic location was shortlisted due to Denton's proximity to the growing North Texas market, particularly the Dallas-Fort Worth area, allowing Panel Rey to better serve both new and existing customers in the region.

As Phase I of their manufacturing expansion in the US, Panel Rey plans to build one production line. Phase II could include a second production line and expansion of their steel support beam division. Panel Rey estimate that the investment in the building, machinery, and equipment for Phase I will be about a $15 million investment. The project involves plans to create 20 jobs with a weighted salary of $72,733.

STRATEGIC AND POLICY ALIGNMENT

City of Denton Strategic Plan

- Key Focus Area #3: Foster Economic Opportunity and Affordability

Economic Development Strategic Plan

- Goal 1: Accelerate Recovery
    - Business Retention and Workforce Development
- Goal 2: Foster Growth
    - Attract New Investment

Policy Considerations

The project NAICS falls under the Connected Strategic Growth Areas (SGAs) industry targets and addressed the following SGA considerations detailed in the Incentive Evaluation Matrix (Exhibit 3). The Incentive Evaluation Matrix score for the project is 89, which falls under the Excellent (85-175 points) category.

- Engages is sustainable practices: Project has adopted sustainable or green business practices (e.g. LEED certification, renewable energy commitment or use, energy efficient construction);
- Pays a living wage for all new employees in accordance with the current "Living Wage" from the MIT Living Wage Calculator for Denton County;
- Expands the tax base through property, sales, Hotel Occupancy Tax (HOT), or other taxes to the City, County, DISD, and DCTA through the development of property, facility or by making improvements to an existing property or facility, through the development of a new business or expansion of an existing business, through the development of a new multi-tenant complex where businesses can locate, or through the addition or increase in jobs available in the City;
- Provides benefits to employees that may include: on-site childcare services; adult care; vouchers or other financial assistance for child or adult care; backup or temporary childcare services; flexible hours or remote work accommodations; and flexible spending accounts; 401(k) matching/pension; tuition reimbursement; or other benefits.

Project Benefits

Staff conducted analysis on the information provided by the company to ensure stated policy criteria were met and determine both qualitative and quantitative public benefits. Staff also used an economic impact analysis model to quantify the economic impact and rate of return. Total Impact, by Austin-based Impact DataSource, is a customized economic development modeling tool that performs economic and fiscal impact analysis and incentive analysis. The economic impact is based on a Regional Input-Output Modeling System (RIMS II) created by the U.S. Department of Commerce, Bureau of Economic Analysis, which is widely used to estimate the direct and secondary impacts of an event on the regional economy using input and output methods. Scoring Matrix 89 – Excellent (85-155 points)

Quantitative Benefits and Economic Impact for the Community

- Capital Investment: $15 million
- Total Jobs:
    - Direct Jobs: 20
    - Spin Off: 14.3
- 10-year net benefits estimated at $617,617
- Rate of Return: 38.5%
- Payback period: 2.0 years

Qualitative Benefits and Community Impact

- Business retention and expansion
    - 20 new jobs created to help support the local economy
- Supply chain
    - Manufacturing company that is essential to the construction industry
- Engaging in sustainable practices and activities

- Corporate carbon footprint reduction policies

PRIOR ACTION/REVIEW
June 25, 2025: The Economic Development Partnership Board recommended approval (9-0).

STAFF RECOMMENDATION AND DIRECTION
Chapter 380 Grant: total not to exceed $236,857

- Performance-based ad valorem tax rebate of 60% for five years on improvements (value: $47,419)
- Performance-based ad valorem business personal property taxes (value: $122,938)
- Jobs-Based grant on qualified jobs up to $16,500 over four years
- One-Time Relocation Grant: $50,000

EXHIBITS
Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Ordinance and Agreement
Exhibit 3 – Incentive Evaluation Matrix
Exhibit 4 – Economic Impact Summary
Exhibit 5 – Presentation

Respectfully submitted:
Brittany Sotelo
Director of Economic Development

Prepared By:
Christina Davis
Business Development Administrator

ORDINANCE NO. _____

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 PR GYPSUM, LLC, REGARDING THE EXPANSION OF OPERATIONS AND INCREASE IN THE NUMBER OF JOBS IN THE CITY OF DENTON; AUTHORIZING THE EXPENDITURE OF FUNDS THEREFORE IN AN AMOUNT NOT-TO-EXCEED $236,857; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on April 28, 2025, PR Gypsum, LLC (the "Applicant") submitted an application to the City of Denton ("City") for economic development incentives under Chapter 380 of the Texas Local Government for relocation and job-based grants to expand their business and increase the number of high wage or knowledge-based jobs in the city to stimulate economic development and growth ("Grant Application"); and

WHEREAS, the Grant Application was reviewed and an economic development incentive was recommended by the Economic Development Partnership Board on June 11, 2025, as compliant with the City of Denton's Chapter 380 Incentive Policy (Resolution No. 24-822, as adopted, on May 7, 2024) and the City Council hereby also finds compliance therewith; and

WHEREAS, City and Applicant have negotiated a Chapter 380 Economic Development Agreement to reflect the terms of the incentive, a copy of which is attached hereto and made a part hereof by reference (the "Agreement"); and

WHEREAS, the City Council of the City of Denton hereby finds that the contemplated purposes and considerations provided for in the Grant Application and the Agreement, and the other terms and conditions of the Agreement, will promote economic development, increase employment, and stimulate business and commercial activity within the City of Denton for the benefit of the public and therefore meets the requirements under Chapter 380 of the Texas Local Government Code; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The recitals and findings contained in the preamble of this Ordinance are incorporated into the body of this Ordinance.

SECTION 2. The City Manager, or their designee, is hereby authorized to execute the Agreement attached hereto on behalf of the City of Denton and to carry out the City's responsibilities and rights under the Agreement, including without limitation the authorization to make the expenditures set forth in the Agreement.

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**
Gerard Hudspeth, Mayor:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

Scott Bray Scott Bray
Deputy City Attorney

PASSED AND APPROVED this the _____ day of _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

Docusign Envelope ID: B5BCB2A4-0787-46EA-8565-82346BDB166D

THE STATE OF TEXAS §

COUNTY OF DENTON §

ECONOMIC DEVELOPMENT AGREEMENT WITH PR GYPSUM, LLC

This Economic Development Agreement (this "Agreement") is made and entered into as of the Effective Date as defined herein by PR Gypsum, LLC ("Grantee"), a Texas limited liability company and the CITY OF DENTON ("City"), a Texas home-rule municipal corporation located at 215 E. McKinney St., Denton, Texas, 76201, for the purposes and considerations stated below. Grantee and City may be individually referred to as a "Party" and collectively as the "Parties."

WHEREAS, this Agreement is authorized pursuant to Article III, Section 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code (the "Act") to promote local economic development and to stimulate business and commercial activity in the City of Denton; and

WHEREAS, Grantee intends to locate their business and increase the number of high-wage or knowledge-based jobs in the City of Denton; and

WHEREAS, on or about April 28, 2025, Grantee submitted an application to the City to request economic development incentives pursuant to the Act; and

WHEREAS, the Grant Application was reviewed by the Economic Development Partnership Board (the "EDP Board") in accordance with the City of Denton Chapter 380 Policy on June 11, 2025, and the EDP Board found the Grant Application meets the qualifications for financial incentives and recommended approval of the proposed incentives unanimously; and

WHEREAS, the City Council of the City of Denton ("City Council") desires to provide an incentive in the form of a grant to the Grantee to locate their business and jobs in the City of Denton and hereby finds that the contemplated use of funds to be provided will promote economic development, increase employment, and stimulate business and commercial activity within the City of Denton for the benefit of the public and therefore meets the requirements under Chapter 380 of the Texas Local Government Code; and

WHEREAS, the City Council has determined that a grant of funds in accordance with the terms of this Agreement will directly establish a public purpose and that all transactions involving the use of public funds and resources in the establishment and administration of this Agreement contain controls likely to ensure that the public purpose is accomplished; and

NOW, THEREFORE, the City and Grantee for and in consideration of the promises contained herein do hereby contract, covenant, and agree as follows:

Docusign Envelope ID: B5BCB2A4-0787-46EA-8565-82346BDB166D

I.
DEFINITIONS

"Ad Valorem Tax Grant" has the meaning given in Section III.F of this Agreement.

"Annual Salary" means wages, paid bonuses, commissions, incentive pay or any other amounts that are included when reporting to the Texas Workforce Commission or Internal Revenue Service for unemployment insurance or tax purposes.

"Business Personal Property" means taxable property associated with the Project other than Real Property and excluding inventory, vehicles, and supplies.

"Certificate of Occupancy" or "CO" means a Certificate issued by the Building Official for the use of a building, structure or land, when it is determined by the Building Official that the building, structure or proposed land use complies with the provisions of all applicable Codes of the City of Denton pursuant to the Denton Development Code Subchapter 23-5.

"City" means the City of Denton, a home-rule municipal corporation located at 215 E. McKinney, Denton, Texas 76201.

"Coverage Period" means a year indicated in Table III-1, with Year 1 meaning the calendar year 2027 and the following years corresponding to the respective subsequent calendar year.

"Eligible Job" means a Job which is paid an Annual Salary of at least Sixty-Five Thousand Dollars ($65,000) per year and includes a standard employee benefits package.

"Grantee" has the meaning provided in the preamble of this Agreement.

"Improvements" means permanent changes made to the property located at 3561 Shelby Lane, Denton, TX 76207, that increase its value, functionality or aesthetic appeal, substantially in the form shown on Exhibit B.

"Job" means a permanent, full-time employment position that has provided or will result in employment of at least 2,080 hours per position per year. Part-time positions may be aggregated to create a full-time position for consideration in this Agreement.

"Job Grant" means a grant made on the basis of the number of Eligible Jobs added by the Grantee pursuant to Article IV and V of this Agreement.

"Knowledge-based Jobs" means occupations which require specialized and theoretical knowledge, usually acquired through a college education or through work experience or other training which provides comparable knowledge: require some research, analysis, report writing, and presentations; or require special licensing, certification, or registration to perform the job task.

Docusign Envelope ID: B5BCB2A4-0787-46EA-8565-82346BDB166D

"Premises" means the property located at 3561 Shelby Lane, Denton, TX 76207, more particularly described on Exhibit C.

"Location Grant" has the meaning given in Section III.E of this Agreement.

II.
GRANT CONDITIONS

Grantee shall satisfy the following conditions to receive the grant payments from the City provided in Article IV and V, and to avoid termination of this Agreement pursuant to Article VIII:

A. Grantee covenants and agrees with the City that the City's obligations under this Agreement are subject to the fulfillment of the Grantee's obligations under this Agreement, and Grantee hereby agrees to perform and comply with the terms, conditions, and provisions of this Agreement and in all other instruments and agreements, if any, between Grantee and the City with respect to the financial or other incentives provided herein.

B. Grantee exists and is duly authorized and in good standing under the laws of the State of Texas, and shall remain so during the term of this Agreement.

C. In the event of any conflict between the City of Denton Code of Ordinances and federal, state, or other local regulations, and this Agreement, such ordinances and/or regulations shall control.

D. In accordance with Chapter 2264 of the Texas Government Code, Grantee covenants and certifies that Grantee shall not knowingly employ any person who is not lawfully admitted for permanent residence to the United States or who is not authorized under law to be employed in that manner in the United States ("Undocumented Worker"). During the term of this Agreement, Grantee shall notify the City of any complaint brought against Grantee alleging that Grantee has knowingly employed Undocumented Workers. In accordance with section 2264.052 of the Texas Government Code, if Grantee is convicted of a violation of 8 U.S.C. section 1324a(f) for employing an Undocumented Worker, all grant payments shall be terminated, and Grantee shall repay the amount of all grants with interest of ten percent (10%) per annum from the date the grant payment(s) was made. Repayment shall be paid within 120 days after the date Grantee receives notice of such conviction from the City.

E. Grantee shall not fail to render for taxation any property located within the City of Denton, nor shall it allow the ad valorem taxes owed to the City on any property owned by the Grantee and located within the City of Denton to become delinquent beyond the last day they can be paid without assessment of penalty, as such date is generally extended to allow for any appeal.

F. Grantee shall not allow any other municipal fees, levies, assessments, bills, or fines to become delinquent.

Docusign Envelope ID: B5BCB2A4-0787-46EA-8565-82346BDB166D

G. Grantee shall not discriminate in employment and contracting based on race, sex, sexual orientation, gender identity, age, disability, creed, color, genetics, or national origin, and shall not violate any applicable anti-discrimination laws in connection with Grantee's business.

H. Grantee agrees to use good faith efforts to purchase and select goods, services, and contractors from businesses located in the City of Denton whenever such goods, services, and contractors are comparable in availability, quality, and price. In the selection of contractors, suppliers, or other persons proposed for work on this Agreement, Grantee agrees to use its good faith efforts to select and employ historically underutilized businesses for work on this Agreement, whenever such vendors are comparable in availability, quality and price; however, Grantee is not required to use such vendors. Grantee is not required to but may submit information related to any good faith efforts as it relates to the local procurement of goods and services or the use of historically underutilized businesses with its annual Certificate of Compliance.

III.
TERMS OF GRANTS

A. The City agrees to provide the Grantee a Job Grant in the amount shown in TABLE V-1 for each new Eligible Job or Knowledge-based Job added in the applicable Coverage Period as shown in TABLE III-1. The total amount of the Job Grant shall not exceed Sixteen Thousand Five Hundred Dollars ($16,500) over the term of this Agreement. The calculation of the Job Grant payment amount for any Coverage Period as shown in TABLE III-1 and the schedule of payments shall be made in accordance with Articles IV and V.

B. To receive a Job Grant payment for a Coverage Period, the Grantee must submit the annual Certificate of Compliance (Exhibit A) in a form approved by the City and which contains all information required by this Agreement, along with all documentation required in Section IV.B of this Agreement, on or before the corresponding Certification Due date provided in TABLE III-1 below:

TABLE III-1

Coverage Period	Certification Due
Year 1	March 31, 2028
Year 2	March 31, 2029
Year 3	March 31, 2030
Year 4	March 31, 2031
Year 5	March 31, 2032

C. If at any time during the term of this Agreement Grantee fails to maintain the total number of Eligible Jobs from all previous Coverage Periods, the Grantee is ineligible for the Job Grant payment until the Eligible Job numbers exceed the level prior to reduction. Only Eligible Jobs added in excess of the highest number of Eligible Jobs which existed prior to the reduction will be considered in the calculation of a Job Grant. Grantee shall repay to City any portions of the

Docusign Envelope ID: B5BCB2A4-0787-46EA-8565-82346BDB166D

Job Grant previously paid by the City that are attributable to Eligible Jobs that become vacant during the Term of this Agreement and remain vacant for more than one (1) Coverage Period.

D. The City agrees to provide a Location Grant to Grantee in an amount not to exceed Fifty Thousand Dollars ($50,000) upon Grantee's successful completion of the Improvements resulting in receiving a Certificate of Occupancy from the City of Denton for the Premises and a successful media release (posted to Grantee or its affiliates' official social media or to a news publication) announcing Grantee's first US manufacturing location in Denton, Texas, subject to the terms of this Agreement. The Location Grant may be requested by Grantee during the term of this Agreement after the Certificate of Occupancy has been received by Grantee by submitting a written request that includes a copy of the Certificate of Occupancy and media release.

E. The City will provide an ad Valorem Tax Grant equal to 60% of the increase in City ad valorem taxes above the 2024 City ad valorem taxes received by the City for the Premises, to the extent that increase is attributable to the Improvements and tangible personal property on the Premises (excluding inventory, vehicles and supplies, and increases to land value) as determined by the Denton Central Appraisal District (DCAD), paid annually for a period of five years, commencing the first year following receipt by Grantee of the new Certificate of Occupancy based on the Improvements, in an amount not to exceed One Hundred Seventy Thousand Three Hundred Fifty-Seven dollars ($170,357).

F. The total amount of the Job Grant, Ad Valorem Tax Grant for Improvements and Business Personal Property, and Location Grant shall not exceed Two Hundred Thirty-Six Thousand Eight Hundred Fifty-Seven Dollars ($236,857).

G. A payment of the Job Grant, Location Grant, or Ad Valorem Tax Grant provided for in this Agreement shall be subject to annual appropriation by the City Council in the annual budget and the City's obligations under this Agreement shall not constitute a general obligation of the City or indebtedness under the constitution or laws of the State of Texas.

IV.
PAYMENTS OF GRANTS

A. The Location Grant payment will be paid to Grantee within sixty (60) days of City's receipt of the written request for payment of the Location Grant from Grantee with appropriate documentation, provided the other requirements for payment of the Location Grant provided herein have been satisfied.

B. The City will pay the Job Grant requested pursuant to the requirements of this Agreement within 60 days of receiving the request, Certificate of Compliance, and the following documentation:

- Annual employment roster from Grantee's payroll systems or other document requested by the City that includes titles of positions, employee address, total salary per employee, total benefits amount paid by the employer per employee and total compensation (Salary + Benefits) amount per employee; and

Docusign Envelope ID: B5BCB2A4-0787-46EA-8565-82346BDB166D

- The date on which each Job was filled and if Grantee has received a Bonus payment for that Job.

C. The City shall pay the Ad Valorem Tax Grants annually for a period not to exceed five (5) years during the term of this Agreement, with the first payment being due and payable after the City is in receipt of all City ad valorem taxes due as of February 1st of the year following the calendar year in which a Certificate of Occupancy is issued by the City, for the Improvements and the taxable business personal property located on the Premises.

Any grant payment by the City contemplated in this Agreement shall be issued to PR Gypsum, LLC unless an approved assignment occurs under Article XVII herein, and in which case payment shall be directed to the entity assigned rights under this Agreement.

V.
CALCULATION OF INSTALLMENT PAYMENTS

A. The Job Grant for a Coverage Period, if any, shall be calculated by multiplying the number of new Eligible Jobs added in the Coverage Period by the "Grant Amount per Eligible Job" in Table V-1.

TABLE V-1

Annual Salary Ranges	Grant Amount Per Eligible Job
$65,000 to $74,999.99	$500
$75,000 to $89,999.99	$1,000
$90,000 to $99,999.99	$2,500
$100,000 or greater	$5,000

B. There is no cap on the Job Grant payments for any Coverage Period, so long as the cumulative Job Grant payments do not exceed Sixteen Thousand, Five Hundred Dollars ($16,500) over the term of this Agreement.

VI.
OTHER GRANTEE OBLIGATIONS

A. Grantee shall deliver to the City before March 31st of each year their written request for incentive payment, if any, the Certificate of Compliance, and any other documentation required by this Agreement or requested by the City, beginning on the year following issuance of the Certificate of Occupancy and each year thereafter during the term of this Agreement. Said written request and required documentation shall reflect all relevant information from the previous calendar year. Grantee shall warrant to the City in its Certificate of Compliance that it is in full compliance with its obligations under this Agreement for the preceding year, unless an approved assignment occurs under Article XVI herein, and in which case payment shall be directed to the entity assigned rights under this Agreement.

Docusign Envelope ID: B5BCB2A4-0787-46EA-8565-82346BDB166D

B. Grantee shall submit to the City documentation supporting Grantee's request and demonstrating proof of Eligible Jobs, Knowledge-based Jobs in accordance with the terms of this Agreement adequate to justify Grantee's receipt of the Job Grant. A failure to provide the supporting documentation by the "Certification Due" date set forth in TABLE III-1, may, in the sole discretion of the City, result in Grantee being ineligible to receive the Job Grant for the applicable Coverage Period.

C. A condition of the Ad Valorem Tax Grant is that, by December 31, 2027, Grantee shall have made a capital investment in tangible personal property (excluding inventory, vehicles, and supplies) and Improvements (excluding land) on the Premises in an amount of at least $6,790,000, as determined by DCAD. Grantee shall maintain the required investment for the term. If the taxable valuation of tangible personal property (excluding inventory, vehicles, and supplies) and Improvements (excluding land) on the Premises is not at least $6,790,000 there will be no rebate for that tax year.

VII.
AUDITS AND MONITORING

A. During the term of this Agreement, the City reserves the right to conduct audits of the employment records of the Grantee related to this Agreement if, in the sole opinion of the City, such action is determined to be necessary. Grantee agrees upon reasonable advance request to furnish the City with additional records and information reasonably requested to support that the terms and conditions of this Agreement have been satisfied. Failure to provide such assistance shall be grounds for default, and City may withhold any Job Grant, and Location Grant payment until such assistance is provided. During the term of this Agreement, the City will keep, or cause to be kept, copies of all documentation or employment records provided by the Grantee, payments made to Grantee, and any other calculations, allocations, and payments required by this Agreement.

B. Grantee shall provide access and authorize inspection of the Property by authorized City representatives for the purpose of ensuring Grantee's compliance with the obligations set forth in this Agreement and to ensure compliance with the conditions precedent to making payments of any Grant. Such inspections shall not unreasonably interfere with Grantee's business activities. Such inspections shall be in addition to, and not in place of, any inspections required by ordinance for construction on the Property and the like.

C. This Article VII shall survive termination of this Agreement for six (6) months.

VIII.
DEFAULT AND TERMINATION

A. If a party fails to perform any of its obligations under this Agreement and such failure is not cured within thirty (30) days after written notice, the failure of the non-performing

Docusign Envelope ID: B5BCB2A4-0787-46EA-8565-82346BDB166D

party to cure within such thirty (30) day period (or to commence and continue diligently to cure such default if the nature of the failure cannot reasonably be cured within 30 days in the exercise of all due diligence) shall constitute a default under this Agreement. A default by Grantee shall entitle the City to all remedies available at law or in equity, including but not limited to, termination of this Agreement, injunctive relief, specific performance, and suspending or withholding Job Grant, Location Grant, and Ad Valorem Tax Grant payments. A default by the City shall entitle Grantee as its sole remedy to seek specific performance of the terms of this Agreement.

B. The Property shall be operated and maintained for the purposes set forth herein except as otherwise authorized or modified by this Agreement. The City shall have the right to terminate the Agreement if the Grantee does not occupy and operate the premises continuously for the purposes set forth in the Agreement for the entire term of the Agreement.

C. If the City terminates this Agreement due to the Grantee's breach pursuant to Section VIII.A above during the Term of this Agreement, the Grantee shall, upon demand by City, repay to City the full amounts of any Job Grant or Ad Valorem Tax Grant paid to Grantee for the most recent past Coverage Period for which payment was made. In the years following the final Coverage Period, Grantee shall refund to City the percentage of the amount of any Job Grant and Ad Valorem Tax Grant payments paid to Grantee in Year 5, as shown in **Table VIII-1** below. Repayment of grant payments shall become due 60 days following Grantee's receipt of such demand, and shall accrue interest if overdue at the rate of the lesser of either 10% per annum or the greatest rate which may be charged or collected under applicable law. The rights of the City to require recapture and demand repayment of grant payments, and the obligation of Grantee to pay such, shall survive termination of the Agreement as shown in Table VIII-1.

TABLE VIII-1

	Year 5 + 1	**Year 5 + 2**	**Year 5 + 3**
Refund to City	50%	25%	15%

IX.
INDEMNITY

IT IS UNDERSTOOD AND AGREED THAT GRANTEE IN PERFORMING ITS OBLIGATIONS HEREUNDER IS ACTING INDEPENDENTLY AND THE CITY ASSUMES NO RESPONSIBILITIES OR LIABILITIES IN CONNECTION THEREWITH TO THIRD PARTIES AND GRANTEE AGREES TO DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY FROM AND AGAINST ANY AND ALL DIRECT AND OUT-OF-POCKET DAMAGES INCURRED BY THE CITY RESULTING FROM CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER BROUGHT BY ANY THIRD PARTY ARISING OUT OF GRANTEE'S OBLIGATIONS HEREUNDER.

Docusign Envelope ID: B5BCB2A4-0787-46EA-8565-82346BDB166D

X.
REPRESENTATIONS AND WARRANTIES BY THE CITY

The City represents and warrants that:

A. The City is a home rule Texas municipal corporation that has the power to enter into and has taken all actions to date required to authorize this Agreement and to carry out its obligations hereunder; and

B. This Agreement constitutes a valid and binding obligation of the City, enforceable according to its terms, except to the extent limited by governmental immunity and bankruptcy, insolvency, and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity.

C. The funds granted by the City are derived from sources lawfully available to the City and are not proceeds of bonds or other obligations of the City payable from ad valorem taxes.

XI.
REPRESENTATIONS AND WARRANTIES BY GRANTEE

Grantee represents and warrants that:

A. Grantee is a Texas corporation duly registered and validly existing under the laws of the State of Texas and is, or will prior to the Effective Date of this Agreement, be qualified to do business in the State of Texas; has the legal capacity and the authority to enter into and perform its obligations under this Agreement; and

B. The execution and delivery of this Agreement and the performance and observance of its terms, conditions and obligations have been duly and validly authorized by all necessary action on its part to enter into this Agreement; and

C. Grantee knows of no litigation, proceeding, initiative, referendum, or investigation or threat of any the same contesting the powers of the City, Grantee or any of its principals or officials with respect to this Agreement that has not been disclosed in writing to the City; and

D. Grantee has the necessary legal ability to perform its obligations under this Agreement and has the necessary financial ability, through borrowing or otherwise, to construct improvements on the portions of the property that Grantee may acquire or improve in accordance with this Agreement. This Agreement constitutes a valid and binding obligation of Grantee, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity.

Docusign Envelope ID: B5BCB2A4-0787-46EA-8565-82346BDB166D

XII.
RIGHTS OF LENDERS AND INTERESTED PARTIES

The City is aware that financing for Grantee may be provided, in whole or in part, from time to time, by one or more third parties, including, without limitation, lenders, major tenants, equity partners and purchasers or developers (individually, an "Interested Party" and collectively, "Interested Parties"). In the event Grantee fails to perform any of its obligations under this Agreement, all notices to which Grantee is entitled under XVIII of this Agreement shall be provided to the Interested Parties at the same time they are provided to Grantee (provided the Interested Parties have previously been identified to the City and provided their notice addresses to the City). If any Interested Party is permitted under the terms of its agreement with Grantee to cure the event of default and/or to assume Grantee's position with respect to this Agreement, the City agrees to recognize such rights of the Interested Party and to otherwise permit the Interested Party to cure the event of default and to assume all of the rights and obligations of Grantee under this Agreement. The City shall, at any time upon reasonable request by Grantee, provide to any Interested Party an estoppel certificate or other document evidencing that this Agreement is in full force and effect and that no event of default by Grantee exists hereunder (or, if appropriate, specifying the nature and duration of any existing event of default). Upon request by any Interested Party, the City will enter into a separate assumption or similar agreement with such Interested Party, consistent with the provisions of Article.

XIII.
COMPLIANCE

This Agreement shall be conditioned upon and subject to compliance with applicable federal, state, and City laws, ordinances, rules, and regulations.

XIV.
NO VESTED RIGHTS

The Grantee shall be subject to all applicable ordinances of the City, whether now existing or in the future arising. This Agreement shall confer no vested rights, as defined and referenced in Chapter 245 of the Texas Local Government Code, as amended, on the Grantee or property where Grantee conducts business. Grantee agrees and acknowledges that this Agreement is not required by the City for the Owner to complete the project described in the Grant Application.

XV.
ENTIRE AGREEMENT; CHANGES AND AMENDMENTS

This Agreement constitutes the entire agreement of the Parties with regard to the subject matter hereof. Except as specifically provided otherwise in this Agreement, any alterations or deletions to the terms of this Agreement shall be by written amendment executed by both Parties to this Agreement.

Docusign Envelope ID: B5BCB2A4-0787-46EA-8565-82346BDB166D

XVI.
SUCCESSORS AND ASSIGNS

This Agreement shall be binding on and inure to the benefit of the Parties, their respective successors, and assigns. Grantee may assign all or part of its rights and/or obligations in or to or under this Agreement upon written notice to the City of such assignment. The City may execute an amendment to this Agreement evidencing the assignment and the City's execution of said amendment to the Agreement shall not be unreasonably withheld or delayed. If an assignee agrees in writing to be bound by the terms and conditions of this Agreement and executes an amendment to this Agreement stating the same, the assignor shall be released as to the obligations assigned but not as to any obligations or liabilities of the assignor to the City that arose prior to the assignment.

XVII.
NOTICE

Any notice and/or statement required or permitted to be delivered shall be deemed delivered five business days after being deposited in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses, or at such other addresses provided by the Parties in writing. Any such notice and/or statement shall also be deemed delivered when delivered by a nationally recognized delivery company (e.g., FedEx or UPS) with evidence of delivery signed by anyone at the delivery address.

If to Grantee:
PR Gypsum, LLC
c/o Panel Rey
Attn: Alan Villanueva Torres
Serafin Pena 938 Sur, Monterrey, Nuevo Leon, 64610, Mexico
Email: alan.villanueva@gpromax.com

If to the City:
City of Denton
Attn: City Manager
215 E. McKinney
Denton, Texas 76201
Phone: (940) 349-8307

With a copy to:
City of Denton
Attn: City Attorney
215 E. McKinney
Denton, Texas 76201
Phone: (940) 349-8333

XVIII.
APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any action under this Agreement shall be in a court of competent jurisdiction in Denton County, Texas. This Agreement is performable in Denton County, Texas.

Docusign Envelope ID: B5BCB2A4-0787-46EA-8565-82346BDB166D

XIX.
BENEFIT OF AGREEMENT

This Agreement is executed solely for the benefit of the Parties and their successors and assigns, and nothing in this Agreement is intended to create any rights in favor of or for the benefit of any third party.

XX.
LEGAL CONSTRUCTION/PARTIAL INVALIDITY OF AGREEMENT

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and it is the intention of the Parties to this Agreement that in lieu of each provision that is found to be illegal, invalid or unenforceable, upon written, mutual agreement of both parties and approval of the City Council, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

XXI.
FORM 1295

Submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission's (the ''TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Owner and the Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Parties understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Owner; and neither the City nor its consultants have verified such information.

XXII.
TERM

This Agreement shall be effective as of the Effective Date. This Agreement will terminate on the earlier to occur of (a) March 31st of the third (3^{rd}) calendar year following the fifth (5^{th}) Coverage Period or (b) the date of termination for default in accordance with Article VIII. After termination of this Agreement, the City shall not be liable to make any further payments to Grantee except, if applicable, payment of the Job Grant, or Ad Valorem Grant for "Year 5" as provided in TABLE III-1 for which Grantee is eligible.

Docusign Envelope ID: B5BCB2A4-0787-46EA-8565-82346BDB166D

EXECUTED and effective as of the _____ day of _____, 2025 ("Effective Date"), by the City signing by and through its City Manager, duly authorized to execute same by action of the City Council, and by Grantee, acting through its duly authorized officials.

CITY OF DENTON, TEXAS

_____
SARA HENSLEY, CITY MANAGER

ATTEST:

_____
LAUREN THODEN, CITY SECRETARY

APPROVED AS TO LEGAL FORM:

Scott Bray
Deputy City Attorney

_____
MACK REINWAND, CITY ATTORNEY

PR GYPSUM, LLC

By: Signed by: Carlos Velazquez Zapata
276B834B8AFA471...

Its: Legal Representative

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

Signed by: Brittany Sotelo
C4A76D1808B6439...
SIGNATURE

Brittany Sotelo
PRINTED NAME

Director
TITLE

Economic Development
DEPARTMENT

Docusign Envelope ID: B5BCB2A4-0787-46EA-8565-82346BDB166D

EXHIBIT A

CITY OF DENTON
INCENTIVE
ANNUAL CERTIFICATE OF COMPLIANCE

PR GYPSUM, LLC

A. Payment

1. The Chapter 380 Agreement provides annual payments for up to five-years based on conditions being met. For years one through five, the Agreement provides for annual rebates equal to 60 percent of the increase above the base year of the City' s ad valorem taxes received for the previous year, excluding the value of land, inventory or vehicles.

2. The City property taxes paid for January 1, 20_ valuation are:

3561 Shelby Lane.
Real Property: _____
Business Personal Property: _____

A. Required Attachments

I hereby certify that, to the best of my knowledge and belief, the information provided herein is accurate and in compliance with the terms of the Economic Development Agreement with the City of Denton, Texas. I have provided a copy of all documentation needed to substantiate the job creation threshold requirement for which I am requesting a rebate payment.

_____
Printed Name and Title of Certifying Officer

_____ _____
Signature of Certifying Officer Date

Note: This form is due by March 31 of each year after the commencement date, and as long as this Agreement is in effect.

Attach employee roster as required by Economic Development Agreement.

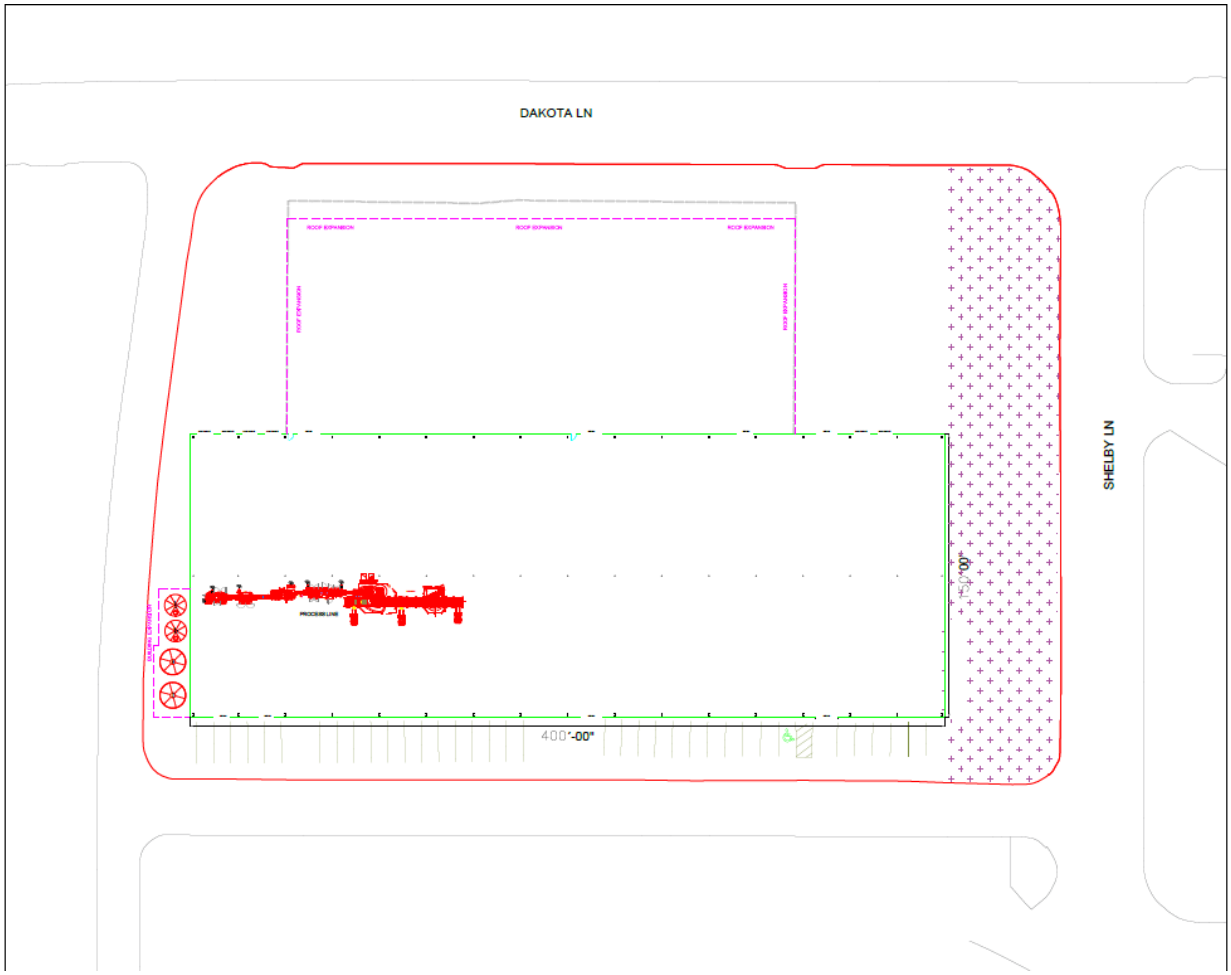
This Certificate of Compliance should be mailed to:

City of Denton
Attn: Economic Development
401 N. Elm St.
Denton, TX 76201

Docusign Envelope ID: B5BCB2A4-0787-46EA-8565-82346BDB166D

Exhibit B

Site Plan



Docusign Envelope ID: B5BCB2A4-0787-46EA-8565-82346BDB166D

Exhibit C

Legal Description

Being Lot 6, Block A, Corbin Road Business Park, Phase III, Denton County, Texas, according to the Plat thereof recorded in Cabinet Y, Page 639, Plat Records, Denton County, Texas.

Evaluation Matrix

(125 points) + (30 "Other" bonus points) = 155 total points

SGA Targets by NAICS	**Target: 10 points (Total 15 Points)**	**Points**
	NAICS: 327420 Gypsum Product Manufacturing	
	Connected	
	Creative	
	Sustainable	
	Competitive	
	Other Target Areas (Max 5 points): Supports construction industry. 13 suppliers in DFW with 2 located in Denton	5
	SGA Targets Subtotal	5
Economic and Fiscal Impacts	**Economic and Fiscal Impacts (50 points)**	**Points**
	Expand The Tax Base (Max Points 10) Project provides new property, sales, HOT, or other taxes to the City, County, DISD, and DCTA through the development of property or facility or by making improvements to an existing property or facility, a new business or expansion, a new multi-tenant complex, or increase in jobs	5
	Public-Private Partnership (Max Points 10) Project includes development of public infrastructure or amenities deemed beneficial, or developer assumes responsibility for development of infrastructure or public facilities beyond what is required. Project will involve a significant relationship with DISD or institution of higher education	7
	Increases High Wage Jobs (Max Points10) Project includes new jobs with an average or has a significant percentage of jobs that earn an annual base salary of $65,000 or more	5
	Encourage Knowledge Base Jobs (Max Points 5) Project includes new jobs or has a significant percentage of jobs that require specialized and theoretical knowledge, usually acquired through experience or a college education, or other training which provides comparable knowledge; requires some research, analysis, or requires special licensing, certification	4
	Pays a living wage for all new employees (Max 10 points) From the most current MIT Living Wage Calculator for Denton County	8
	Other (Max 5 points): Adding equipment and 20 new jobs	2
	Economic and Fiscal Impacts Subtotal	31
Connective	**Connective (15 points)**	**Points**
	Generates New Utility Customers (Max Points 10) Project is a customer of City utilities focusing on electric. Higher points awarded for larger customers.	7
	Other Target Areas (Max 5 points):	
	Connective Subtotal	7
Creative	**Creative (30 points)**	**Points**
	Community Investment (Max Points 5) Project, company, or developer demonstrates a commitment to community support or involvement through monetary or in-kind support of local nonprofits, public institutions, or community organizations	4
	Encourages New Business Markets/Suppliers And Entrepreneurship (Max Points 10) Project is from an industry not significantly represented in local economy or company is a new business startup or entrepreneurial endeavor	7
	Benefits Package (Max Points 10) Provides on-site child care; adult care; vouchers or other financial assistance; backup services; flexible or remote work accommodations; flexible spending accounts; 401K matching/pension; tuition reimbursement; or other benefits	5
	Other Considerations (Max 5 points):	
	Creative Subtotal	16
Sustainable	**Sustainable (25 Points)**	**Points**
	Engages in Sustainable Practices (Max Points 10) Project has adopted sustainable or green business practices (e.g. LEED certification, renewable energy commitment or use, energy efficient construction)	10
	Spur Infill Development Or Redevelopment (Max Points 10) Project is to develop/redevelop a property or facility in a manner that reduces urban sprawl and or increases density in a desirable area; project includes use of existing facility that has been vacant for at least 2 years	10
	Other Considerations (Max 5 points):	
	Sustainable Subtotal	20
Competitive	**Competitive(20 Points)**	**Points**
	Headquarters (Max Points 10) The project is an international or national headquarters facility	
	Use of Local Contractors/Construction Vendors (Max Points 5) Project agrees to use vendors that have their principal place of business within the Denton City Limits	5
	Other Factors (Max 5 points): First MFG facility in US serving multiple states.	5
	Competitive Subtotal	10
Total by Category	**Total by Category**	**Score**
	Total	**89**
	Poor (0-44 points)	
	Acceptable (45-84 points)	
	Excellent (85-155 points)	**X**

IMPACT REPORT

JUPITER COMPOUND

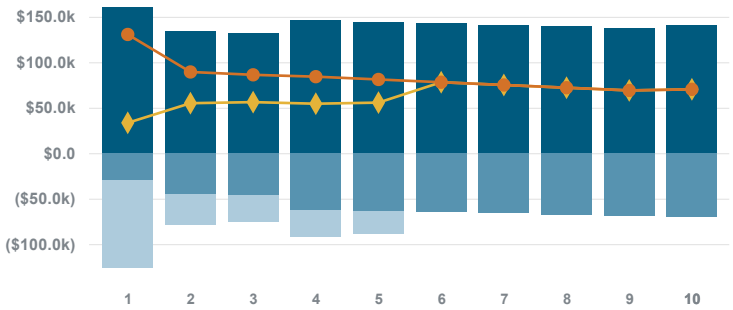
Scenario 3

Recruitment | 31-33 - Manufacturing

City of Denton

BENEFITS	COSTS	INCENTIVES
$1,414,708	($580,364)	($216,728)

NET BENEFITS	NET BENEFITS LESS INCENTIVES
$834,345	$617,617



JOBS

34.3 Total
20.0 Direct
14.3 Spin-off

SALARIES

$68,478 Avg
$72,733 Direct
$62,509 Spin-off

CAPITAL INVEST.

$9.7M
Buildings + FF&E

RESIDENTIAL DEV.

0.4 Homes
2.6 Relocations

NET BENEFITS LESS INCENTIVES	$617,617
Present Value	$465,448
NET BENEFITS	**$834,345**
Present Value	$659,484

BENEFITS

Sales Taxes	$65,314
Real Property Taxes	$521,575
FF&E Property Taxes	$233,405
Inventory Property Taxes	$0
New Residential Property Taxes	$7,425
Hotel Occupancy Taxes	$0
Building Permits and Fees	$0
Utility Revenue	$528,631
Utility Franchise Fees	$3,425
Miscellaneous Taxes and User Fees	$54,934
Benefits Subtotal	**$1,414,708**

COSTS

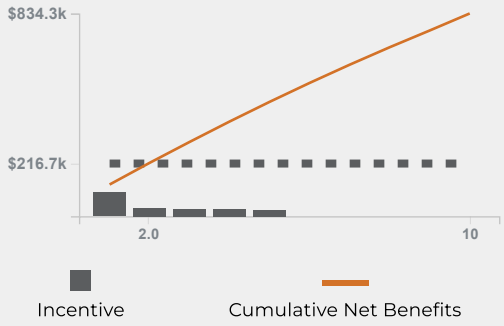
Cost of Government Services	($62,834)
Cost of Utility Services	($517,529)
Costs Subtotal	**($580,364)**

INCENTIVES

Property Tax Abatement	($150,228)
Non-Tax Incentive	($66,500)
Incentives Subtotal	**($216,728)**

INCENTIVE ANALYSIS

$216,728	$10,836
Total Incentive	Per Job
38.5%	**2.0 Yrs**
Rate of Return	Payback Period



NET BENEFITS LESS INCENTIVES OVER 10 YEARS

CITY	$617,617
COUNTY	$241,412
SCHOOL DISTRICT	$612,679
TRANSIT DISTRICT	$23,828

IMPACT DASHBOARD

July 15, 2025

Panel Rey

ECONOMIC DEVELOPMENT INCENTIVE APPLICATION

City Council Meeting

Presented By:

Brittany Sotelo

Economic Development Director

CITY OF DENTON

Office of Economic Development

COMPANY BACKGROUND

- **Panel Rey** began working with the State Economic Development team and a site selector in January 2025 to find sites in Texas.
- **Panel Rey** is a subsidiary of Grupo Promax and is the largest producer of gypsum drywall in Latin America.
- **Family Owned:** Grupo Promax a family-owned Mexican business conglomerate with more than 100 years in the market.
- **Grupo Promax:** Grupo Promax has 17 manufacturing facilities across five countries with a customer base in 40+ countries.

SITE SELECTION

In April 2025, Staff received an incentive application from Panel Rey for their expansion into the US.

- This will be their first manufacturing facility in the US.
- Expanding to serve new and existing customers in the DFW area.
- Attracted to Denton by strategic location and growth in North Texas.
- An existing 60,000 SF building is on their short-list for Phase I of their expansion into the US.

LOCATION: 3651 SHELBY LANE



ID25-1125; 7/15/25

LOCATION: 3651 SHELBY LANE







60,000 SF building. A 34,000 SF “patio cover” will be constructed to protect loading area on east side of building (red outline). Two silos will be added on the north end of the building.

ID25-1125; 7/15/25

BENEFITS

Business Recruitment

Creates industry and manufacturing jobs.

Supply Chain

Panel Rey fulfills an integral role within the construction supply chain and has major contracts with large homebuilders.

Workforce

Will create 20 new jobs, with a weighted average salary greater than the City's average.

Scoring Matrix: 89

Excellent (85-155 points)

INCENTIVE APPLICATION

TOTAL CAPITAL INVESTMENT	IMPROVEMENTS	BUS. PERSONAL PROPERTY	NEW JOBS
$15 Million	$2.7 Million	$7 Million	20

Weighted average wage of $72,733 of all positions. Wages include benefits.

INCENTIVE PROPOSAL

Incentive Terms:

Incentive	Estimated Value
60% Ad Valorem Rebate for 5-years	$ 47,419
60% Business Personal Property Rebate, for 5-years	$ 122,938
Jobs Based Grant on qualified jobs estimated for 5-years	$ 16,500
Relocation Grant - One-time payment	$ 50,000
Total	**$ 236,857**

Summary Table: Investment and City Revenue

Evaluated Property Type	Current Valuation	Estimated Increase in Valuation	Estimated Total Valuation	Current City Revenue	Estimated Increase in Revenue	Total Revenue
Land	$4,791,707	$0	**$ 4,791,707**	$28,052	$0	**$ 28,052**
Improvements	$0	$2,700,000	**$ 2,700,000**	$0	$15,806	**$ 15,806**
BPP	$0	$7,000,000	**$ 7,000,000**	$0	$40,979	**$ 40,979**
Total	$4,791,707	$9,700,000	**$ 14,491,707**	$28,052	$56,786	**$ 84,837**

JOB/WAGE INFORMATION

- Expansion creates 20 new jobs
  - Weighted annual salary of $72,733
  - Annual payroll of $1,454,660
  - Salaries ranging from $55,789 to $175,929 (includes benefits)

Job Type	Year 1	Year 2	Year 3	Year 4	Total Nbr.	Hourly Wage	Annual Salary Per Position
Plant Manager	1				1	$84.58	$175,929
Production Supervisor	1				1	$48.71	$101,326
Office Administrator	1				1	$41.55	$86,425
Hourly Lead/Maintenance	1	1		1	3	$38.74	$80,584
Mixer operator	1	2		2	5	$32.78	$68,186
Forklift operator	1				1	$29.80	$61,988
Line operator	2	2		2	6	$26.82	$55,789
Warehouse/Utility	1				1	$26.82	$55,789
Shipping loader	1				1	$26.82	$55,789

Salary	Grant per New Eligible Job	Eligible Jobs	Grant amount
Jobs equal to or > than $100,000	$ 5,000	2	$ 10,000
Jobs equal to $90,000-$99,999	$ 2,500	0	$ -
Jobs equal to $75,000-$89,999	$ 1,000	4	$ 4,000
Jobs equal to $65,000-$74,999	$ 500	5	$ 2,500
TOTAL		11	$ 16,500

ID25-1125; 7/15/25

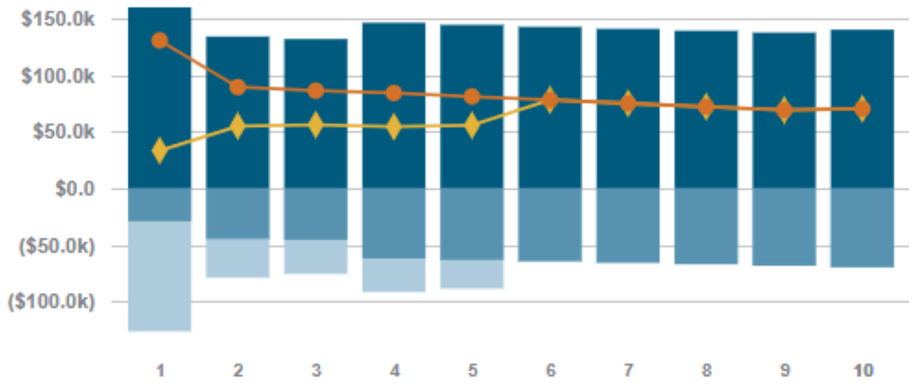
ECONOMIC IMPACT REPORT FOR PROJECT

Recruitment | 31-33 - Manufacturing

City of Denton

BENEFITS	COSTS	INCENTIVES
$1,414,708	($580,364)	($216,728)

NET BENEFITS	NET BENEFITS LESS INCENTIVES
$834,345	$617,617



JOBS
34.3 Total
20.0 Direct
14.3 Spin-off

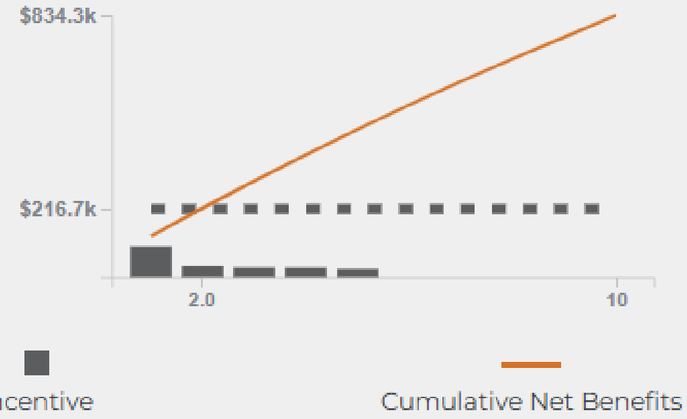
SALARIES
$68,478 Avg
$72,733 Direct
$62,509 Spin-off

CAPITAL INVEST.
$9.7M
Buildings + FF&E

RESIDENTIAL DEV.
0.4 Homes
2.6 Relocations

INCENTIVE ANALYSIS

$216,728 Total Incentive	$10,836 Per Job
38.5% Rate of Return	2.0 Yrs Payback Period



NET BENEFITS LESS INCENTIVES OVER 10 YEARS

CITY	$617,617
COUNTY	$241,412
SCHOOL DISTRICT	$612,679
TRANSIT DISTRICT	$23,828

ID25-1125; 7/15/25

INCENTIVE RECOMMENDATION

Chapter 380 Grant

- Performance-based ad valorem tax rebate at 60% for five-years on new business personal and real property taxes; Jobs Based grant; and a Relocation Grant; for a total incentive amount not to exceed $236,857.

QUESTIONS?

File #: ID 25-1233, **Version:** 1

AGENDA CAPTION

Consider approval of a resolution of the City of Denton appointing three members to the Community Partnership Committee.

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: City Manager's Office

CM: Sara Hensley

DATE: July 17, 2025

SUBJECT

Consider approval of a resolution of the City of Denton appointing three members to the Community Partnership Committee.

BACKGROUND

Members of the City Council serve on designated standing committees and other internal/external boards that provide policy guidance and direction to staff. Some are established by City Council resolution/ordinance, while external boards have their own regulations as to the membership composition and appointing authority.

To account for changes in City Council membership resulting from elections, these assignments are reviewed annually to determine any needed adjustments to existing member assignments as well as afford members the opportunity to identify any new or additional committees they may be interested in serving on.

Through Internal Staff Report No. 2025-053 provided as part of the June 6, 2025, Friday Report, Council members were asked to identify and submit committees of interest to the City Secretary's Office by Friday, June 13, 2025.

There are three positions open on the Community Partnership Committee (CPC). The resolution establishing the CPC states at least two members who serve on the CPC must also serve on the Discover Denton Advisory Board (DDAB). Council Members Byrd and Holland were appointed to a one (1) year term on the DDAB on February 18, 2025. As currently serving DDAB members, Council Members Byrd and Holland have advised they would like to continue serving on the CPC.

Council Member Jill Jester advised she would continue to serve on the CPC if needed but was interested in different opportunities. There were no additional nominations.

The Work Session resulted in two nominations for the two open seats requiring membership to CPC and DDAB. A nomination is still needed to fill the third open seat on CPC.

MEMBERS TO BE APPOINTED TO CPC WHO CURRENTLY SERVE ON DDAB (2):

Council Member Vicki Byrd
Council Member Joe Holland

MEMBER TO BE SELECTED TO CPC (1):

Council Member to be nominated

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Resolution
Exhibit 3 – Presentation

Respectfully submitted:

Lauren Thoden
City Secretary

RESOLUTION NO. 25-1233

A RESOLUTION OF THE CITY OF DENTON APPOINTING THREE MEMBERS TO THE COMMUNITY PARTNERSHIP COMMITTEE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Community Partnership Committee monitors allocation and use of both the hotel occupancy tax and sponsorship funds, ensuring hotel occupancy tax funds are being used to directly enhance and promote tourism and hotel/convention industry, ensuring the sponsorship funds are being used to further a charitable cause, economic or community growth.

WHEREAS, the Community Partnership Committee serves a public purpose in the best interest of the general welfare of the City Denton, recommends organizations to receive funding to the City Council, and conducts other duties as assigned by the City Council.

WHEREAS, the Community Partnership Committee is composed of three Council Members, two of these members must also serve on the Discover Denton Advisory Board.

WHEREAS, Council Members Vicki Byrd and Joe Holland were appointed on February 18, 2025, to serve a one (1) year term on the Discover Denton Advisory Board and have expressed interest to continue serving on both the Discover Denton Advisory Board and the Community Partnership Committee; and

WHEREAS, the City Council of the City of Denton, after due consideration, has selected Council Members Vicki Byrd, Joe Holland and _____ to serve on the Community Partnership Committee; NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The recitations in the preamble of this resolution are incorporated by reference.

SECTION 3. Council Members Vicki Byrd, Joe Holland, and _____ are appointed to serve on the Community Partnership Committee.

SECTION 4. This resolution shall become effective immediately upon its passage and approval.

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

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudspeth:	_____	_____	_____	_____

Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

Community Partnership Committee

Nominations to serve on Community Partnership Committee and Discover Denton Advisory Board (2 Positions Open):

- Council Member Vicki Byrd
- Council Member Joe Holland

Nominations to serve on Community Partnership Committee Only (1 Position Open):

- Council Member _____

File #: ID 25-1234, **Version:** 1

AGENDA CAPTION

Consider approval of a resolution of the City of Denton appointing three members to the Development Code Review Committee.

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: City Manager's Office

CM: Sara Hensley

DATE: July 15, 2025

SUBJECT

Consider approval of a resolution of the City of Denton appointing three members to the Development Code Review Committee.

BACKGROUND

Members of the City Council serve on designated standing committees and other internal/external boards that provide policy guidance and direction to staff. Some are established by City Council resolution/ordinance, while external boards have their own regulations as to the membership composition and appointing authority.

To account for changes in City Council membership resulting from elections, these assignments are reviewed annually to determine any needed adjustments to existing member assignments as well as afford members the opportunity to identify any new or additional committees they may be interested in serving on.

The Development Code Review Committee is a body whose purpose is to review and make recommendations to the Planning and Zoning Commission and the City Council regarding proposed Denton Development Code amendments. The Committee consists of three Council members and three members of the Planning and Zoning Commission. The three open Council Member positions have terms expiring August 31, 2027.

Through Internal Staff Report No. 2025-053 provided as part of the June 6, 2025, Friday Report, Council members were asked to identify and submit committees of interest to the City Secretary's Office by Friday, June 13, 2025.

The Work Session resulted in four nominations for three open seats.

MEMBERS TO BE APPROVED (SELECT 3):

Mayor Pro Tem Rumohr and/or
Council Member Vicki Byrd and/or
Council Member Brian Beck and/or
Council Member Jill Jester

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Resolution
Exhibit 3 – Presentation

Respectfully submitted:

Lauren Thoden
City Secretary

RESOLUTION NO. 25-1234

A RESOLUTION OF THE CITY OF DENTON APPOINTING THREE MEMBERS TO THE DEVELOPMENT CODE REVIEW COMMITTEE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, following each election cycle and periodically as needed the City Secretary informs the Council of vacancies on Boards, Commissions, and Committees; and

WHEREAS, the Development Code Review Committee is charged with reviewing and making recommendations regarding the Denton Development Code; and

WHEREAS, the Development Code Review Committee consists of three (3) City Council Members and three (3) Planning and Zoning Commission members; and

WHEREAS, the Development Code Review Committee has three positions open for appointment that must be filled by City Council Members: NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The recitations in the preamble of this resolution are incorporated by reference.

SECTION 2. Council Members _____, _____, and _____ are appointed to serve on the Development Code Review Committee for the term ending August 31, 2027.

SECTION 3. This resolution shall become effective immediately upon its passage and approval.

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

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY



BY: _____

Development Code Review Committee

Nominations to serve (3 Positions Open):

- Mayor Pro Tem Rumohr
- Council Member Vicki Byrd
- Council Member Brian Beck
- Council Member Jill Jester

File #: ID 25-1235, **Version:** 1

AGENDA CAPTION

Consider approval of a resolution of the City of Denton appointing two members to the Economic Development Partnership Board and the Tax Increment Reinvestment Zone Number Two Board.

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: City Manager's Office

CM: Sara Hensley

DATE: July 15, 2025

SUBJECT

Consider approval of a resolution of the City of Denton appointing two members to the Economic Development Partnership Board and the Tax Increment Reinvestment Zone Number Two Board.

BACKGROUND

Members of the City Council serve on designated standing committees and other internal/external boards that provide policy guidance and direction to staff. Some are established by City Council resolution/ordinance, while external boards have their own regulations as to the membership composition and appointing authority.

To account for changes in City Council membership resulting from elections, these assignments are reviewed annually to determine any needed adjustments to existing member assignments as well as afford members the opportunity to identify any new or additional committees they may be interested in serving on.

Through Internal Staff Report No. 2025-053 provided as part of the June 6, 2025, Friday Report, Council members were asked to identify and submit committees of interest to the City Secretary's Office by Friday, June 13, 2025.

There are two positions open on the Economic Development Partnership Board. One position has a term ending September 30, 2026, and the second position has a term ending September 30, 2027.

Whomever serves in these two positions must also serve on the Tax Increment Reinvestment Zone Number Two Board.

At the June 17, 2025, Work Session, Council Members Byrd, Beck, and Jester expressed interest in serving on the Economic Development Partnership Board and the Tax Increment Reinvestment Zone Number Two Board.

The Work Session resulted in three nominations for two open seats.

MEMBERS TO BE APPROVED (SELECT 2):

Council Member Vicki Byrd and/or
Council Member Brian Beck and/or
Council Member Jill Jester

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Resolution
Exhibit 3 – Presentation

Respectfully submitted:

Lauren Thoden
City Secretary

RESOLUTION NO. 25-1235

A RESOLUTION OF THE CITY OF DENTON APPOINTING TWO MEMBERS TO THE ECONOMIC DEVELOPMENT PARTNERSHIP BOARD AND THE TAX INCREMENT REINVESTMENT ZONE NUMBER TWO BOARD; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Economic Development Partnership Board was created to provide economic development policy guidance for the City of Denton.

WHEREAS, the Economic Development Partnership Board consists of twelve members with very specific membership requirements and includes two City of Denton Council Members.

WHEREAS, the City Council Members appointed to the Economic Development Partnership Board must also serve on the Tax Increment Reinvestment Zone Two Board.

WHEREAS, the Economic Development Partnership Board and Tax Increment Reinvestment Zone Two Board have two positions open for appointment that must be filled by a City Council Member.

WHEREAS, the City Council of the City of Denton, after due consideration, has selected _____ to serve on the Economic Development Partnership Board and Tax Increment Reinvestment Zone Two Board for the term ending September 30, 2026.

WHEREAS, the City Council of the City of Denton, after due consideration, has selected _____ to serve on the Economic Development Partnership Board and Tax Increment Reinvestment Zone Two Board for the term ending September 30, 2027; NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The recitations in the preamble of this resolution are incorporated by reference.

SECTION 2. Council Member _____ is appointed to serve on the Economic Development Partnership Board and Tax Increment Reinvestment Zone Two Board for the term ending September 30, 2026.

SECTION 3. Council Member _____ is appointed to serve on the Economic Development Partnership Board and Tax Increment Reinvestment Zone Two Board for the term ending September 30, 2027.

SECTION 4. This resolution shall become effective immediately upon its passage and approval.

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

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, 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 _____, 2025.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

Economic Development Partnership Board

This position also sits on Tax Increment Reinvestment Zone Number 2 Board

Nominations to serve (2 Positions Open):

- Council Member Vicki Byrd
- Council Member Brian Beck
- Council Member Jill Jester