



City of Rowlett

Meeting Agenda

City Council

4000 Main Street
Rowlett, TX 75088
www.rowlett.com

City of Rowlett City Council meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at 972-412-6115 or write 4000 Main Street, Rowlett, Texas, 75088, at least 48 hours in advance of the meeting.

Tuesday, December 1, 2015

5:45 P.M.

Municipal Building – 4000 Main Street

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

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

1. **CALL TO ORDER**
2. **EXECUTIVE SESSION**
3. **WORK SESSION (5:45 P.M.)** * Times listed are approximate.
 - 3A. Council discussion with Board and Commission Chairs about the role of the City's various Boards and Commissions. (45 minutes)
 - 3B. Discuss supporting resolution associated with proposed development by GroundFloor Development seeking Texas Department of Housing and Community Affairs Tax Credits for 2016 application year. (30 minutes)
 - 3C. Discuss nominations of Representatives for Suburban Cities to Dallas Central Appraisal District Board of Directors. (10 minutes)
 - 3D. Discuss an amended Facilities Agreement between the City of Rowlett, Texas and Bullitt Training Fields, LLC, for the construction of a .564 ± acre, 65 foot wide portion of Princeton Road, generally located south of Old Princeton Road and North of Liberty Grove Road. This item is also scheduled for the City Council's final consideration as Item 7H on the Consent Agenda. (15 minutes)
4. **DISCUSS CONSENT AGENDA ITEMS**

CONVENE INTO THE COUNCIL CHAMBERS (7:30 P.M.)*

INVOCATION

PLEDGE OF ALLEGIANCE

TEXAS PLEDGE OF ALLEGIANCE

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

5. PRESENTATIONS AND PROCLAMATIONS

- 5A.** Recognition of Jessica Liston and Evan Orticio for being named National Merit Semifinalists.
- 5B.** Update from the City Council and Management: Financial Position, Major Projects, Operational Issues, Upcoming Dates of Interest and Items of Community Interest.

6. CITIZENS' INPUT

At this time, three-minute comments will be taken from the audience on any topic. To address the Council, please submit a fully-completed request card to the City Secretary prior to the beginning of the Citizens' Input portion of the Council meeting. No action can be taken by the Council during Citizens' Input.

7. CONSENT AGENDA

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

- 7A.** Consider action to approve minutes from the November 17, 2015, City Council Regular Meeting.
- 7B.** Consider ratification of a resolution approving a second amendment to the Economic Development Program Agreement with 3840 Main LLC for property located at 3840 Main St. in Downtown Rowlett.
- 7C.** Consider action to approve a resolution providing support of the submission of an application to the 2016 Competitive Housing Tax Credit Program through the Texas Department of Housing and Community Affairs for the project proposed by GroundFloor Development.
- 7D.** Consider a resolution authorizing the final acceptance and release of retainage for the Scenic Point Park Improvements (PK 2100) in the amount of \$55,284.07 to York Bridge Concepts, Incorporated and authorize the Mayor to execute the necessary documents for said services.
- 7E.** Consider action to approve a resolution accepting the bid of and awarding a contract to Fortiline Inc. in the amount of \$186,387.50 for the purchase of inventory and line replacement parts and materials for the distribution system.
- 7F.** Consider a resolution authorizing the City Manager to amend the lease agreement between New Cingular Wireless PCS, LLC and the City of Rowlett as it pertains to the lease area located at 3800 Miller Road, Rowlett, TX, further described as Fire Station 1.
- 7G.** Select representative for Suburban Cities to Dallas Central Appraisal District Board of Directors.
- 7H.** Consider a resolution authorizing the City Manager to sign an amended Communication Facility License Agreement with Dallas MTA, L.P. d/b/a Verizon Wireless to lease property for the installation, housing, and operation of antenna facilities and associated equipment and cables in

order to provide telecommunication services at Community Park located at 8500 Saint Andrews Lane.

8. ITEMS FOR INDIVIDUAL CONSIDERATION

- 8A.** Consider adoption of an ordinance authorizing the issuance and sale of City of Rowlett, Texas Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2015, approving the official statement, providing an effective date and enacting other provisions relating to the subject.

TAKE ANY NECESSARY OR APPROPRIATE ACTION ON CLOSED/EXECUTIVE SESSION MATTERS

9. ADJOURNMENT

Laura Hallmark

Laura Hallmark, City Secretary

I certify that the above notice of meeting was posted on the bulletin boards located inside and outside the doors of the Municipal Center, 4000 Main Street, Rowlett, Texas, as well as on the City's website (www.rowlett.com) on the 25th day of November 2015, by 5:00 p.m.



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 12/01/15

AGENDA ITEM: 3A

TITLE

Council discussion with Board and Commission Chairs about the role of the City's various Boards and Commissions. (45 minutes)

STAFF REPRESENTATIVE

Laura Hallmark, City Secretary

SUMMARY

The City of Rowlett has ten various Boards and Commissions that serve in an advisory or quasi-judicial capacity. The Boards and Commissions Handbook outlines each one's scope, purpose, and makeup. The purpose of this item is to discuss the role of the boards and direction for the future. Moving forward, the City Council would like to provide a clear message to the various Boards and Commissions regarding their respective role and focus in their advisory capacities.

BACKGROUND INFORMATION

During the annual Board and Commission application, interview, and appointment process during September of this year, Council determined that they would like to help provide clear direction to the City's various Boards and Commissions and ask them to review their purpose and respective roles.

DISCUSSION

At the Council Work Session of September 15th, Council determined it would be helpful to have this discussion with the Board/Commission Chairs and Staff Liaisons directly at an upcoming Work Session. As part of this discussion, Councilmembers would like to review the Boards and Commissions Handbook and the verbiage relating to purpose for the boards.

As part of setting a clear direction moving forward, Council has set the expectation of meeting one-on-one with the boards throughout the year and have the boards report on the following:

- What did the board accomplish over the last year?
- What is the board's plan for the upcoming year?
- How does the board provide advisory services to Council for the citizens of Rowlett?

Each Board/Commission will be scheduled for upcoming Work Sessions to discuss the abovementioned information.

FINANCIAL/BUDGET IMPLICATIONS

N/A

RECOMMENDED ACTION

No action required. Information only.

ATTACHMENTS

Attachment 1 – Boards and Commissions Handbook



Rowlett

City of Rowlett

Boards and Commissions Handbook

Amended September 16, 2014
Resolution Number RES-087-14

CITY OF ROWLETT

BOARDS AND COMMISSIONS HANDBOOK

Amended September 16, 2014 by Resolution RES-087-14

(supersedes all previous versions)

TABLE OF CONTENTS

TABLE OF CONTENTS.....	1
SECTION 1: TYPES OF BOARDS & COMMISSIONS	2
SECTION 2: BOARD & COMMISSION APPOINTMENT PROCESS.....	2
SECTION 3: RESPONSIBILITIES OF BOARDS AND COMMISSIONS	6
SECTION 4: MEETINGS	8
SECTION 5: DESCRIPTIONS OF BOARDS AND COMMISSIONS	9
SECTION 6: CODE OF ETHICS FOR CERTAIN OFFICERS.....	13
APPLICATIONS FOR MEMBERSHIP ON CITIZEN BOARDS & COMMISSIONS	16

SECTION 1: TYPES OF BOARDS & COMMISSIONS

The City Council of the City of Rowlett may create committees, boards and commissions to assist in city government, by performing such duties as the City Council may specify, not inconsistent with the City Charter. The work done by citizens serving on boards and commissions is a vital part of the work of the City. Such individuals provide time, expertise, experience and unique perspectives that might otherwise be lacking should the City rely strictly on its appointed and elected officials or its consultants. Rowlett generally has four types of boards and commissions: (1) advisory, (2) decision-making, (3) separate entity and (4) ad-hoc.

- (1) Advisory boards and commissions advise the City Council on public policy. They play a very important role in city government by providing the City Council with creative ideas, feedback from the community and by serving as a sounding board for proposed public policy. The role of advisory boards and commissions is not to make policy, nor do they have any legal authority. Examples of citizen advisory boards and commissions include the Parks and Recreation Advisory Board, Library Advisory Board, Animal Shelter Advisory Board, Arts and Humanities Commission, Senior Advisory Board and Traffic and Safety Commission.
- (2) Decision-making boards and commissions also serve as advisory groups to the City Council, but in addition they have quasi-judicial authority, and often have a basis in state law. Decision-making boards and commissions set or enforce policy and make legally binding decisions. The ordinances creating decision-making boards often require members to have expertise in certain areas. Examples of decision-making boards and commissions include the Planning and Zoning Commission and the Board of Adjustment.
- (3) Separate entity boards and commissions are actually separate legal entities apart from the City of Rowlett. However, they may receive a significant portion of their funding from the City and/or the City appoints some or all of the members. The members of these boards usually oversee an operation or organization much as would a board of directors. Examples of separate entity boards are the Economic Development Advisory Board and the Tax-Increment Finance District (TIF) Board. Unlike advisory and decision-making boards, separate entity boards and commissions may, and frequently do, include City Councilmembers and may also go through a different appointment/selection process.
- (4) Ad-hoc committees, boards and commissions are created periodically to address specific needs or concerns for a limited period of time. They are almost always strictly advisory in nature. Examples include the 2009 Bond Advisory Committee and Charter Review Commission (appointed in compliance with the City Charter). The City Council shall have the authority to create ad-hoc committees and to appoint members thereto with a simple majority vote.

SECTION 2: BOARD & COMMISSION APPOINTMENT PROCESS

The Rowlett City Council generally makes all of the appointments to the City's boards and commissions. Therefore, it is incumbent on members of the City Council to seek out highly qualified individuals to serve as volunteer members of citizen boards and commissions.

2.1 Applications

- a. Persons wishing to serve on any standing citizen board, committee or commission shall submit a complete application to the City Secretary's office in accordance with the published deadline.

- b. Individuals wishing to apply for appointment should carefully review the requirements of each board and commission and specify those in which they have a special interest and for which they are fully qualified.
- c. Applicants may apply for more than one board by indicating 1st, 2nd, 3rd, etc., preferences. Individuals currently serving on a city board, commission or committee are not prevented from applying for a different board. However, since one person may not preside on more than one board, that person would be required to resign from the previous board if appointed to a new board.
- d. City Councilmembers need not apply for membership to a board or commission, but may instead be appointed directly by the City Council for membership only on separate entity boards and ad-hoc committees.
- e. Applications will be evaluated by the council based on the following criteria:
 - i. Experience and background in relevant fields. The council will consider professional or personal qualifications and backgrounds in relevant areas to provide a greater depth of knowledge and understanding to the board.
 - ii. Contributive Potential – The council will evaluate the potential contribution that each applicant may make if appointed to a board or commission. Factors the council may use in its evaluation include the ability to effectively communicate, to express ideas, concepts, or philosophies, and a desire to perform public service.
 - iii. Applicants for appointment to boards and commissions may be reviewed by City Council for any outstanding debt owed to the City including, but not limited to, tax delinquency and/or pending litigation with the City.

The foregoing criteria are not exclusive and the council need not assign ratings to or rank applications.
- f. If an applicant is not selected, the City Secretary will keep the application on file.
- g. Appointments by the council are made in open meetings by simple majority vote of those present, and should generally follow Robert's Rules of Order.

2.2 Eligibility Requirements

- a. No person may serve on any citizen board or commission unless that person is a legal resident of the City of Rowlett, unless otherwise provided by law. Failure to maintain this residency requirement at any time during a member's term of office will cause membership to be forfeited. This requirement shall not apply to the Rowlett Chamber of Commerce appointments to the Economic Development Advisory Board.
- b. No person may serve or remain on any citizen board or commission unless that individual is a registered voter of the City of Rowlett. This provision shall not apply to any Rowlett Chamber of Commerce appointments to the Economic Development Advisory Board that are not Rowlett residents (see above) or to Junior Alternate Members under 18 years old..

Certain boards and commissions have very specific requirements for membership in regard to profession, expertise, etc. All appointments to boards and commissions having such requirements must be made in strict compliance with those requirements and members must continue to comply with all membership qualifications throughout their terms of office to avoid forfeiting membership.

- c. City Councilmembers shall not be eligible for membership on a board or commission unless specifically required by the ordinance or resolution establishing the board or commission or by provision of this handbook.

2.3 Multiple Memberships

A person may not serve on more than one advisory or decision-making board or commission at a time unless specifically authorized by the City Council. However, an individual may serve on the board of a separate entity or an ad-hoc board, committee or commission even though that person maintains membership on an advisory or decision-making board or commission, provided that law does not otherwise prohibit such duplicate membership(s).

2.4 Timing of Appointments/Terms of Office

- a. A Volunteer Fair is to be held in July or August of each year to invite current and prospective volunteers to attend. Application forms can be completed on-site.
- b. The Council will review the applications and will make appointments at the second meeting in September, or as soon thereafter as is practical.
- c. Appointments to advisory and decision-making boards and commissions shall be effective on October 1 of each year. Appointments to ad-hoc committees shall vary in timing depending on the issue(s) and the amount of time anticipated for its resolution.
- d. Upon appointment by the City Council, the City Secretary will determine the eligibility of the appointee, as outlined in Section 2 above. If the appointee meets requirements, the City Secretary shall notify each appointee, in writing, of the appointment. Staff liaisons or board chairs will then contact the new appointees about specific meeting dates and responsibilities.
- e. All appointed and reappointed members of advisory and decision-making boards and commissions shall attend board and commission mandatory training to be conducted by appropriate City staff or appointed officials. This requirement for training applies to regular, alternate members and junior alternate members of standing boards and commissions. Members are appointed to, and continue their service on, boards or committees contingent upon attendance/completion of the required training provided by the City through the City Attorney, City staff and/or through the Internet training found on the Texas Attorney General's website (www.oag.state.tx.us/open/og_training.shtml). Completion of the Attorney General's program requires a certificate to be printed and submitted to the board liaisons or to the City Secretary's office for safekeeping. Any appointed or reappointed member of any standing board or commission who does not participate in the training will forfeit their membership. Each member has 45 days to complete the required training once they have been appointed or reappointed. The requirement does not apply to ex-officio members, although they are encouraged to attend. The City Manager will determine the participation of City staff members, whether they serve as ex-officio, staff liaison, board secretary or other positions.

2.5 Term Limits

Members shall be re-evaluated at the end of each term and serve no more than a maximum of six (6) years. This provision shall be effective without regard to the date of approval or revision of this handbook.

2.6 Annual Appreciation Dinner

The City Council should host an annual appreciation dinner/banquet to express its appreciation to those citizens who have been appointed by the City Council as members of any boards and commissions (including ad-hoc and ex-officio members) and to distribute awards to out-going members. All members, including those recently appointed, currently serving and out-going shall be invited to attend. Attendance is not mandatory.

2.7 Sunset Provisions

Any board or commission created by the City Council shall cease to exist upon the accomplishment of the special purpose for which it was created or when abolished by a majority vote of the City Council, whichever is earlier. No board or commission so appointed shall have powers other than advisory to the City Council, except as otherwise specified by the City Charter or ordinance.

2.8 Ex-Officio Member

If the City Council deems it appropriate or beneficial, the City Council may, by a majority vote, create and appoint specific ex-officio, non-voting members to a board or commission, provided that such appointment is not inconsistent with applicable laws, rules or procedures. (An example of this provision might be the appointment of a representative of the school district or utility company as an ex-officio member of the Economic Development Advisory Board, due to the school district's and utility company's interest in economic development activities).

2.9 Alternate Members

If the City Council deems it appropriate or beneficial, the City Council may, by a majority vote, create and appoint one or more alternate members to any board or commission that does not currently have alternates, provided that such appointment is not inconsistent with applicable laws, rules or procedures. In addition, the council may, by simple majority vote, appoint additional alternates in excess of the number provided for in this Handbook as the council may deem advisable without formal amendment to these guidelines, and these additional alternates will have the same privileges and obligations as other alternates. Alternate members' term lengths are determined by the City Council but, absent a specified term, alternates shall serve terms of two years. Upon City Council appointment, alternate members are encouraged to attend every meeting. Alternates will be allowed to participate in discussion during the meeting with or without regular members being absent. Alternates will have voting privileges only if there are regular members absent. (One alternate can participate and vote per each regular member absent.) The chair of the board or commission will determine which alternate(s) present at the meeting will serve to fill any vacancy(ies) as needed. Alternate members should be appointed to fill vacancies on a rotating basis whenever possible, except as prohibited by state law. Time served as an alternate member will not be calculated when applying term limits. In the event of two alternate positions being unfilled, the matter is to be placed on the City Council agenda and an appointment of new alternates are to be made from existing applications on file with the City Secretary. Youth members who wish to apply for advisory Boards and/or Commissions will be appointed as Junior Alternate Members and may participate as non-voting members. Youth applicants must be Rowlett citizens in the ninth, tenth, eleventh or twelfth grade.

SECTION 3: RESPONSIBILITIES OF BOARDS AND COMMISSIONS

3.1 Attendance

- a. In order to be fully aware of issues that may arise at a board, commission or committee meeting, and to ensure that the board, commission or committee can conduct business in an effective manner, it is imperative that appointed members be faithful in their attendance at all meetings. Members are appointed to the various boards, commissions and committees and continue their service contingent upon regular attendance at the meetings and completion of the required training provided. Any member who does not attend the annual training or misses more than twenty-five percent (25%) of the scheduled meetings will cause their membership to be forfeited.
- b. Prompt attendance is encouraged. The Chair or official in charge has the responsibility to notify the City Council of any attendance or tardiness concerns regarding a member(s). After proper notification concerning the member(s) attendance a letter will be generated and signed by the Mayor notifying the member of their removal from the board and/or commission.
- c. Regular meetings of any board, committee or commission shall take place during the workweek, Monday through Friday, with a starting time between 8:00 a.m. and 8:00 p.m. Regular meetings shall not take place on Saturday or Sunday. Only on an exception basis will special meetings be held other than during parameters of regular meeting days and times.

3.2 Conflict of Interest

No member of a board or commission may participate in a vote or decision on a matter involving a business or other legal entity in which the member has a substantial interest. In such instances where a board or commission addresses a matter presenting a conflict of interest to any member, that member should announce the conflict to the other members of the body and excuse himself/herself from the meeting until discussion of and vote on the issue is complete. Further, that member shall refrain from discussing the matter with other members of the board or commission at any time.

3.3 Open Meetings

The Rowlett City Council affirms that the Texas Open Meetings Act is the proper basis for conducting City business and adopts a procedure governing each board and commission requiring those boards and commissions to conduct business in accordance with the provisions of that act. For purposes of this procedure, a "meeting" is defined as a deliberation between a quorum of a governmental body, or between a quorum of a body and another person, during which public business or public policy over which the body has some supervision or authority is discussed or considered, or during which the governmental body takes formal action. All boards and commissions are required to meet a minimum of six times per year with the exception of the Board of Adjustment which only meets on an "as needed" basis.

3.4 Open Records

The Texas Open Records Act provides that all information held by a governmental body, including boards and commissions, must be released to the public upon request, unless the information falls within one of the act's specific exceptions to disclosure.

3.5 Working with City Staff

Each board or commission member is encouraged to communicate openly with City staff members. Similarly, members of boards and commissions should understand that they are not responsible for supervision of any city operation, and therefore, they should not direct or instruct any City staff member or consultant, nor should they become involved in any personnel or operational issues, except as authorized and directed by state law.

3.6 Reporting to the City Council

The City Council will assign Councilmembers to serve as liaisons to each Board and/or Commission. Each liaison is to attend a meeting of that Board and/or Commission at least a minimum of one time during the year, but preferably once during a six-month period, thus totaling two meetings per year. At meetings that the City Council liaison attends, the liaison shall be placed on the agenda in order for the Board and/or Commission to be prepared to discuss goals and accomplishments. Each City Council Board and/or Commission liaison will then report to City Council during the "Presentation" portion of the meeting agenda in order to continue to publicly recognize and thank the Board and/or Commission members for serving the City.

3.7 Removal of Members

The City Council may remove any member of any board or commission that it has created, or that was created by the City Charter, by a vote of at least four members of the City Council. However, members of the Board of Adjustment may only be removed for cause as provided by state law.

3.8 Standards of Conduct

- a. A member of a board or commission shall not accept or solicit any benefit or economic gain or advantage, nor use one's position to secure special privileges or exemptions.
- b. A member of a board or commission shall not grant any special consideration, treatment or advantage to a person or organization beyond that which is available to every other person or organization.
- c. A member of a board or commission shall not personally represent, or appear on behalf of, the private interests of others.
- d. A member of a board or commission shall not knowingly perform or refuse to perform any act in order to deliberately thwart the execution of city ordinances, rules or regulations.
- e. A member of a board or commission shall not engage in any dishonest or criminal act or any other conduct prejudicial to the government of the City.
- f. No board or commission member, while associating with or acting in their official capacity as an appointed board or commission member, shall be permitted to make personal, impertinent or slanderous remarks, either to another member, the Mayor or City Council member acting in their official duties, a City staff member or any citizen. Any member who does so should be requested to leave the meeting and may be barred from attendance at the remainder of the meeting. Personal, impertinent or slanderous remarks made verbally or in print shall be considered cause for dismissal/removal from the board or commission following a decision by the City Council.
- g. A board or commission member shall not meet or confer (by phone, in person, email, etc) with any applicant or representative of an applicant including but not

limited to engineers, architects, attorneys or other outside the presence of City staff.

- h. No board of commission member shall apply for employment with the City while serving in the capacity as a board or commission member.

3.9 Ethics Requirements

The members of the Board of Adjustment and Planning and Zoning Commission are considered “officers of the City” and their actions must comply with the terms of that ordinance. CODE OF ORDINANCES, ARTICLE IV OFFICERS AND EMPLOYEES, DIVISION 2. CODE OF ETHICS FOR CERTAIN OFFICERS is provided in SECTION 6 for reference by these members.

SECTION 4: MEETINGS

4.1 Chairpersons

- a. Chairpersons for all standing boards, committees and commissions shall be determined by a majority vote of its members. The City Council shall appoint chairpersons for ad-hoc committees. Boards, committees and commissions may also elect or otherwise choose other officers from among their membership. Each member may serve in only one position (Chair, Vice-Chair, Secretary, etc.) on a board, commission or committee at a time.
- b. The function of the chairperson is to provide leadership to the group, including ensuring that the meeting is conducted in accordance with established rules of order and procedure, and to maintain order and bring the group to a conclusion on the matters before it.

4.2 Agendas

The order of business of each meeting of a board or commission shall be contained in a written agenda, which shall be a listing of the topics to be discussed. The agenda shall be prepared by the City’s staff liaison, in conjunction with the board or commission’s chairperson and the City Secretary, to be posted at least seventy-two (72) hours before any meeting. The agendas will also be posted to the City’s website. The staff liaison should provide the agenda to the board members at the time of agenda posting. Board members will be provided with agenda materials as much in advance of the meeting as possible.

4.3 Minutes

The actions and discussions of each board and commission should be compiled into written minutes, which shall be reviewed and approved by the board or commission at a subsequent meeting. Some boards and commissions have City staff members designated as recording secretaries, who shall be responsible for taking and transcribing the minutes. These individuals shall be designated by the City Manager. Those boards and commissions that do not have a staff member so designated (see Section 5), may select a person to serve in the role of secretary from among their own membership.

4.4 Public Hearings

- a. Public hearings are open forums that allow members of the public an opportunity to express their opinions on issues before a board or commission. Although few

boards and commissions will conduct formal public hearings or appeals, all are encouraged to provide for citizen participation. Boards and commissions shall not include "Citizens Input" (open forum with an opportunity to speak on any subject, not on a particular agenda item) as one of their agenda items. This opportunity is appropriately limited to City Council meetings only. Members of a board or commission may ask questions of any witness at any time; however, the swearing in of witnesses is not necessary, even in a formal public hearing, except as provided by law.

- b. If a public hearing or other item draws a large number of interested citizens wishing to speak, a reasonable time limit may be set for individual speakers by the chair unless overridden by a majority of board or commission members present.

4.5 Rules of Order

Robert's Rules of Order, Revised shall govern the proceedings of all boards and commissions, except that the boards and commissions may adopt specific revisions to these rules where they are not in conflict with state or local law or other rules contained in this guide.

4.6 Quorum

A quorum is the minimum number of members needed to officially conduct business. A quorum is generally established by ordinance, resolution or other document that creates the board or commission. When no statement on the quorum number exists, the quorum is a majority of voting members.

4.7 Formal Direction

All formal direction given to all City Council appointed Boards and Commissions shall be communicated through the assigned Board Liaison.

SECTION 5: DESCRIPTIONS OF BOARDS AND COMMISSIONS (in alphabetical order)

5.1 Animal Shelter Advisory Board

The Animal Shelter Advisory Board is appointed to advise and assist the City in complying with state statutes regarding operation and maintenance of its animal shelter. The board consists of seven (7) members (who must by state statute include at least one licensed veterinarian, one City staff member, one person whose duties include the daily operation of an animal shelter and one representative from an animal welfare agency) appointed to two-year, staggered terms and two (2) alternates appointed annually. The City's staff liaison is designated by the City Manager. The board is strictly advisory in nature to the City Council.

5.2 Arts & Humanities Commission

- a. The Arts & Humanities Commission is charged with encouraging the development of, appreciation for and participation in the arts and humanities in the City of Rowlett. This includes promoting the performing arts, visual arts, literature and local culture and heritage, and the nurturing of local artists, performers, historians, writers, artisans, etc. The commission also advises and makes recommendations to the City Council on the award of City grants related to the arts.

- b. The commission consists of seven (7) members appointed to two-year, staggered terms and two alternates appointed annually. The staff liaison and secretary to this commission shall be as designated by the City Manager. The commission is advisory in nature, though one unique aspect of this commission is that it may from time to time apply for grants on behalf of the City, and also has a budget set each year by the City Council.

5.3 Board of Adjustment

- a. The Board of Adjustment hears, among other things, requests for variances and special exceptions to the City's zoning ordinance. As authorized by local ordinance and state law, the board has the power to decide special exceptions pursuant to the terms and intent of the ordinance and to grant such variances that are not contrary to the public interest, and where a literal enforcement of the provisions of the ordinance would result in an unnecessary hardship.
- b. The board consists of five (5) regular members appointed to two-year staggered terms and five (5) alternate members appointed annually. The City's staff liaison is the Chief Building Official, with assistance from the Planning Director or other staff as needed, and the board's secretary shall be a City employee designated by the City Manager. The Board of Adjustment is a decision-making board, whose decisions may not be appealed to the City Council, but must instead be appealed in district court.
- c. The members of the Board of Adjustment are subject to the City's Ethics Ordinance, as discussed in Section 3. CODE OF ORDINANCES, ARTICLE IV OFFICERS AND EMPLOYEES, DIVISION 2. CODE OF ETHICS FOR CERTAIN OFFICERS is provided in SECTION 6 for reference by these members.
- d. The Board of Adjustment shall serve as the Building Code Board of Review and Appeals.
- e. In the Board of Adjustment's role as the Building Code Board of Review and Appeals, this board makes recommendations on appeals under the City's building codes, hears appeals of decisions of the Chief Building Official, and act in an advisory capacity to the Building Official and the Fire Chief. This board also serves as the City's Sign Board of Appeals, in which capacity it hears requests for exceptions and/or variances concerning the City's sign ordinance. The board also serves as the City's Housing Advisory and Appeals Board, hearing and acting on appeals of the Building Official's actions relating to substandard housing and the abatement of dangerous buildings under the various building code ordinances.
- f. Members shall consist of members who are qualified by experience and training to pass on the matters within its various jurisdictions. In its role as the Building Code Board of Review and Appeals, the Board of Adjustment is a quasi-judicial decision-making body.

5.4 Economic Development Advisory Board

- a. The advisory board is charged with promoting the economic development of the community through the coordinated actions of the City and the Chamber of Commerce.
- b. The board consists of seven (7) members, four (4) of whom are chosen by the City Council. These four (4) include the Mayor or Mayor's designee, a City

Councilmember and two (2) citizens. The City Councilmember and Mayor shall be selected for one-year terms. The citizen members shall be selected for rotating two-year terms. The other three (3) members are selected by the Rowlett Chamber of Commerce, also to two-year alternating terms, one of which shall be the current Chamber of Commerce Chair (or the Chair's designee if the Chair is unable to attend), and the other two (2) shall be appointed by the Chamber of Commerce on an annual basis. The City Manager, Chamber of Commerce Executive Director, Garland Independent School District staff member and Garland Independent School District board member shall serve as the four ex-officio members. The City's Economic Development Director is the staff liaison.

5.5 Golf Advisory Board

This board is to act in an advisory capacity to provide observations and make recommendations to the City Council regarding operations and maintenance of the municipal golf course. The board consists of five (5) members appointed to two-year, staggered terms and four (4) alternates appointed annually, who shall be appointed based on their various experience, training or ability. The board may make recommendations to City Council and City Manager concerning municipal golf course and clubhouse operations. The staff liaison and secretary are designated by the City Manager.

5.6 Library Advisory Board

This board serves to advise the City Council and staff liaison on issues pertaining to the Rowlett Public Library. The board consists of five (5) members, appointed to two-year, staggered terms and three (3) alternates appointed annually. The City's staff liaison is the Director of Library Services and the board's secretary is designated by the City Manager. The Library Advisory Board is purely advisory in nature.

5.7 Parks and Recreation Advisory Board

- a. This board advises the City Council and staff in all matters pertaining to parks and recreation. This includes encouraging maintenance of facilities and grounds; encouraging recreational programs; making recommendations regarding expansion of parks facilities and programs; and recommending rules, regulations, and guidelines governing the use of parks, including the establishment of sport seasons, scheduling of activities, available services and other park and recreation related issues as directed by the City Council.
- b. This board is also charged with making recommendations to the City to help protect and preserve the City's environmental resources, through education and recommending environmental programs and services, in coordination with appropriate state and federal agencies. In addition, the board hears appeals of the decisions of the Planning Director in regard to enforcement of the City's noise ordinance as well as actions by Neighborhood Services staff enforcing the City's graffiti ordinance. The board also serves as the City's Tree Board, whose roles and responsibilities are described in the City's tree preservation ordinance.
- c. The board consists of nine (9) members, appointed to two-year, staggered terms and three (3) alternates appointed annually. At least one member should have extensive knowledge of and experience in the environmental field. The City's staff liaison is the Director of Parks and Recreation; the secretary is designated by the City Manager. The board shall also elect a Chair and Vice-Chair. The Parks & Recreation Board is a purely advisory body, except in its role as an appeals board for the noise and graffiti ordinances.

5.8 Planning & Zoning Commission

- a. The Planning & Zoning Commission is responsible for the following: (1) processing and initiating zoning cases at the request of property owners and/or their representatives with respect to individual zoning cases; (2) initiation of zoning cases at the request or approval of the City Council; (3) hearing, recommending, and/or determining any matter relating to planning or subdivision control as may be specified by the subdivision ordinance or other applicable law; and (4) performing other such duties as may from time to time be assigned by the City Council.
- b. The Commission consists of seven (7) members appointed to two-year, staggered terms and three (3) alternates appointed annually. The City's staff liaison is the Director of Planning; the secretary to the board is the Planning Department Administrative Assistant. Planning & Zoning is a decision-making Commission, which conducts public hearings and grants final approval on some issues.
- c. Planning & Zoning Commission members are required to attend at least one seminar per year for training related specifically to planning and land use regulations and trends. Such training will be funded by the City.
- g. The members of the Planning & Zoning Commission are subject to the City's Ethics Ordinance, as discussed in Section 3. CODE OF ORDINANCES, ARTICLE IV OFFICERS AND EMPLOYEES, DIVISION 2. CODE OF ETHICS FOR CERTAIN OFFICERS is provided in SECTION 6 for reference by these members.

5.9 Senior Advisory Board

- a. This board is to provide participation by local senior citizens in municipal government and to routinely report thereon to the City Council the conditions and needs of seniors within the community. The Senior Advisory Board shall propose and make recommendations concerning matters of importance to the senior citizen population of the City. The Senior Advisory Board is advisory in nature only, charged with evaluating relevant issues and submitting recommendations to the City Council. The board shall include a Chairperson and Vice-Chairperson, both elected annually from among its members. An advisor and staff liaison to the Senior Advisory Board shall be appointed by the City Manager.
- b. The board shall consist of seven (7) voting members, each of whom shall be at least sixty (60) years of age or older and a resident of the City, who shall be appointed by the City Council to serve two year staggered terms or until their successors are duly appointed. The City Council shall also appoint three (3) alternates annually who may serve in the place of a voting member due to the absence or disqualification of a voting member. Alternates shall meet the same qualifications as regular members. An alternate member, when serving in the place of a voting member, shall enjoy the same rights, privileges and responsibilities in their role as a voting member.

5.10 Tax Increment Finance District (TIF)

This Board consists of five (5) members, three (3) of whom shall be appointed by the City Council; one (1) of whom shall be appointed by the governing body of the Garland Independent School District (School District); and one (1) of whom shall be appointed by Dallas County Community College District (DCCCD). The terms are for two (2) years or until their successors are appointed by the respective governing bodies.

5.11 Traffic and Safety Advisory Commission

This Commission is responsible for identifying, and reviewing citizen concerns regarding, traffic and other public safety issues. The Commission consists of consists of seven (7) regular members appointed to two-year, staggered terms and two (2) alternates appointed annually. In addition, the City Manager, Police Chief, Fire Chief and Public Works Director (or their designees) all serve as non-voting members on the Commission. The Commission includes the positions of Chair and Vice-Chair elected from the members of the Commission. The Commission is strictly advisory in nature.

SECTION 6: CODE OF ETHICS FOR CERTAIN OFFICERS

CODE OF ORDINANCES ARTICLE IV OFFICERS AND EMPLOYEES DIVISION 2. CODE OF ETHICS FOR CERTAIN OFFICERS

Sec. 2-461. Definitions.

The following words, terms and phrases, when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Censure means a formal written resolution of the City Council reprimanding one of its members for violation of the code of ethics.

Duties in office mean the duties of an officer relative to their service under the laws and the constitution of the state the Charter and ordinances of the City.

Officer means any member of the City Council and any appointive board, committee, authority or commission set up by ordinance, resolution, the Charter or state law on a permanent basis, except any members of a board, commission, authority or committee that function in an advisory or study capacity.

Reprimand means a formal or informal public admonition concerning a violation of the code of ethics.

Sanction means a formal written resolution of the City Council imposing an incentive for securing enforcement which may include, but not be limited to, disqualification of consideration of a matter, forfeiture of City Council appointments or duties.

(Ord. No. 3-18-03D, §1(1-10-1), 3-18-2003)

Cross references: Definitions generally, §1-2.

Sec. 2-462. Policy.

It is hereby declared to be the policy of the City that the proper operation of democratic government requires that officers be independent, impartial and responsible only to the people of the City; that the efficient function of city government requires diligent attendance to the business of the City by its officers; that the governmental decisions and policy be made in the proper channels of the governmental structure; that no officer should have any interest financial or otherwise, direct or indirect, or engage in any business, transaction or professional activity or incur any obligation of any nature which is in conflict with proper discharge of such office in the public interest; that public office not be used for personal gain; and that the City Council or board or commission at all times shall be maintained as a nonpartisan body. To implement such a policy, the City Council deems it advisable to enact this code of ethics for all officers, whether elected or appointed, paid or unpaid, to serve not only as a guide for official conduct of the City's public servants, but also as a basis for discipline for those who refuse to abide by its terms.

(Ord. No. 3-18-03D, §1(1-10-2), 3-18-2003)

Sec. 2-463. Unethical activity.

No officer of the City shall:

- 1) Accept any gift or favor from any person that might reasonably tend to influence such person in the discharge of official duties, or grant in the discharge of official duties any improper favor, service or thing of value.
- 2) Use such person's official position to secure special privileges or exemptions for such person or others.
- 3) Grant any special consideration, treatment or advantage to any citizen, individual, business, organization or group beyond that which is available to every other citizen, individual, business, organization or group.
- 4) Disclose information that could adversely affect the property, government or affairs of the City, or directly or indirectly use any information gained by reason of such person's official position for such person's own personal gain or benefit or for the private interest of others.
- 5) Transact any business on behalf of the City in such person's official capacity with any business entity with which such person is an officer, agent or member or in which such person owns a substantial interest. In the event that such a circumstance should arise, then such person shall make known such interest, and in the case of an officer, abstain from voting on the matter, state the reasons for doing so and have nothing further to do with the matter involved.
- 6) Engage in any outside activities which will conflict with, or will be incompatible with, the duties assigned to such person's service to the City or reflect discredit upon the City, or in which such service in the city will give to such person an advantage over others engaged in a similar business, vocation or activity.
- 7) Accept or engage in outside activities incompatible with the full and proper discharge of duties and responsibilities of such person with the City, or which might impair independent judgment in the performance by such person of public duty.
- 8) Receive any fee or compensation for services as an officer of the City from any source other than the City, except as may be otherwise provided by law. This shall not prohibit such person performing the same or other services for a private organization that such person performs for the City if there is no conflict with City duties and responsibilities of such person.
- 9) Represent while an officer, directly or indirectly, or appear in behalf of private interests of others before:
 - a) Any agency of the city or any board, commission, authority or committee, or represent any private interest of others in any action or proceeding involving the City, or participate on behalf of others in any litigation to which the City might be a part, or even accept any retainer or compensation that is contingent upon a specific action taken by the city or any of its agencies, except as may be authorized by law.
 - b) The board, commission, authority or committee of which such person is a member, or before the City Council or board which has appellate jurisdiction over the board, commission, authority or committee of which such person is a member with regard to matters that may be the subject of specific action by any such body.
- 10) Use the prestige of such person's position or office in behalf of any single political party in such a way that it gives the impression of being endorsed by the government of the City, but such person shall at all times maintain the nonpartisan policy of the City; provided, that all officials are encouraged to register, participate, and vote as they may choose in all elections.
- 11) Knowingly perform or refuse to perform any act in order to deliberately thwart the execution of the city ordinances, rules or regulations or the achievement of official City programs.

- 12) Use City supplies, equipment or facilities for any purpose other than the conduct of official City business unless these supplies, equipment or facilities are authorized through an appropriate contact or license or membership available to the general public or otherwise made available for public use.
- 13) Engage willfully and knowingly in any dishonest act or be convicted of any crime involving moral turpitude, in connection with their duties in office which is prejudicial to the government of the City or impairs the operation of the city. Nothing contained in this section shall be construed to mean that conviction of solely a class C misdemeanor shall be construed as grounds for unethical conduct.

(Ord. No. 3-18-03D, §1(1-10-3), 3-18-2003)

Sec. 2-464. Personal or private interest of officer.

Any officer who has either a personal or private interest in any matter pending before such person's office shall disclose such interest to the other members thereof, and shall refrain from discussing the same publicly with any other member thereof and shall not vote thereon.

(Ord. No. 3-18-03D, §1(1-10-4), 3-18-2003)

Sec. 2-465. Attendance of all meetings.

Attendance of all officers at meetings of their respective office shall be mandatory unless excused. In order for an absence to be considered excused, an officer shall be responsible for notifying the Mayor or Chairperson in the event of an absence prior to any meeting. If the officer notifies the Mayor, Mayor Pro Tem, Deputy Mayor Pro Tem or Chairperson in any other manner or after the absence, the validity of the excuse shall be decided by the membership of the City Council or board. A partial absence and a complete absence shall be considered the same. The officers may compel attendance of their members at all of their respective meetings.

(Ord. No. 3-18-03D, §1(1-10-5), 3-18-2003)

Sec. 2-466. Violation of code of ethics; appeal.

The failure of any officer to comply with or the violation of one or more of the code of ethics set forth in this division, which apply to such person, shall constitute grounds for reprimand, censure, or subject the member to any sanctions or actions under the Home Rule Charter. In the case of a City Councilmember, the matter shall be decided by a majority of the remainder of the Councilmembers. In the case of members of boards, commissions, committees and authorities, the matters shall be referred by the Chairperson to the City Council. The decision of the City Council shall be final in the absence of bias, prejudice or fraud.

(Ord. No. 3-18-03D, §1(1-10-6), 3-18-2003)

Secs. 2-467--2-470. Reserved.

City of Rowlett BOARDS AND COMMISSIONS APPLICATION

(Please Print)

Today's Date:			
BOARDS AND COMMISSIONS			
Please choose from the following boards and commissions:			
•Animal Shelter Advisory Board		•Arts and Humanities Commission	
•Board of Adjustment		•Economic Development Advisory Board	
•Golf Advisory Board		•Library Advisory Board	
•Parks and Recreation Advisory Board		•Planning and Zoning Commission	
•Senior Advisory Board		•Tax-Increment Financing District Board	
•Traffic and Safety Advisory Commission			
Board or Commission First Choice:		Board of Commission Second Choice:	
PERSONAL INFORMATION			
Last name:		First Name:	
Street address:		ZIP Code:	Email Address:
Home phone no.:	Business phone no.:	Cell phone no.:	
RESIDENCY INFORMATION			
Length of Residency in Rowlett:			
Are you a registered voter:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Voter's Registration No.:
All members of citizen boards and commissions must be registered voters, residing in the City of Rowlett.		Birthday (mm/dd/yyyy):	
		(Birthday information is needed only if you do not know your Voter's Registration Number)	
EMPLOYMENT			
Briefly describe your past two places of employment:			
Company name:		Job title:	
Dates of employment:		Location of job:	
Typical duties:			
Company name:		Job title:	
Dates of employment:		Location of job:	
Typical duties:			

EDUCATION

Please describe your educational background, including the highest level attained and all college degrees, technical training, certifications, etc. that are relevant:

SKILLS AND QUALIFICATIONS

List any specific skills, abilities, and qualifications that are relevant to the position(s) applied for:

MEMBERSHIP INFORMATION

Are you currently serving on other Boards or Commission?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	If yes, which one:
Have you served on a Board or Commission before?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	If yes, which one:

REASON FOR APPLYING

Please describe your reason for applying on a citizen board or commission. Please include any particular goals you have for the board or commission, and any unique talents, experiences, or interests that would help make you an excellent member:

REFERENCES

Please provide names and phone numbers of three references, other than relatives.

- 1.
- 2.
- 3.

City of Rowlett JUNIOR ALTERNATE MEMBER BOARDS AND COMMISSIONS APPLICATION

(Please Print)

Today's Date:					
BOARDS AND COMMISSIONS					
Please choose from the following boards and commissions:					
•Animal Shelter Advisory Board		•Arts and Humanities Commission			
•Golf Advisory Board		•Library Advisory Board			
•Parks and Recreation Advisory Board		•Senior Advisory Board			
•Traffic and Safety Advisory Commission					
Board or Commission First Choice:			Board of Commission Second Choice:		
PERSONAL INFORMATION					
Last name:			First Name:		
Street address:		ZIP Code:	Email Address:		
Home phone no.:		Cell phone no.:	Emergency phone no.:		
Length of Residency in Rowlett:		Emergency contact name and relationship to you:			
SCHOOL INFORMATION					
High School Grade Level:	<input type="checkbox"/> 9th	<input type="checkbox"/> 10th	<input type="checkbox"/> 11th	<input type="checkbox"/> 12th	Name of High School:
List all clubs and activities you are involved in:					
REASON FOR APPLYING					
Please describe your reason for applying on a citizen board or commission. Please include any particular goals you have for the board or commission, and any unique talents, experiences, or interests that would help make you an excellent member:					

WAIVER OF LIABILITY

I, _____, hereby attest that I am the parent or legal guardian of the above mentioned minor child, and that I have the legal right to enter into this Agreement of Waiver of Liability. I have read and understand the duties and responsibilities that my child will have as a junior alternate member of the Advisory Board and/or Commission. As such, I hereby give my permission for my child, _____, who is under eighteen (18) years of age, to participate and serve on a City of Rowlett Board and/or Commission. As legal guardian, in consideration of accepting a position for my child on a Board and/or Commission, I do covenant with the City that I will never at any time, present or future, sue the City for or on account of any claim for damages arising out of my child's participation.

Signature of Parent/Legal Guardian

STATE OF TEXAS
COUNTY OF DALLAS

SUBSCRIBED AND SWORN TO BEFORE ME, this ____ day of _____, 20__ to certified which witnessed my hand and official seal.

Notary Public, State of Texas

My Commission Expires:

(seal)



City of Rowlett

Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 12/01/15

AGENDA ITEM: 3B

TITLE

Discuss supporting resolution associated with proposed development by GroundFloor Development seeking Texas Department of Housing and Community Affairs Tax Credits for 2016 application year. (30 minutes)

STAFF REPRESENTATIVE

Marc Kurbansade, Director of Development Services

SUMMARY

GroundFloor Development has approached City staff about a property located in the Downtown, where they would seek Texas Department of Housing and Community Affairs (TDHCA) tax credits. GroundFloor Development would submit their application to TDHCA as Workforce housing. City staff has met with representatives from GroundFloor Development and visited two of their developed properties located in McKinney and Dallas. Additionally, a Work Session item was presented to City Council on October 13, 2015.

A companion item is on the Consent Agenda, where City Council will consider whether or not to offer formal support of the project in the form of a supporting resolution.

BACKGROUND INFORMATION

The Texas Department of Housing and Community Affairs (TDHCA) Housing Tax Credits program is an annual program. In order to gain valuable points, private development entities will seek City participation in the process. Participation from respective municipalities can come in the form of providing a supporting resolution, provision of financial incentives/support, and designation of areas as targeted reinvestment areas in a concerted revitalization plan.

City Council has provided support of TDHCA programs in the past. Most recently the City provided support for a senior housing program by Evergreen Senior Communities, which was located along Old Rowlett Road, north of Big A Road. This support came in the form of a supporting resolution adopted by City Council on January 20, 2015. City Council also approved a Planned Development Ordinance for the subject property June 2, 2015. TDHCA ultimately awarded the Evergreen project tax credits in July 2015.

This year, GroundFloor Development contacted City staff to seek City support for a similar request to TDHCA. The main difference is that GroundFloor will be seeking credits as a Workforce housing program, whereas Evergreen's project was strictly a senior program.

The property for which GroundFloor is seeking to submit an application to TDHCA is located at the northwest corner of Industrial Street and Melcer Street (see map below). This property is approximately five acres and is located within the Downtown Urban Village Form-Based Code district.



At the October 13, 2015, Work Session, City Council inquired of GroundFloor primarily with respect to the ability of building the project to our Downtown form-based code standards. Furthermore, City Council had expressed an interest in visiting the other developments previously completed by GroundFloor to get a better understanding of the finished product.

DISCUSSION

The TDHCA Housing Tax Credits program contains a detailed scoring system application that is very competitive. Private development entities complete these applications, but require participation from the respective City where the project is located in order to gain valuable points in the process.

As stated previously in this staff report, GroundFloor Development contacted City staff seeking City support for Workforce Housing. According to their website (www.groundfloordev.com), GroundFloor's mission is as follows:

GroundFloor Development's principals possess extensive multifamily, townhome and condominium infill development experience and have formed unmatched working relationships with industry-leading professionals and local government officials critical to the success of each project. The company has developed a proven approach to successful project execution including strategic site selection, progressive design and construction capabilities. GroundFloor has the unique skill sets to access public-private project financing sources through their strong community and municipal support network.

GroundFloor distinguishes itself through its ability to solve complex problems with while incorporating fast moving current market trends. The company's entrepreneurial

approach to site development allows it to strategically invest in key emerging neighborhoods before these areas have become saturated.

Furthermore, the background information of the website is as follows:

GroundFloor Development specializes and focuses on building well-conceived urban multifamily housing communities and mixed-use developments to serve and accommodate the growing demand for metropolitan living. Founded in 2009, and led by Brandon Bolin and Alan McDonald, GroundFloor Development directs its resources toward projects located in high population growth areas in Texas – where people need and desire quality urban living as commuting costs continue to rise and single-family home buying power declines.

The proposed development is located in the Downtown Urban Village form-based district. The proposed development would be “mixed residential” and would be permitted by right. The reason for the work session is to continue discussion from the prior October 13, 2015, work session and to determine whether or not City Council wishes to support this project formally through a supporting resolution.

Within context of the Realize Rowlett 2020 Comprehensive Plan, the property is located in the Old Town strategic opportunity area. Within this opportunity area, the below Guiding Principles were identified as being the principles that the Old Town was in strongest support of:

- 2. Grow the City’s economy through diversification of job and business opportunities.*
- 3. Make Rowlett a community that is attractive to people at all stages of their lives.*
- 4. Invest in places of lasting value and distinctive character.*
- 5. Maximize the benefits of major public infrastructure investments (existing, planned).*
- 7. Diversify mobility options within the City and connect activity areas.*
- 8. Create centers with a mix of activities at key locations in Rowlett.*
- 11. Position Rowlett for an appropriate scale of investment and reinvestment supported by market trends.*

GroundFloor Development will be conducting the majority of the presentation before City Council. At the conclusion of the item, staff is requesting feedback from City Council whether or not to pursue the supporting resolution on this evening’s Consent Agenda.

FINANCIAL/BUDGET IMPLICATIONS

N/A

RECOMMENDED ACTION

Staff requests direction from City Council whether or not they wish to offer formal support of the project in the form of a supporting resolution.



City of Rowlett

Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 12/1/15

AGENDA ITEM: 3C

TITLE

Discuss nominations of Representatives for Suburban Cities to Dallas Central Appraisal District Board of Directors. (10 minutes)

STAFF REPRESENTATIVE

Brian Funderburk, City Manager

SUMMARY

At the November 3, 2009, Council meeting, the Council approved Resolution Number RES-141-09 and on November 15, 2011, approved Resolution number RES-164-11 casting its vote for Michael Hurtt to be a member of the Dallas Central Appraisal District (DCAD) Board of Directors. On October 22, 2015, DCAD notified the City of an election for the "Suburban Cities' Representative" to DCAD Board of Directors. The purpose of this item is to discuss the nominations of the representatives and determine if Rowlett chooses to vote for one of the nominees or abstain.

BACKGROUND INFORMATION

As an incorporated municipality in Dallas County, the City of Rowlett is entitled to cast a vote for a nominee to the Board of Directors of the Dallas Central Appraisal District. In order to cast such a vote, State law requires the City to vote by an official ballot resolution which must be done no later than December 15, 2015.

At the last such election, the City of Rowlett cast its vote for Michael Hurtt.

DISCUSSION

There are four individuals who have been nominated as follows:

<u>Nominee</u>	<u>Entity(s) Nominating</u>
Mr. Loren Byers	Irving
Mr. Blake Clemens	Addison, Carrollton
Mr. Steven Gorwood	Balch Springs
Mr. Michael Hurtt	Cedar Hill, DeSoto, Farmers Branch, Ovilla, Richardson, Sachse

FISCAL IMPACT

N/A

STAFF RECOMMENDATION

City recommends appointing Mr. Michael Hurtt.

ATTACHMENTS

Attachment 1 – Letter from Dallas Central Appraisal District dated October 22, 2015

Attachment 2 – Bio on Mr. Michael Hurtt

Attachment 3 – Bio on Mr. Blake Clemens

Attachment 4 – Bio on Mr. Loren Byers

Attachment 5 – Bio on Mr. Steven Gorwood



Dallas Central Appraisal District

Date: October 22, 2015

To: Todd W. Gottel, Mayor, City of Rowlett

From: W. Kenneth Nolan, Executive Director/Chief Appraiser

Re: Election of Suburban Cities' Representative to Dallas Central Appraisal District Board of Directors

In accordance with state law, the nomination process for persons to serve on the Dallas Central Appraisal District Board of Directors has been completed. By state law, your agency is required to vote by official ballot resolution, which is enclosed. **You must do so no later than December 15, 2015. If your entity chooses to abstain from voting, please notify me in writing.**

The nominees are as follows. Also included are the names of the nominating cities.

Nominee	Entity(s) Nominating
Mr. Loren Byers	Irving
Mr. Blake Clemens	Addison, Carrollton
Mr. Steven Gorwood	Balch Springs
Mr. Michael Hurtt	Cedar Hill, DeSoto, Farmers Branch, Ovilla, Richardson, Sachse

If you have questions concerning the candidates please contact the entities who nominated them.

Please act on this election process by official ballot resolution and return the ballot resolution to my office in the enclosed envelope by December 18, 2015. **The 1979 resolution adopted by the taxing units participating in Dallas Central Appraisal District, which governs board elections, requires that a candidate receive a majority of the votes in order to be elected to the Board of Directors. Therefore it is imperative that your taxing unit cast its vote before the December 15, 2015 deadline.**

We appreciate your interest in this very important process and look forward to receiving your vote.

WKN/kld

Enclosure (Official Ballot Resolution/Return Envelope)

cc: Brian Funderburk, Interim City Mgr
 Laura Hallmark, City Secretary
 Alan Guard, Director of Financial Svcs.

Michael Hurtt

Nominated by: Cedar Hill, DeSoto, Farmers Branch, Ovilla, Richardson, Sachse

Michael Hurtt came to Dallas from Casper, Wyoming in 1971. Graduated from Mortuary Science College, and has been in this area ever since. His funeral service background includes managing large volume, corporately owned funeral firms, worked and lectured for a Pierce Chemical/Mortician Supply Company; which built and supplied funeral homes and owned three mortuary science colleges across the United States.

He and his wife have owned the funeral home in DeSoto since 1988. He has served on the Texas Funeral Directors Association, president of the North Texas Funeral Directors and Dallas County Funeral Directors Association. Civic involvement has included board positions for the Dallas Zoo, North Texas Commission, Select Specialty and the Medical Center of Lancaster Hospitals, and Canterbury Episcopal School, past president of the DeSoto Chamber, DeSoto Rotary and the Best Southwest Chambers, councilman, mayor pro tem and mayor of DeSoto from 2001 to 2007 when DeSoto achieved the ALL America City designation. He was president and vice president of the DeSoto Economic Development Corporation. He serves on the advisory board for Methodist Charlton Hospital, and represents the 31 suburban cities for the Dallas County Appraisal District.



Blake Clemens

Mayor Pro Tempore

Blake Clemens has lived in Addison for 16 years. He has been in corporate real estate (mergers & acquisitions) his entire career (Travelers Real Estate Investment Dept., Bank of America, McNeil Capital, and CEO of Crosson & Dannis Real Estate Strategies) and for the last few years has been with the Division of Resolutions and Receiverships at the FDIC. Mr. Clemens graduated from Albion College with a Bachelor of Arts in Economics. Blake and Jeannie have been married for 17 years and have 2 boys; Collier (22 yrs) and Logan (20 yrs).

Mr. Clemens involvement in the community includes:

- Mayor Pro Tempore - Town of Addison
- Deputy Mayor Pro Tempore - Town of Addison
- City Council - Town of Addison
 - First Elected: May 2009
- Member of the subcommittee for Economic Development
- Metrocrest Chamber of Commerce Board Member
- Addison Airport Liaison
- Town of Addison Citizens Academy
- Co-Chair of the Citizens Advisory Committee for Business Development
- The Family Place Liaison

Loren Byers Biography

A naturalized Texan by marriage; Loren has two sons and has lived in Irving since 1974. Loren moved to Dallas shortly after graduating from Ferris State University in 1970 with a degree in marketing and more recently from the University of Texas at Arlington in Interdisciplinary Studies/Community Affairs. Since moving to Irving, Loren took an active role in a citizen's action to prevent development in a flood plain. Had they not been successful in preventing the development it would have put an entire neighborhood of families at risk of losing their homes to flood waters. While his wife served on the Irving Youth Board he was there to assist her whenever the need arose. He is presently a member of an Irving political club where he has served as an officer and member of the executive committee. He is a precinct chairman, election judge, and has served the past two election cycles as a committee chair for a major political party at District Conventions and a committee member at the Texas State Conventions. Most recently, he recently represented the 33rd U.S. Congressional District as a member of the 2012 Texas Electoral College. Loren has always been an active participant in the democratic process having organizing several voter registration efforts.

Shortly after graduation, a national corporation recruited Loren to Texas as an expeditor of field operations. Because of his innovative approach to problem solving he was soon promoted to Assistant Project Coordinator for the account. Shortly thereafter a new account was brought on line and Loren was named Project Coordinator. He was housed in the customer's corporate headquarters to assist with the creation of their corporate identification department. Loren went on to become District Manager over the field operations of five states. Another company called on Loren to create an outbound telephone-marketing department while that industry was still in its infancy. The nation's second largest armored car company again tapped his organizational and creative leadership talent. He was asked to assist in the creation of their marketing department, to open branches throughout the southern and western states, and to develop and organize an air transportation department. He was promptly named to direct the new department. Loren also created and ran a successful independent small package consulting and marketing firm as well as administered the operations of a unique import/export trade facilitating company.

Fourteen years ago, around Thanksgiving, the area was in the midst of a severe cold spell. Learning there was a shortage of warm clothes and blankets for the homeless, Loren directed his organizational skills to creating clothing drive. The operation was completely voluntary, had absolutely no overhead, and 100% of all donated items went to organizations that give directly to people in need.

Loren would sincerely appreciate your help in bringing his innovative problem solving leadership abilities to work for the citizens or Dallas County.

Steven Gorwood
12518 Quail
Balch Springs, Tx

Born: Tucson, Arizona
 1952

Married: to Billie Gorwood

Presently: Retired from Texas Instruments after 35 years

Owner and Operator with my Wife of *Hallman Homes Apartments*

Serving on Balch Springs City Council since 2014

Education **Bachelor of Science in Physics**
 University of Texas at Dallas

Bachelor of Science in Electronic Engineering Technology
 Devry Institute of Technology

Work History	Member, Group Technical Staff DSP Software Applications Texas Instruments	2002 - 2008
	Member, Group Technical Staff Speech Consumer Products, Mixed Signal Products (MSP) Texas Instruments	1999- 2002
	Senior Applications Engineer Speech Consumer Products, Mixed Signal Products (MSP) Texas Instruments	1987- 1999
	Process Development Engineer Power Products, Linear Circuits Texas Instruments	1982- 1987
	Engineering Technician Display Drivers, Linear Circuits Texas Instruments	1976- 1982
	Test Technician Electro Optics Division, Government Products Texas Instruments	1973- 1976

AGENDA DATE: 12/01/15

AGENDA ITEM: 3D

TITLE

Discuss an amended Facilities Agreement between the City of Rowlett, Texas and Bullitt Training Fields, LLC, for the construction of a .564 ± acre, 65 foot wide portion of Princeton Road, generally located south of Old Princeton Road and North of Liberty Grove Road. (15 minutes)

STAFF REPRESENTATIVE

Marc Kurbansade, AICP, Director of Development Services

SUMMARY

In January 2015, the City Council approved the dedication and realignment of Princeton Road. This was done in order to facilitate road construction and create an alignment that will produce a more sustainable development pattern moving forward. At that time, the City entered into a facilities agreement with Bullitt Training Fields, LLC (referred to henceforth as “the developer”) in order to reimburse them for the cost of the roadway above and beyond what is roughly proportional to the effect resulting from the development. Due to a delay in construction, the agreement has expired. The purpose of this item is to discuss the proposed amendment prior to seeking Council action in January.

BACKGROUND INFORMATION

The previous alignment of Princeton Road (as seen at right) had the potential to create oddly shaped lots that would eventually have led to less than ideal development patterns.

In January 2015, Princeton Road was realigned and rededicated to address that issue. Staff worked with the developer to create the following realignment that would straighten out the ROW and allow for a buildable block structure. Please note that any development shown in the following sketch is meant to illustrate how blocks *could* develop with the proposed alignment and in no way depicts an approved or required layout:





In order to achieve a cohesive street section, staff proposed that the City pay for the construction of the portion of the street from Liberty Grove Road to the developer's property line (shown in red above), with the developer constructing the street section located on their property (shown in yellow above).

DISCUSSION

The first step in the process was achieved when the City Council approved the realignment and rededication of Princeton Road. As mentioned above, the previously approved development agreement has expired due to construction delays. At this time, the City Council is being asked to take action on an amended facilities agreement taking into consideration the developer's adjusted timeline and updated construction costs.

When staff initially evaluated the proposed agreement in January 2015 there were notable negotiation points that were considered. First, the project was evaluated based on what offsite improvements would be required if the project was developed without the roadway extension, bearing in mind that there is alternative access to the site through Old Princeton Road. It was determined that even if the extension did not occur the developer would still have to run water, sewer, and drainage improvements through the existing ROW out towards Liberty Grove Road in the same location as shown in the preliminary design of the road extension. Due to that fact, those expenses were removed from the City's portion of the costs and will be the sole responsibility of the developer, with two exceptions. Staff requested that the developer upsize the required water line and drainage line to accommodate future development in the area, and as such, the City will incur the expense of the upsizing.

FINANCIAL/BUDGET IMPLICATIONS

The cost estimate included in Attachment 1 has been updated based on current construction costs. However it is based on preliminary schematics, not final construction plans and is subject to change. Based on the preliminary plans, the City's portion of the construction costs are estimated to be \$303,436.00. Should the actual costs exceed the estimate, then Council action will be required to amend the facilities agreement prior to proceeding. It should be noted that the above amount includes a 20 percent contingency and staff does not anticipate that the final costs will exceed that amount or, if so, will be minimal.

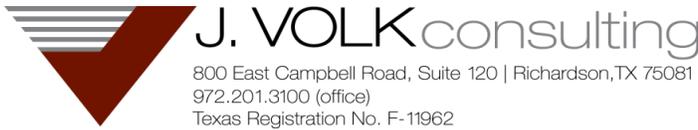
As of September 30, 2015, there was approximately \$1,400,000 available in the impact fee fund. From that amount, \$450,000 is expected to be utilized for the Village of Rowlett. Therefore, there is approximately \$950,000 available in the impact fee fund available for project expenses. Staff does not anticipate utilizing an additional funding source since all aspects of the project have been deemed eligible for impact fees.

RECOMMENDED ACTION

This is a discussion item only.

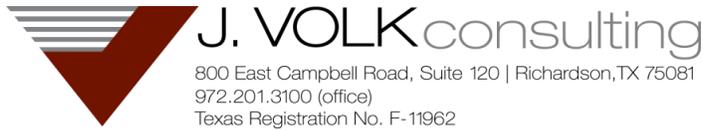
ATTACHMENTS

Attachment 1 – Updated Cost Estimate



ENGINEER'S OPINION OF PROBABLE COST

DATE PREPARED	11/17/2015								
PROJECT	PRINCETON ROAD FROM LIBERTY GROVE TO OLD PRINCETON								
LOCATION	ROWLETT, TEXAS								
CLIENT	JWA CONSTRUCTION								
ITEM	UNIT	UNIT PRICE	DEVELOPER		CITY		TOTAL		
			QTY.	COST	QTY.	COST	QTY.	COST	
EARTHWORK & EROSION CONTROL								0	
Construction Entrance	LS	\$1,500.00	0.5	\$750	0.5	\$750	1	\$1,500	
Silt Fence	LF	\$1.25	1158	\$1,448	500	\$625	1658	\$2,073	
Inlet Protection	EA	\$250.00	6	\$1,500	2	\$500	8	\$2,000	
Curlex	LF	\$1.20	1158	\$1,390	820	\$984	1978	\$2,374	
Clearing & Grubbing	SF	\$0.05	38519	\$1,926	18307	\$915	56826	\$2,841	
Unclassified Excavation & Grading	CY	\$4.00	2140	\$8,560	848	\$3,390	2987	\$11,950	
		SUBTOTAL		\$15,573		\$7,165		\$22,737	
WATER SYSTEM									
8" PVC Water Line	LF	\$21.00	132	\$2,772	0	\$0	132	\$2,772	
12" PVC Water Line	LF	\$50.00	620	\$31,000	45	\$2,250	665	\$33,250	
Trench Safety	LF	\$1.00	752	\$752	45	\$45	797	\$797	
Remove & Replace Ex. Asphalt Paving	SY	\$50.00	20	\$1,000	0	\$0	20	\$1,000	
1" Domestic Service Connection	EA	\$1,000.00	2	\$2,000	0	\$0	2	\$2,000	
1" Irrigation Service Connection	EA	\$1,000.00	1	\$1,000	1	\$1,000	2	\$2,000	
6" Gate Valve	EA	\$1,000.00	2	\$2,000	0	\$0	2	\$2,000	
8" Gate Valve	EA	\$1,200.00	2	\$2,400	0	\$0	2	\$2,400	
12" Gate Valve	EA	\$2,500.00	2	\$5,000	1	\$2,500	3	\$7,500	
Fire Hydrant Assembly	EA	\$3,500.00	2	\$7,000	0	\$0	2	\$7,000	
Connect to Existing Water Line	EA	\$5,000.00	1	\$5,000	1	\$5,000	2	\$10,000	
Cast Iron Fittings	TN	\$6,500.00	0.3	\$1,955	0.0	\$117	0	\$2,072	
Testing/Misc.	LF	\$2.00	752	\$1,504	45	\$90	797	\$1,594	
Maintenance Bond	LS	1.5%	1	\$951	1	\$165	1	\$1,116	
Developer credit for oversizing 8" to 12"	LF	\$29.00	620	-\$17,980	620	\$17,980	1240	\$0	
		SUBTOTAL		\$46,354		\$29,147		\$75,501	
SANITARY SEWER SYSTEM									
6" PVC Sewer	LF	\$25.00	62	\$1,550	0	\$0	62	\$1,550	
8" PVC Sewer	LF	\$35.00	732	\$25,620	0	\$0	732	\$25,620	
4' diameter SSMH	EA	\$3,500.00	2	\$7,000	0	\$0	2	\$7,000	
Connect to Existing	EA	\$7,500.00	1	\$7,500	0	\$0	1	\$7,500	
Post Construction TV Inspection	LF	\$2.50	794	\$1,985	0	\$0	794	\$1,985	
Vacuum Testing of Manholes	EA	\$200.00	2	\$400	0	\$0	2	\$400	
Maintenance Bond	LS	1.5%	1	\$661	1	\$61	1	\$661	
		SUBTOTAL		\$44,716		\$0		\$44,716	
DRAINAGE IMPROVEMENTS									
18" RCP	LF	\$45.00	0	\$0	0	\$0	0	\$0	
21" RCP	LF	\$53.00	180	\$9,540	44	\$2,332	224	\$11,872	
24" RCP	LF	\$62.00	221	\$13,702	0	\$0	221	\$13,702	
30" RCP	LF	\$75.00	413	\$30,975	234	\$17,550	647	\$48,525	
Trench Safety	LF	\$1.00	814	\$814	278	\$278	1092	\$1,092	
Curb Inlet	EA	\$3,000.00	6	\$18,000	2	\$6,000	8	\$24,000	
4' x 4' inlet	EA	\$3,800.00	1	\$3,800	1	\$3,800	2	\$7,600	
4' x 4' Storm Drain Manhole	EA	\$4,000.00	1	\$4,000	1	\$4,000	2	\$8,000	
Connect to existing manhole	EA	\$2,000.00	1	\$2,000	0	\$0	1	\$2,000	
Sloping Headwall	EA	\$4,000.00	2	\$8,000	0	\$0	2	\$8,000	
Testing/Misc.	LF	\$3.00	814	\$2,442	278	\$834	1092	\$3,276	
Maintenance Bond	LS	1.5%	1	\$1,362	1	\$509	1	\$1,872	
Developer Credit for oversizing 18" to 30"	LF	\$20.00	390	-\$7,800	390	\$7,800	390	\$0	
		SUBTOTAL		\$86,835		\$43,103		\$129,939	

**ENGINEER'S OPINION OF PROBABLE COST**

DATE PREPARED	11/17/2015							
PROJECT	PRINCETON ROAD FROM LIBERTY GROVE TO OLD PRINCETON							
LOCATION	ROWLETT, TEXAS							
CLIENT	JWA CONSTRUCTION							
				DEVELOPER		CITY		TOTAL
PAVING IMPROVEMENTS								
8" concrete street pavement	SY	\$43.00	1967	\$84,576	1078	\$46,344	3045	\$130,921
6" Lime Stabilization of Subgrade (36lb/SY)	SY	\$2.60	2164	\$5,625	1186	\$3,082	3349	\$8,708
Hydrated Lime for Subgrade Stabilization	TON	\$170.00	39	\$6,621	21	\$3,628	60	\$10,248
6" Cement Stabilization of Subgrade (25lb/SY)	SY	\$2.00	2423	\$4,846	1328	\$2,655	3750	\$7,501
Cement	TON	\$180.00	30	\$5,451	17	\$2,987	47	\$8,438
6" concrete driveway pavement	SY	\$43.00	107	\$4,601	139	\$5,977	246	\$10,578
Concrete sidewalk	SF	\$5.50	3535	\$19,443	3399	\$18,695	6934	\$38,137
Full Depth Sawcut	LF	\$12.00	75	\$900	160	\$1,920	235	\$2,820
Remove existing ramp	LS	\$1,000.00	0	\$0	1	\$1,000	1	\$1,000
Barrier Free Ramps	EA	\$1,200.00	2	\$2,400	5	\$6,000	7	\$8,400
Irrigation sleeves	LF	\$20.00	130	\$2,600	130	\$2,600	260	\$5,200
Street Light Conduit	LF	\$20.00	700	\$14,000	350	\$7,000	1050	\$21,000
Street Lights	EA	\$5,500.00	1	\$5,500	1	\$5,500	2	\$11,000
Street signs	EA	\$1,500.00	0	\$0	1	\$1,500	1	\$1,500
Pavement Markings	LF	\$5.00	184	\$920	175	\$875	359	\$1,795
Testing	LS	1.5%	1	\$2,017	1	\$1,384	1	\$3,401
Maintenance Bond	LS	1%	1	\$1,595	1	\$1,111	1	\$2,706
			SUBTOTAL	\$161,094		\$112,259		\$273,354
LANDSCAPE & IRRIGATION								
4" Canopy Tree	EA	\$550.00	14	\$7,700	12	\$6,600	26	\$14,300
Bermuda Sod	SF	\$1.50	4000	\$6,000	5300	\$7,950	9300	\$13,950
Irrigation	SF	\$2.50	4,000	\$10,000	5,300	\$13,250	9300	\$23,250
Tree Bubblers	EA	\$250.00	14	\$3,500	12	\$3,000	26	\$6,500
			SUBTOTAL	\$27,200		\$30,800		\$58,000
SUBTOTAL CONSTRUCTION COST				\$381,772		\$222,474		\$604,247
CONTINGENCY 20%				\$76,354		\$44,495		\$120,849
TOTAL CONSTRUCTION COST				\$458,127		\$266,969		\$725,096
<i>Percent of Total Cost</i>				<i>63%</i>		<i>37%</i>		
SOFT COSTS:								
TOPOGRAPHIC DESIGN SURVEY				\$2,211		\$1,289		\$3,500
ENGINEERING				\$34,750		\$20,250		\$55,000
CONSTRUCTION STAKING				\$8,845		\$5,155		\$14,000
LANDSCAPE ARCHITECT				\$4,107		\$2,393		\$6,500
INSPECTION FEE (4% OF PUBLIC IMPROVEMENTS)				\$13,560		\$7,380		\$20,940
TOTAL SOFT COSTS				\$63,473		\$36,467		\$99,940
TOTAL PROJECT COST				\$521,600		\$303,436		\$825,036

Note: Necessary modifications/improvements to the existing traffic signal at Liberty Grove and Princeton Road, will be addressed separately by the City of Rowlett and are not included in this scope of work.



City of Rowlett

Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 12/01/15

AGENDA ITEM: 5A

TITLE

Recognition of Jessica Liston and Evan Orticio for being named National Merit Semifinalists.

STAFF REPRESENTATIVE

Laura Hallmark, City Secretary
Councilmember Carl Pankratz

SUMMARY

Presentation of certificates of recognition for Jessica Liston and Evan Orticio for being named National Merit Semifinalists.

BACKGROUND INFORMATION

National Merit Scholarship Corporation (NMSC), a not-for-profit organization that operates without government assistance, was established in 1955 specifically to conduct the annual National Merit Scholarship Program. Scholarships are underwritten by NMSC with its own funds and by approximately 440 business organizations and higher education institutions that share NMSC's goals of honoring the nation's scholastic champions and encouraging the pursuit of academic excellence.

This year, there are approximately 16,000 Semifinalists in the 61st annual National Merit Scholarship Program. These academically talented high school seniors have an opportunity to continue in the competition for some 7,400 National Merit Scholarships worth more than \$32 million that will be offered next spring. To be considered for a Merit Scholarship® award, Semifinalists must fulfill several requirements to advance to the Finalist level of the competition. About 90 percent of the Semifinalists are expected to attain Finalist standing, and about half of the Finalists will win a National Merit Scholarship, earning the Merit Scholar® title.

About 1.5 million juniors in more than 22,000 high schools entered the 2016 National Merit Scholarship Program by taking the 2014 Preliminary sat/National Merit Scholarship Qualifying Test (PSAT/NMSQT®), which served as an initial screen of program entrants. The nationwide pool of Semifinalists, representing less than one percent of U.S. high school seniors, includes the highest-scoring entrants in each state. The number of Semifinalists in a state is proportional to the state's percentage of the national total of graduating seniors.

To become a Finalist, the Semifinalist and his or her high school must submit a detailed scholarship application, in which they provide information about the Semifinalist's academic record, participation in school and community activities, demonstrated leadership abilities, employment, and honors and awards received. A Semifinalist must have an outstanding

academic record throughout high school, be endorsed and recommended by a high school official, write an essay, and earn sat® scores that confirm the student's earlier performance on the qualifying test.

From the approximately 16,000 Semifinalists, about 15,000 are expected to advance to the Finalist level, and in February they will be notified of this designation. All National Merit Scholarship winners will be selected from this group of Finalists. Merit Scholar designees are selected on the basis of their skills, accomplishments, and potential for success in rigorous college studies, without regard to gender, race, ethnic origin, or religious preference.

Three types of National Merit Scholarships will be offered in the spring of 2016. Every Finalist will compete for one of 2,500 National Merit® \$2500 Scholarships that will be awarded on a state-representational basis. About 1,000 corporate-sponsored Merit Scholarship awards will be provided by approximately 250 corporations and business organizations for Finalists who meet their specified criteria, such as children of the grantor's employees or residents of communities where sponsor plants or offices are located. In addition, about 190 colleges and universities are expected to finance some 3,900 college-sponsored Merit Scholarship awards for Finalists who will attend the sponsor institution.

National Merit Scholarship winners of 2016 will be announced in four nationwide news releases beginning in April and concluding in July. These scholarship recipients will join more than 315,000 other distinguished young people who have earned the Merit Scholar title.



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75030-0099
www.rowlett.com

AGENDA DATE: 12/01/15

AGENDA ITEM: 5B

TITLE

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

STAFF REPRESENTATIVE

Brian Funderburk, City Manager



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 12/01/15

AGENDA ITEM: 7A

TITLE

Consider action to approve minutes from the November 17, 2015, City Council Regular Meeting.

STAFF REPRESENTATIVE

Laura Hallmark, City Secretary

SUMMARY

Section 551.021 of the Government Code provides as follows:

- (a) A governmental body shall prepare and keep minutes or make a tape recording of each open meeting of the body.
- (b) The minutes must:
 - (1) state the subject of each deliberation; and
 - (2) indicate each vote, order, decisions or other action taken.

RECOMMENDED ACTION

Move to approve, amend or correct the minutes for the November 17, 2015, City Council Regular Meeting.

ATTACHMENT

11-17-15 City Council Regular Meeting Minutes



City of Rowlett

Meeting Minutes

City Council

4000 Main Street
Rowlett, TX 75088
www.rowlett.com

City of Rowlett City Council meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at 972-412-6115 or write 4000 Main Street, Rowlett, Texas, 75088, at least 48 hours in advance of the meeting.

Tuesday, November 17, 2015

5:45 P.M.

Municipal Building – 4000 Main Street

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

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

Present: Mayor Gottel, Mayor Pro Tem Gallops, Deputy Mayor Pro Tem Dana-Bashian, Councilmember Pankratz, Councilmember Bobbitt Councilmember van Bloemendaal, and Councilmember Sheffield

1. CALL TO ORDER

Mayor Gottel called the meeting to order at 5:49 p.m.

2. EXECUTIVE SESSION (5:45 P.M.) * Times listed are approximate.

- 2A.** The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to discuss and deliberate the terms and negotiations associated with a request from New Cingular Wireless PCS, LLC to amend their lease agreements located at 3800 Miller Road, Rowlett, TX, further described as Fire Station 1 and 4701 Martha Lane, Rowlett, Texas, further described as the Martha Lane Water Tower. (15 minutes)

In 5:50 p.m. Out 6:13 p.m.

- 2B.** The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.087 (Economic Development) and §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to discuss and deliberate the offer of financial or other incentives to business prospects that the City may seek to have locate on property at 3840 Main Street. (15 minutes)

Due to time constraints, this item was discussed at the conclusion of the Regular Session.
In 9:32 p.m. Out 9:52 p.m.

3. WORK SESSION (6:15 P.M.)

3A. Discuss role of Economic Development Advisory Board in a joint session with members of the Economic Development Advisory Board. (45 minutes)

EDAB Chair called this session to order at 6:15 p.m. Members present: Howard, Young, Lemmons, Sheffield, Dana-Bashian, Grabenhorst, and Funderburk.

Mr. Grabenhorst reviewed the previous EDAB meetings and discussions held regarding the role of the EDAB, EDAB member involvement, comparison of membership of surrounding communities, EDAB activities, EDAB involvement in upcoming projects, and EDAB recommendations. Recommendations included:

- Continue Strategic Partnership with Rowlett Chamber of Commerce
- Standing Monthly Meetings
- Extend an Invitation to Rockwall ISD as an Ex-Officio Member
- Otherwise, Maintain Same Number of Members
- Incentive Policy Review & Recommendation to City Council
- Participation in Marketing Events

Discussion regarding upcoming roundtable events, Team Texas events, North Shore recruitment strategy and timing, hiring a broker versus a site selector, beginning of Bayside creating a buzz about Rowlett and will be able to follow that momentum, and review of available incentives.

EDAB members and Council commented on the progress that has been made and look forward to working together.

Joint session was adjourned at 6:55 p.m.

4. DISCUSS CONSENT AGENDA ITEMS

Staff notified Council that item 7B is being withdrawn and will be submitted at a later date.

Clarification provided for items 7H and 7K.

Council took a short break at 7:04 p.m. to attend the Above & Beyond reception.

CONVENE INTO THE COUNCIL CHAMBERS (7:30 P.M.)*

Council reconvened at 7:34 p.m.

Mayor Gottel asked for a moment of silence for those affected by the terrorist attacks in Paris and for the memory of Rowlett's own VIPS volunteer, Laura Grillo.

INVOCATION – Mayor Pro Tem Gallops

PLEDGE OF ALLEGIANCE

TEXAS PLEDGE OF ALLEGIANCE – Led by the City Council

5. PRESENTATIONS AND PROCLAMATIONS

- 5A.** Presentation of plaques by Mayor Todd Gottle and City Manager Brian Funderburk to employees recognized throughout the year for "Above and Beyond" Customer Service.

Mayor Gottle and Mr. Funderburk presented plaques to the following employees:

Andrew Alman	Monica Patterson
Matt Arnold	Wanda Pavageau
Joshua Brock	Will Plexico
Ryan Corbello	Patrick Ray
Chance Fleck	Franco Rici
Randy Furguson	Joseph Santos
Lola Isom	Chris Sawyer
Ryan Kellerhuis	Ryan Taylor
Earl Maxie	Julie Ward
David Mayne	David Waters
Jeremy Myers	Wade Williams
Vedran Nusic	

- 5B.** Hear presentation of the Monthly Financial report for the period ending September 30, 2015.

Kim Galvin, Director of Financial Services, presented the report.

- 5C.** Update from the City Council and Management: Financial Position, Major Projects, Operational Issues, Upcoming Dates of Interest and Items of Community Interest.

Mayor Gottle announced the following: Council meetings - Next regular council meetings will be held on Tuesday, December 1st and a possible meeting on December 8th. P & Z meetings - Next regular meeting will be held tonight, November 17th in the Annex Bldg & December 8th in the City Hall Conference room at 6:30pm. Charter Review Commission - Next meeting on Wednesday, December 2nd at 6pm in the City Hall Conference Room. Public meeting will be held on Wednesday, December 9th – the Commission would like input regarding its recommendations; 6pm in City Hall Conference Room. Rowlett Library - Library Visioning Task Force meets Wednesday, November 18th, 6:30pm in the Annex Conference Room. Upcoming events: Movie & popcorn: A Charlie Brown Thanksgiving – Saturday, November 21st at 2pm, at RCC. Winter Reading Club – Monday, December 21st thru Thursday, December 31st. Program is free and open to ages 5 – 8. Register at the Library reference desk. Prizes for those who have read the most over the holidays! There will be no library programs, GED or ESL classes from November 24th thru 28th. Parks and Recreation - Kids Kingdom - Kids Kingdom Playground Committee meets weekly on Tuesday evenings at RCC; for more information check on the City's website on the home page, Rebuild Kids Kingdom! Selling fence pickets now – for the price of \$50 each. Volunteers needed!! Sign up now for "Build Week" – Dec. 1 – Dec. 6. Main Street Fest and Holiday Parade – Saturday, December 12th from 3pm – 7pm in Pecan Grove Park. Activities for Seniors: Senior Potluck Lunch Social - second Thursday of the month; 11:30am at RCC; December 9th is the next lunch. Lunch Around Town - fourth Tuesday of the month @ 11:30 am; November 24th next date. City offices closed for Thanksgiving Holiday - Thursday and Friday, November 26th & 27th. Waste Management is closed on Thanksgiving Day, November 26th, trash and recycle pickup will be delayed one day. Animal Shelter - Low cost vaccine clinic at Animal Shelter – Saturday,

December 19th, 1 – 3pm. Located at 4402 Industrial St. Shelter is open Monday – Saturday, 10am – 5pm. Job Fair – Friday, November 20th 9am – 1pm at RCC.

Animal Shelter staff brought Yoko, a Pit Bull mix who is one of the animals available for adoption at the Shelter.

Mayor Pro Tem Gallops announced the Rowlett Chamber's 2nd Annual Sunset Santa Run on December 5th at 4:30 pm.

Life Message Thanksgiving Meal this Saturday, from 11 am to 3 pm.

Councilmember Pankratz announced an ACTOR production of "Taming of Judge Roy Bean" at Main Street Events Center Friday and Saturday at 8 pm and Sunday at 2 pm. More information can be found at www.actortx.com.

6. CITIZENS' INPUT

David Lam, 2402 Mystic Trail, Rowlett; spoke regarding his water bill.

7. CONSENT AGENDA

- 7A.** Consider action to approve minutes from the November 3, 2015, City Council Regular Meeting.

This item was approved on the Consent Agenda.

- 7B.** Consider a resolution authorizing the City Manager to sign an amended Communication Facility License Agreement with Dallas MTA, L.P. d/b/a Verizon Wireless to lease property for the installation, housing, and operation of antenna facilities and associated equipment and cables in order to provide telecommunication services at Community Park located at 8500 Saint Andrews Lane.

This item was removed from consideration.

- 7C.** Consider action to approve a resolution awarding the fourth and final one-year renewal option to extend the price agreement with Nortex Concrete Lift and Stabilization, Incorporated for pavement leveling services in the unit amount as amended and an annual amount of \$125,000 through the Interlocal Cooperative Purchase Agreement with the City of Grand Prairie, and to authorize the Mayor to execute the necessary documents for said services.

This item was approved as RES-138-15 on the Consent Agenda.

- 7D.** Consider action to approve a resolution for Task Authorization #FY2016-01HZ to the Agreement for Professional Services with Huitt-Zollars, Inc. in the amount of \$357,000 for engineering design services for the Highland Meadows Street Reconstruction Project, and to authorize the Mayor to execute the necessary documents for said services.

This item was approved as RES-139-15 on the Consent Agenda.

- 7E. Consider action to approve a resolution authorizing the final acceptance of the Annual Contract for Concrete Repair/Maintenance and the release of retainage in the amount of \$67,488.93 to Tri-Con Services, Incorporated, and to authorize the Mayor to execute the necessary documents.

This item was approved as RES-140-15 on the Consent Agenda.

- 7F. Consider action to approve an ordinance amending the City's Junked Motor Vehicle regulations to update in accordance with State Law.

This item was approved as ORD-037-15 on the Consent Agenda.

- 7G. Consider action to approve an agreement with the Garland Independent School District for School Resource Officers, and to authorize the City Manager to execute the agreement on the City's behalf.

This item was approved as RES-141-15 on the Consent Agenda.

- 7H. Consider a resolution to contract with Playground Shade and Surfacing Depot for the purchase and installation of 22,000 square feet of Poured-in-Place Playground Rubber Safety Surface for Kids Kingdom Playground in the amount of \$219,530.08.

This item was approved as RES-142-15 on the Consent Agenda.

- 7I. Consider a resolution amending authorized representatives to access, transmit funds, issue letters of instruction, and take all other actions deemed necessary or appropriate for the investment of funds with the Texas Local Government Investment Pool (TexPool).

This item was approved as RES-143-15 on the Consent Agenda.

- 7J. Consider action to amend the Fiscal Year 2014-15 Adopted Operating and Capital Improvements Program Budget.

This item was approved as ORD-038-15 on the Consent Agenda.

- 7K. Consider action to approve a resolution for Task Authorization for Professional Services with Kimley-Horn in the amount of \$192,000.00 for the design, engineering and site plan for the Public Safety Training Center, and to authorize the Mayor to execute the necessary documents for said services.

This item was approved as RES-144-15 on the Consent Agenda.

Passed the Consent Agenda

A motion was made by Mayor Pro Tem Gallops, seconded by Councilmember Sheffield, including all the preceding items marked as having been approved on the Consent Agenda. The motion carried with a unanimous vote of those members present.

8. ITEMS FOR INDIVIDUAL CONSIDERATION

- 8A.** Conduct a public hearing and take action on a Special Use Permit to allow a daycare center at 7200 Dalrock Road further described as being 1.44 +/- acres in the Hanse Hamilton Abstract #548, City of Rowlett, Dallas County, Texas (SUP40-2015).

Garrett Langford, Principal Planner, presented the information for this item.

Steve Stoner, 400 S. Houston Street, Dallas; traffic engineer for the applicant, provided clarification for Council.

Misty Thornton, 1001 E. Main, Allen; representative for applicant, provided clarification for Council.

The public hearing opened and closed with no speakers.

A motion was made by Mayor Pro Tem Gallops, seconded by Deputy Mayor Pro Tem Dana-Bashian, to approve the item as presented. The motion carried with a unanimous vote of those members present. This item was approved as ORD-039-15.

- 8B.** Conduct a public hearing and consider an ordinance approving a rezoning from Single Family-40 Zoning District to the New Neighborhood Form Based Zoning District for property located at 3399 Chiesa Road, further described as 21.79 +/- acres in the James Hobbs Survey, Abstract 571, page 721 City of Rowlett, Dallas County, Texas.

Marc Kurbansade, Director of Development Services, presented the information for this item.

The public hearing opened and closed with one speaker:

Sherry Lewis, 2101 Windjammer Way, Rowlett; spoke in opposition of this item.

A motion was made by Councilmember Sheffield, seconded by Councilmember van Bloemendaal, to approve the item as presented. The motion carried with a vote of six in favor and one opposed (Bobbitt). This item was approved as ORD-040-15.

TAKE ANY NECESSARY OR APPROPRIATE ACTION ON CLOSED/EXECUTIVE SESSION MATTERS

Executive Session Item 2B:

A motion was made by Councilmember Sheffield, seconded by Councilmember Bobbitt, to approve a second amendment to the Economic Development Program Agreement between the City and 3840 Main, LLC, to revise the definition of “force majeure” and to include a waiver of impact fees in an amount not to exceed \$16,643.26 and authorizing the City Manager to enter into the amendment to the agreement on the City’s behalf. The motion carried with a unanimous vote of those members present.

9. ADJOURNMENT

Mayor Gottel adjourned the meeting at 9:53 p.m.



City of Rowlett

Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 12/01/15

AGENDA ITEM: 7B

TITLE

Consider ratification of a resolution approving a second amendment to the Economic Development Program Agreement with 3840 Main LLC for property located at 3840 Main St. in Downtown Rowlett.

STAFF REPRESENTATIVE

Jim Grabenhorst, Director of Economic Development

SUMMARY

The second amendment to the Economic Development Program Agreement (Exhibit A) between the City and 3840 Main LLC will modify the definition of "Force Majeure" to include provisions for extending the "Completion of Construction" date subject to adverse weather conditions and to revise Section 3.1 to include the waiver of water, sewer and roadway impact fees in an amount not to exceed \$16,643.26.

The Economic Development Program Agreement allowed for this property in Downtown to become Bankhead Brewing Co., a new restaurant concept. This project, as part of the City's Strategic Downtown Plan, will help catalyze Main Street while providing additional unique dining opportunities for Rowlett residents and the surrounding areas.

BACKGROUND INFORMATION

Downtown Rowlett has been a focus of City development efforts as a way to create a vibrant community core while leveraging the City's commitment nearly 30 years ago to bring public transportation (DART) to Rowlett. Several City facilities (City Hall campus, Library, Development Services, Public Works & Utilities and the Animal Shelter) all reside within the current Downtown boundaries. In addition to the commitment of public transit (DART), the community has invested in several infrastructure improvement projects over the last ten years to prepare Downtown for future development.

In 2010, the City embarked on Realize Rowlett 2020. Realize Rowlett 2020 is the City's Comprehensive Plan that guides decisions on all development. Phase I served to update the comprehensive plan and was adopted by City Council on September 11, 2011. Phase II was about implementing the vision and led to the adoption of new zoning regulations in four key areas on November 6, 2012, to ensure the vision was realized for these areas. Downtown was one of the initial key areas and in addition to the new zoning regulations, a formal Strategic Downtown Plan was also adopted at that time.

The City Council approved the Economic Development Program Agreement with 3840 Main LLC on March 18, 2014, providing for the City to receive fair market value for the property as determined by an appraisal in the amount of \$50,000. The agreement was finalized on July 8, 2014. Under the agreement, 3840 Main LLC is required to renovate and open their restaurant concept within 12 months of taking title to the property, or July 7, 2015. In addition, the agreement requires 3840 Main LLC to provide a private investment of \$200,000 in renovations of the property, creation of 20 full and part-time jobs, and the continuous operation of the restaurant for one year after completion of construction.

The City Council authorized an amendment to the Economic Development Program agreement on June 16, 2015, to allow additional time for completion of construction until March 31, 2016, in order to complete the new construction versus renovation. As such, 3840 Main LLC will now make a private investment of \$1,000,000 in Downtown versus the \$200,000 originally planned for the renovation.

DISCUSSION

As indicated above, the original concept for this project was to use the existing building and renovate it as a restaurant. However, after much study, it was determined that the existing building was functionally obsolete to accommodate Bankhead Brewing Co.'s needs requiring the need of a new building on the site.

As a result of a new building on the site impact fees are triggered, which were previously not budgeted as part of the renovation; therefore, 3840 Main LLC is requesting the waiver of those impact fees (water, sewer and roadway) in an amount not to exceed \$16,643.26 and due to the recent adverse weather conditions, the provisions of Force Majeure is modified to allow for the extension of Completion of Construction beyond March 31, 2016, if needed due to adverse weather conditions over the next four months. The City has received the building permit set and has finalized the construction permit issuance and 3840 Main LLC plans to begin construction immediately.

FINANCIAL/BUDGET IMPLICATIONS

The waiver of fees will impact the impact fee funds in the amount of the waiver (\$16,643.26); however, based upon the increased private investment, the fiscal impact of the project will increase by generating additional tax revenue to the City in excess of \$25,000 annually through property and sales tax revenue. As stated earlier, this project will create and build on the catalytic efforts to utilize City-owned property that currently doesn't generate sales or property tax revenue within our Downtown district.

RECOMMENDED ACTION

City staff recommends Council ratify the second amendment as proposed.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, RATIFYING A SECOND AMENDMENT TO THE ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

BETWEEN THE CITY AND 3840 MAIN, LLC, TO REVISE THE DEFINITION OF FORCE MAJEURE AND TO INCLUDE A WAIVER OF IMPACT FEES IN AN AMOUNT NOT TO EXCEED \$16,643.26; AUTHORIZING THE CITY MANAGER TO ENTER INTO THE AMENDMENT TO THE AGREEMENT ON THE CITY'S BEHALF; AND, PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Rowlett, Texas, has entered into an Economic Development Program Agreement ("Agreement") with 3840 Main, LLC, a developer, for the construction of a restaurant facility to be located at 3840 Main Street, in the City; and

WHEREAS, the City and the Developer have entered into an amendment of the Agreement as of June 16, 2015, to extend the deadline for completion of construction to afford additional time to the Developer to achieve the completion of construction; and

WHEREAS, the Developer has requested an amendment to clarify the definition of Force Majeure and to include in the Grant a waiver of impact fees, which the Council herein approves by authorizing an Amendment to the Agreement.

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

Section 1: That the City Council of the City of Rowlett does hereby approve the Second Amendment to the Economic Development Program Agreement by and between the City of Rowlett, Texas and 3840 Main, LLC, attached hereto and incorporated herein as Exhibit "A".

Section 2. That the City Council does hereby authorize the City Manager of the City of Rowlett, Texas, to execute the Amendment to the Agreement and any other associated documents on the City's behalf.

Section 3: This resolution shall take effect immediately upon its passage.

ATTACHMENTS

Exhibit A – Economic Development Program Agreement Second Amendment

STATE OF TEXAS §
 §
 COUNTY OF DALLAS §

**SECOND AMENDMENT TO
 ECONOMIC DEVELOPMENT
 PROGRAM AGREEMENT**

THIS SECOND AMENDMENT TO ECONOMIC DEVELOPMENT PROGRAM AGREEMENT (“Second Amendment”) is made and entered into by and between the City of Rowlett, Texas, (“City”) and 3840 Main, LLC, (“Developer”), as of the date set forth hereinbelow.

WHEREAS, the City has entered into an Economic Development Program Agreement (“Agreement”) with Developer effective on or about April 8, 2014, which provided for, *inter alia*, the transfer of real estate from the City to Developer conditioned on certain performance criteria; and

WHEREAS, the parties have agreed to an amendment of the Agreement on or about June 16, 2015, revising the scheduled date for the Completion of Construction; and

WHEREAS, the parties have agreed to this second amendment of the Agreement to revise the definition of “Force Majeure” in Article 1, and to revise Section 3.1 of the Agreement, in accordance with the terms hereof.

NOW THEREFORE, in consideration of the premises and the mutual promises, covenants and agreements set forth herein, the Developer and the City hereby agree as follows:

1. Section 3.1 of Article 3 of the Agreement be and is hereby amended such that Section 3.1 is replaced and shall henceforth read in its entirety as follows:

**“ARTICLE 3
 Economic Development Grant**

3.1. Grant. Subject to the terms, covenants and conditions of this Agreement, the City will make economic development grants to Developer from lawfully available funds in an amount not to exceed Fifty Thousand and No/100 Dollars (\$50,000.00), to defray a portion of the costs of the necessary costs of design, construction, renovation and installation of infrastructure, buildings and facilities for the Project. This part of the Grant shall be paid by the City one (1) year after Completion of Construction, payable from any source of funds lawfully available to the City. In addition, the City shall also waive and release Developer from payment of water, sewer and roadway impact fees, as and when due, in an aggregate amount not to exceed Sixteen Thousand Six Hundred Forty-Three and 26/100 Dollars (\$16,643.26).

...”

2. Article Section 3.1 of Article 3 of the Agreement be and is hereby amended such that the definition of “Force Majeure” Section 3.1 is replaced and shall henceforth read in its entirety as follows:

**“ARTICLE 1
Certain Definitions**

...

“Force Majeure” shall mean any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental approvals, laws, regulations, or restrictions, or other cause beyond the control of the party, and where relevant shall include delays occasioned due to adverse weather, including rain, that delays or prevents the progress of construction.

...”

3. All other terms, provisions and conditions of the Agreement shall remain in effect as written.

This Amendment shall be effective as of the 17th day of November, 2015, regardless of the date signed.

CITY OF ROWLETT, TEXAS

By: Brian Funderburk
Brian Funderburk, City Manager

Date: 11-17-15

ATTEST:

Laura Hallmark
Laura Hallmark, City Secretary

3840 Main, LLC,
A Texas Limited Liability Corporation

By Decco, LLC
Its Member Manager

By Don E. Cass
Don E. Cass, its Manager

Date: 11-19-15



City of Rowlett

Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 12/01/15

AGENDA ITEM: 7C

TITLE

Consider action to approve a resolution providing support of the submission of an application to the 2016 Competitive Housing Tax Credit Program through the Texas Department of Housing and Community Affairs for the project proposed by GroundFloor Development.

STAFF REPRESENTATIVE

Marc Kurbansade, Director of Development Services

SUMMARY

GroundFloor Development approached the City about their interest in applying to the Texas Department of Housing and Community Affairs (TDHCA) for the 2016 Competitive Housing Tax Credit Program in order to construct a workforce housing development located on the northwest corner of Melcer Drive and Industrial Street. At the October 13, 2015, City Council Work Session, representatives from GroundFloor Development presented to City Council to provide background on their firm and proposed development ideas. The purpose of this agenda item is to allow the City Council an opportunity to consider formally supporting this project in the form of a Resolution.

BACKGROUND INFORMATION

GroundFloor Development notified the City of Rowlett in July 2015 that they were interested in applying to TDHCA for the 2016 Competitive Housing Tax Credit Program for a Workforce Housing project.

As part of the application process to TDHCA, applicants secure valuable points in a number of means. One of these means is a municipality providing support in the form of a resolution solely for one applicant. Staff and representatives from GroundFloor Development presented a Work Session item to City Council on October 13, 2015, in order to provide City Council background information on GroundFloor Development and their proposed development.

The proposed project by GroundFloor is located on the northwest corner of Melcer Drive and Industrial Street (see location map below). The property is approximately 5.1 acres, and is located in the Downtown Urban Village Form-Based Code zoning district.



DISCUSSION

The Texas Department of Housing and Community Affairs (TDHCA) Housing Tax Credits program is an annual program. In order to gain valuable points, private development entities will seek City participation in the process. Participation from respective municipalities can come in the form of the following:

- 1) Providing a supporting resolution.
- 2) Provision of financial incentives/support.
- 3) Designation of areas as targeted reinvestment areas.

GroundFloor Development will be seeking participation from the City with respect to all three items listed above. This agenda item is simply for the provision of a supporting resolution.

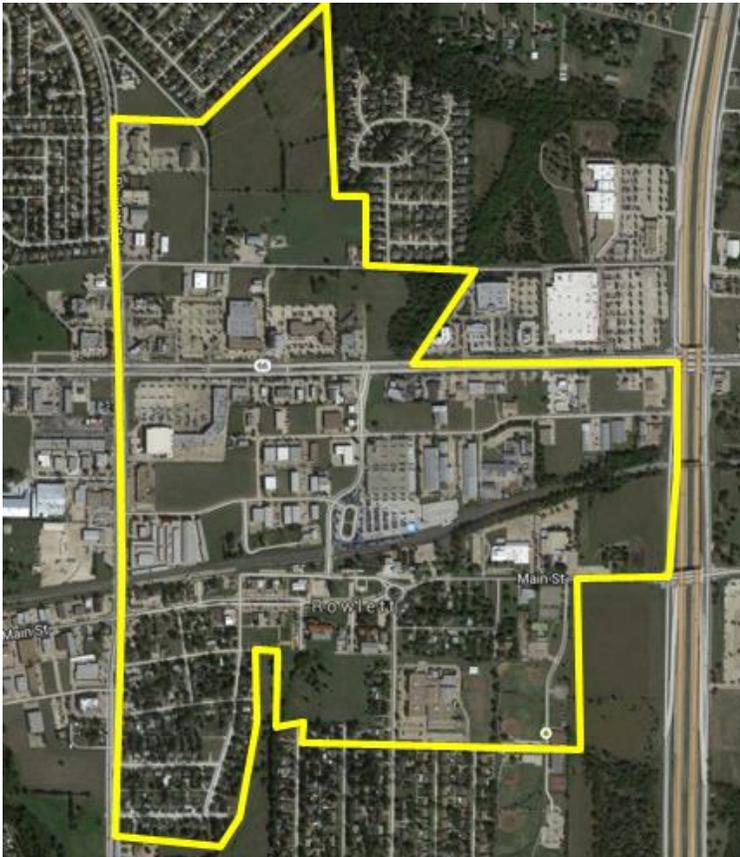
The workforce housing project being proposed by GroundFloor Development will be located on an approximately 5.1-acre tract. Since the proposed development is located in the Downtown Urban Village Form-Based Code zoning district, it would be required to conform to the zoning requirements of that district.

There will be additional actions forthcoming as part of GroundFloor Development's TDHCA application. These additional actions and dates/timeframes include:

- **Funding Commitment Resolution.** The resolution, would function as a "Loan Commitment" resolution offering an economic development loan, which will allow the applicant to qualify for certain competitive points under its TDHCA tax credit application. The economic development incentive agreement would then be assigned to a third party to assume all obligations and liabilities associated with said loan. The resolution would

be contingent on several items occurring prior to the City entering into this Agreement, including applicant's receipt of commitment of tax credits for the project from TDHCA. It should be noted that the resolution would be specific to financing and not a statement of support for development approvals that may be required. This item is tentatively scheduled for consideration by City Council on January 19, 2016.

- **Community Revitalization Plan.** On February 17, 2015, City Council adopted a resolution approving the designation of a Revitalization Area. The general limits of the proposed Revitalization area are roughly delineated by the box in the figure below.



The Revitalization Area depicts significant public investments, such as the Village of Rowlett, Rowlett Road reconstruction, and Community Development Block Grant public facilities improvements. These investments illustrate a commitment by the City in the form of public investment in an amount in excess of \$6 million over the past three years.

FINANCIAL/BUDGET IMPLICATIONS

None.

RECOMMENDED ACTION

Approve a resolution providing support of the submission of an application to the 2016 Competitive Housing Tax Credit Program through the Texas Department of Housing and Community Affairs for the project proposed by GroundFloor Development.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS EXPRESSING SUPPORT FOR THE GROUND FLOOR DEVELOPMENT PROJECT; AUTHORIZING THE MAYOR TO CERTIFY THIS RESOLUTION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS; AND, PROVIDING AN EFFECTIVE DATE.

WHEREAS GroundFloor Development has proposed a development for affordable workforce housing for eligible families, located at the northwest corner of Melcer Drive and Industrial Street in the City of Rowlett, Dallas County, Texas;

WHEREAS GroundFloor Development, has advised that it intends to submit an application to the Texas Department of Housing and Community Affairs (TDHCA) for 2016 Competitive nine percent (9%) Housing Tax Credits and HOME Funds.

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

Section 1. That the City Council of the City of Rowlett, Texas, hereby confirms that it supports the proposed GroundFloor Development community proposed project located at the northwest corner of Melcer Drive and Industrial Street, City of Rowlett, Dallas County, Texas and its application to the TDHCA, and that this formal action has been taken to put on record the opinion expressed by the City of Rowlett on the 1st day of December, 2015, and

Section 2. That the City of Rowlett, acting through its governing body, hereby confirms that the proposed GroundFloor Development community located at the northwest corner of Melcer Drive and Industrial Street, Rowlett, Dallas County, Texas significantly contributes to the concerted revitalization efforts of the City of Rowlett, and

Section 3. That for and on behalf of the City Council, the Mayor is hereby authorized, empowered, and directed to certify these resolutions to the Texas Department of Housing and Community Affairs.

Section 4. That this resolution shall become effective immediately upon its passage.



City of Rowlett Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 12/01/15

AGENDA ITEM: 7D

TITLE

Consider a resolution authorizing the final acceptance and release of retainage for the Scenic Point Park Improvements (PK2100) in the amount of \$55,284.07 to York Bridge Concepts, Incorporated and authorize the Mayor to execute the necessary documents for said services.

STAFF REPRESENTATIVE

Timothy Rogers, Director of Public Works
Walter Allison, City Engineer

SUMMARY

York Bridge Concepts, Incorporated removed the concrete parapet wall along Highway 66, construction of approximately 375 linear feet of 10' wide elevated boardwalk and post-construction protective coatings. The purpose of this item is to authorize the final acceptance of the project and payment of the retainage.

BACKGROUND INFORMATION

Scenic Point Park is located in the northeast quadrant of Rowlett. The unique feature of this park is its location on the shoreline of Lake Ray Hubbard. It provides an excellent vantage point over the water and the adjacent Route 66 Bridge. A very special feature is the little beach on the north side of the spur formed by the old road. In fact, small alcoves with intimate viewing to the lake exist along the entire stretch of the park.

On September 13, 2013, City Council approved the construction of Scenic Point Park Improvements in the amount of \$445,289.00.

On August 5, 2014, City Council approved change order #1 upgrading the timber pilings from treated yellow pine to the South American Greenheart species untreated pilings. On February 25, 2015 and April 25, 2015, staff approved two more change orders to clean-up the shoreline, and extend the contract for 60 days to allow the Boardwalk time to cure before applying sealant. The total of all change orders equaled \$107,191.65, which increased the total construction amount to \$552,480.65. Staff has inspected the construction ensuring compliance with the provisions of the contract and recommends acceptance of such improvements with a final acceptance and release of retainage in the amount of \$55,248.07.

CHANGE ORDER #	DATE	REASON FOR CHANGE	ADDITIONAL DAYS	CHANGE ORDER AMOUNT
1	08/05/14	Upgrade yellow pine treated Timber pilings to greenheart species untreated pilings	120 days	\$105,318.90
2	02/25/15	Clean-up of shoreline	10 days	1,872.75
3	04/25/15	Extension of 60 days to allow for the Boardwalk to weather in order to apply sealant	60 days	No Cost
		Total		\$107,191.65
		Original Contract		445,299.00
		Final Contract		\$552,480.65

DISCUSSION

The Scenic Point Park project included the removal the concrete parapet wall along Highway 66, construction of approximately 375 linear feet of 10' wide elevated boardwalk and post-construction protective coatings. York Bridge Concepts, Incorporated has satisfactorily completed the project as designed in accordance with the contract plans and specifications (see pictures below).



Staff has inspected the construction ensuring compliance with the provisions of the contract and recommends acceptance of such improvements with a final acceptance and release of retainage in the amount of \$55,248.07.

FINANCIAL/BUDGET IMPLICATIONS

Funding in the amount of \$55,248.07 is available in the Scenic Point Park Improvements Project, account #3028002 6701, Project Code PK2100. This project was completed within the approved budget.

Budget Account Number and Project Code	Account or Project Title	Budget Amount	Actual To-Date	Proposed Amount
3028001 6701/PK2100	Scenic Point Park Improvements – Construction	\$755,000.00	\$497,232.58	\$55,248.07
	Scenic Point Park Improvements – Design and Other		161,274.24	-
	Total	\$755,000.00	\$658,506.82	\$55,248.07
	Total Project Costs			\$713,754.89
	Projected Balance/ (Shortfall)			\$41,245.11

RECOMMENDED ACTION

Staff recommends City Council approve a resolution authorizing the final acceptance and release of retainage for the Scenic Point Park Improvements Project (PK2100) in the amount of \$55,284.07 to York Bridge Concepts, Incorporated and authorize the Mayor to execute the necessary documents for said services.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, APPROVING AND AUTHORIZING FINAL ACCEPTANCE AND RELEASE OF RETAINAGE FOR THE SCENIC POINT PARK IMPROVEMENTS PROJECT (PK2100) IN THE AMOUNT OF \$55,284.07 TO YORK BRIDGE CONCEPTS, INCORPORATED; AUTHORIZING THE MAYOR TO EXECUTE THE NECESSARY DOCUMENTS FOR SAID SERVICES PURSUANT TO APPROVAL; AND, PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council adopted Resolution Number RES-077-13 accepting the bid of and awarding a contract to York Bridge Concepts, Incorporated in the amount of \$445,289.00, for the Scenic Point Park Improvements Project (PK2100); and

WHEREAS, three change orders were issued in the amount of \$107,191.65 which increased the total base bid from \$445,289.00 to \$552,480.65; and

WHEREAS, City staff has inspected the construction ensuring that it complies with the provisions of the contract and recommends final acceptance of such improvements and the release of retainage.

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

Section 1: That the City Council of the City of Rowlett does hereby accept the completion of the Scenic Point Park Improvements (PK2100) and approves the

final acceptance and release of retainage to York Bridge Concepts, Incorporated in the amount \$55,248.07.

Section 2: That the City Council of the City of Rowlett does hereby authorize the Mayor to execute the necessary documents after City Attorney approval and authorizes the issuance of a purchase order to conform to this resolution.

Section 3: This resolution shall become effective immediately upon its passage.

ATTACHMENTS

Exhibit A – Final Payment Request and Affidavit of All Bills Paid

PAYMENT REQUEST (8)

PROJECT:	SCENIC POINT PARK	PROJECT NUMBER
OWNER:	CITY OF ROWLETT	212302
CONTRACTOR:	YORK BRIDGE CONCEPTS, INC.	
ENGINEER:	SHERRELLE R. DIGGS, P.E.	

PAYMENT PERIOD FROM: 8/1/2015 9/1/2015 ESTIMATE NO.: 8

SUMMARY OF PAYMENT ESTIMATE VALUES FROM ATTACHED TABULATIONS

Original Contract Amount	\$	445,289.00
Approved Change Orders	\$	107,191.65
Current Contract Amount	\$	552,480.65
Total Value of Original Contract Performed (Attachment "A" consisting of __ pages)	\$	552,480.65
Extra Work on Approved Change Orders (Attachment "B" consisting of __ pages)	\$	107,191.65
Materials on Hand (Attachment "C" consisting of __ pages)	\$	-
Total Value of Work to Date	\$	552,480.65
Less Amount Retained at 10 %	\$	-
Net Amount Earned on Contract	\$	552,480.65
Less Amount of Previous Payments	\$	497,232.58
BALANCE DUE THIS STATEMENT	\$	55,248.07
Percentage of Contract Paid to Date		100%

The undersigned Contractor certifies that all work, including materials on hand, covered by this Periodical Payment has been completed and delivered and stored in accordance with the Contract Documents, that all amounts have been paid by him for work, materials, and equipment for which previous Periodical Payments were issued and received from the Owner, and that the current payment shown herein is now due.

Contractor: York Bridge Concepts, Inc. By [Signature]
 Date: September 1, 2015 James York, President

Subscribed and sworn to before me this 1st day of September, 20 15

Notary Public: Lelia M Preiser [Signature]
 My Commission expires: November 3, 2017



Recommended for Payment by

By _____ Date _____

Approved for Payment by [OWNER]

By [Signature] 11-11-15
 Date

Approved for Payment by [OWNER]

By [Signature] 10/20/2015
 Date

Approved for Payment by [OWNER]

By Mayor _____
 Date



CONTRACTOR'S AFFIDAVIT OF PAYMENT OF DEBTS AND CLAIMS

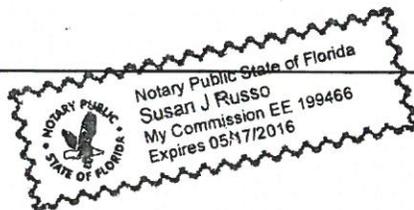
(4. /)

PROJECT:	<u>Scenic Point Park</u>	PROJECT NUMBER:	<u>1-212-302</u>
OWNER:	<u>City of Rowlett, Texas</u>		
CONTRACTOR:	<u>York Bridge Concepts, Inc.</u>		
ENGINEER:			

The Contractor, in accordance with the Contract Documents, hereby certifies that, except as listed below, all obligations for all materials and equipment furnished, for all work labor, and services performed, and for all known indebtedness and claims against the Contractor for damages arising in any manner in connection with the performance of the Contract referenced above for which the Owner or his property might in any way be held responsible have been paid in full or have otherwise been satisfied in full.

EXCEPTIONS: (If none, write "NONE". The Contractor shall furnish a bond, acceptable to the Owner, for each exception.)

CONTRACTOR York Bridge Concepts, Inc.
 BY _____
 TITLE President



Subscribed and sworn to before me this 6th day of November, 2015.
 Notary Public: Susan Russo
 My Commission Expires: 5/17/2016



CONTRACTOR'S AFFIDAVIT OF RELEASE OF LIENS

(4. /)

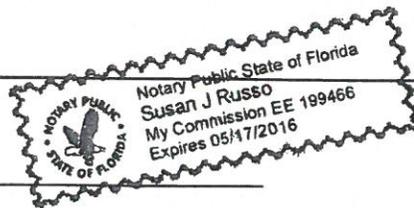
PROJECT:	<u>Scenic Point Park</u>	PROJECT NUMBER:	<u>1-212-302</u>
OWNER:	<u>City of Rowlett, Texas</u>		
CONTRACTOR:	<u>York Bridge Concepts, Inc.</u>		
ENGINEER:			

The Contractor, in accordance with the Contract Documents, and in consideration for the full and final payment to the Contractor for all services in connection with the project, does hereby waive and release any and all liens, or any and all claims to liens which the Contractor may have on or affecting the project as a result of its contract(s) for the Project or for performing labor and/or furnishing materials in any way connected with the construction of any aspect of the project. The Contractor further certifies and warrants that all subcontractors of labor and/or materials for the Project, except as listed below, have been paid in full for all labor and/or materials supplied to, for, through or at the direct or indirect request of the Contractor prior to, through and including the date of this affidavit.

EXCEPTIONS: (If none, write "NONE@. The Contractor shall furnish a bond, acceptable to the Owner, for each exception.)

CONTRACTOR York Bridge Concepts, Inc.

By _____
 Title President



Subscribed and sworn to before me this 6th day of November, 20 15

Notary Public: Susan Russo

My Commission Expires: 5/17/2016



Bond No. 41279846

CONSENT OF SURETY COMPANY TO REDUCTION OF OR PARTIAL RELEASE OF RETAINAGE (4.86 /)

PROJECT:	<u>Scenic Point Park</u>	PROJECT NUMBER:	<u>1-212-302</u>
OWNER:	<u>City of Rowlett, Texas</u>		
CONTRACTOR:	<u>York Bridge Concepts, Inc.</u>		
ENGINEER:			

The Surety Company, on bond of the Contractor listed above for the referenced project, in accordance with the Contract Documents, hereby approves a reduction of or partial release of retainage to the Contractor in the amount of 55,248.07 and agrees that payment of this amount to the Contractor shall not relieve the Surety Company of any of its obligations to the Owner under the terms of the Contract, and as set forth in said Surety Company's bond.

In witness whereof, the Surety Company has hereunto set its hand this 5th day of November 2015.

Platte River Insurance Company
Surety Company

By: [Signature]
Authorized Representative

Title: David B. Shick - Attorney-in-Fact

Address:
7217 Benjamin Road

Tampa, FL 33634

Attach Power of Attorney

PLATTE RIVER INSURANCE COMPANY
POWER OF ATTORNEY

41279846

KNOW ALL MEN BY THESE PRESENTS, That the PLATTE RIVER INSURANCE COMPANY, a corporation of the State of Nebraska, having its principal offices in the City of Middleton, Wisconsin, does make, constitute and appoint

DAVID B SHICK

its true and lawful Attorney(s)-in-fact, to make, execute, seal and deliver for and on its behalf, as surety, and as its act and deed, any and all bonds, undertakings and contracts of suretyship, provided that no bond or undertaking or contract of suretyship executed under this authority shall exceed in amount the sum of

ALL WRITTEN INSTRUMENTS IN AN AMOUNT NOT TO EXCEED \$20,000,000

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of PLATTE RIVER INSURANCE COMPANY at a meeting duly called and held on the 9th day of January, 2002.

"RESOLVED, that the President, and Vice-President, the Secretary or Treasurer, acting individually or otherwise, be and they hereby are granted the power and authorization to appoint by a Power of Attorney for the purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, one or more vice-presidents, assistant secretaries and attorney(s)-in-fact, each appointee to have the powers and duties usual to such offices to the business of the Corporation; the signature of such officers and the seal of the Corporation may be affixed to such power of attorney or to any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Corporation in the future with respect to any bond or undertaking or other writing obligatory in the nature thereof to which it is attached. Any such appointment may be revoked, for cause, or without cause, by any of said officers, at any time."

IN WITNESS WHEREOF, the PLATTE RIVER INSURANCE COMPANY has caused these presents to be signed by its officer undesignated and its corporate seal to be hereto affixed duly attested, this 2nd day of May, 2011

Attest:

Richard W. Allen III
Richard W. Allen III
President
Surety & Fidelity Operations



PLATTE RIVER INSURANCE COMPANY
David F. Pauly
David F. Pauly
CEO & President

STATE OF WISCONSIN } 58
COUNTY OF DANE

On the 2nd day of May, 2011 before me personally came David F. Pauly, to me known, who being by me duly sworn, did depose and say: that he resides in the County of Dane, State of Wisconsin; that he is President of PLATTE RIVER INSURANCE COMPANY, the corporation described herein and which executed the above instrument; that he knows the seal of the said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.



Daniel W. Krueger
Daniel W. Krueger
Notary Public, Dane Co., WI
My Commission Is Permanent

STATE OF WISCONSIN } 38
COUNTY OF DANE

I, the undersigned, duly elected to the office stated below, now the incumbent in PLATTE RIVER INSURANCE COMPANY, a Nebraska Corporation, authorized to make this certificate, DO HEREBY CERTIFY that the foregoing attached Power of Attorney remains in full force and has not been revoked; and furthermore, that the Resolution of the Board of Directors, set forth in the Power of Attorney is now in force.

Signed and sealed at the City of Middleton, State of Wisconsin this 5th day of November 2015



Alan S. Ogilvie
Alan S. Ogilvie
Secretary

THIS DOCUMENT IS NOT VALID UNLESS PRINTED ON GREEN SHADED BACKGROUND WITH A RED SERIAL NUMBER IN THE UPPER RIGHT HAND CORNER. IF YOU HAVE ANY QUESTIONS CONCERNING THE AUTHENTICITY OF THIS DOCUMENT CALL 800-475-4450



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75030-0099
www.rowlett.com

AGENDA DATE: 12/1/15

AGENDA ITEM: 7E

TITLE

Consider action to approve a resolution accepting the bid of and awarding a contract to Fortiline Inc. in the amount of \$186,387.50 for the purchase of inventory and line replacement parts and materials for the distribution system.

STAFF REPRESENTATIVE

Tim Rogers, Director of Public Works
Jake Gilliland, Utility Operations Manager

SUMMARY

This action item is for the purchase of ongoing construction, operations and maintenance inventory and line replacement parts/materials from competitive low bidder, Fortiline Inc., for the utility infrastructure system.

BACKGROUND INFORMATION

During the standard operations and maintenance efforts, staff consistently expends inventory to replace failed parts/materials on an as needed basis and to provide for our routine maintenance programs such as hydrant, valve, pump, meter and meter box maintenance. Funding is allocated in the operating budget to replace utility infrastructure items as failure occurs.

October 1, 2012, Council approved a utility rate increase to assist in improving the maintenance, operations and upgrades of the aged utility infrastructure. Staff has allocated \$1.225 million within the Utility Fund Capital Maintenance program specifically for line replacement parts/materials associated with a distribution and collection system (hydrant, pump, valve, service and mainline materials, etc.).

Notice to bidders was published in the *Rowlett Lakeshore Times* on October 22 and 29, 2015. Sealed proposals were received in the Purchasing Office until 2:00 pm, November 5, 2015, and then publicly opened and read aloud in the City Annex Conference Room in accordance with Texas Local Government Code.

Ferguson Waterworks was the apparent low bid, but was deemed non-responsive due to non-compliance of required bid specifications. Fortiline Inc. is the competitive low bid (see Exhibit A). Bids received are as listed below:

1. Ferguson Waterworks _____ \$182,441.65(disqualified)
2. Fortiline Inc. _____ \$186,387.50
3. HD Supply Waterworks _____ \$194,929.60

DISCUSSION

The use of miscellaneous parts and fittings are necessary to complete each project. Various cast iron tee fittings are utilized in street intersections and areas where two main lines are connected.

Water valves and fire hydrants are key components to the water distribution system. Water system valves allow crews to isolate specific sections of main line to perform service and repairs when needed. Fire hydrants are crucial in the safety of our community and an important device used to flush air and contaminants from the system. As hydrants in the system age and do not operate correctly or become completely inoperable, it is necessary to have them repaired or replaced.

Service lines are also a crucial part of the distribution system, which consists of various miscellaneous parts such as compression and mechanical fittings, tubing, meter boxes and ball valves.

This purchase provides staff with the ability to complete repairs and service necessary to ensure continued operation of the distribution system more efficiently and effectively.

It has been determined that failed water mains cause degradation of subgrades under pavement. During major road reconstruction, it is necessary to assess the condition of the underground utilities and replace based on age and condition. This ensures long lasting integrity of the newly installed pavement. In preparation of the upcoming street reconstruction in the Highland Meadows Subdivision approved in the May 2015 Bond Election, staff will be replacing all main lines and associated service connections. Approximately 100 percent of this purchase will be utilized in this project.

FINANCIAL/BUDGET IMPLICATIONS

Funding is available in the amount of \$186,387.50 in the Utility Fund Capital Maintenance account WA1108.

Budget Account Number/Project Code	Account or Project Title	Budget Available	Proposed Amount
5208101 6701/WA1108	Miscellaneous Water Line Repair And Replacement	\$648,845.00	\$186,387.50
Total		\$648,845.00	\$186,387.50

RECOMMENDED ACTION

Staff recommends approving a resolution accepting the bid of and awarding a contract to Fortiline Inc. in the amount of \$186,387.50 for the purchase of inventory and line replacement parts and materials for the distribution system.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, ACCEPTING THE BID OF AND AWARDING A CONTRACT TO FORTILINE INC. FOR THE PURCHASE OF

UTILITY LINE MATERIALS IN THE AMOUNT OF \$186,387.50 FOR THE UTILITY DIVISION; AUTHORIZING THE CITY MANAGER TO ISSUE PURCHASE ORDER PURSUANT TO APPROVAL; AND, PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is necessary to procure water materials for the Utility Division and the City of Rowlett; and

WHEREAS, the Purchasing Division has obtained competitive bids and recommends the bid award for the procurement of water line materials to the lowest responsible bidder meeting specifications as per Bid #2016-04; and

WHEREAS, the City Council of the City of Rowlett, Texas desires to award the bid to the lowest responsible bidder meeting specifications, Fortiline Inc., in the amount of \$186,387.50.

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

Section 1: That the City Council of the City of Rowlett does hereby accept the bid of and award a contract to Fortiline Inc. for the purchase of utility line materials in the amount of \$186,387.50 for the Utility Division.

Section 2: That the City Council does hereby authorize the City Manager or his designee pursuant, to approval, to issue purchase orders to conform to this resolution as appropriate.

Section 3: This resolution shall become effective immediately upon its passage.

ATTACHMENT

Exhibit A – Bid Tabulation

City of Rowlett
972-412-6198 Fax 972-412-6144
2016-04 Water Supply Materials
11/5/2015

Ferguson Waterworks Chad Shearer 903-508-6341	Fortiline Inc. Whistle Maza 214-462-2839
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Item	Quantity	Description	Unit Price	Total Price	Mfg/Model/PN	Unit Price	Total Price	Mfg/Model/PN
1	300	1" Poly Pipe Stainless Steel Insert	\$1.40	\$420.00	Mueller insert #504385	\$1.10	\$330.00	Ford I-52
2	50	6" x 1" CC Thread Tap Saddle-AWWA Standard Double Strapped Low Lead Brass	\$75.31	\$3,765.50	BR2B0684CC100 Mueller	\$75.00	\$3,750.00	Ford 202B750CC4
3	75	Meter Cans DFW 37C Lid & Body	\$89.00	\$6,675.00	DFW 37C	\$80.00	\$6,000.00	DFW 37C
4	10	6" MJ Anchor 90 USA CP DI C153	\$202.61	\$2,026.10	Tyler Domestic	\$192.00	\$1,920.00	Tyler
5	40	6" PVC Restraints with Accessory Kit	\$37.28	\$1,491.20	UFR-1500-6-U-A	\$38.00	\$1,520.00	Ford UFR1500AU
6	5	2" 90 Compression Fitting Mueller or Ford No Lead Brass	\$138.09	\$690.45	015526 Mueller	\$140.00	\$700.00	Ford L4477QNL
7	8	8" Mueller or M & H MJ x H MJ x MJ Gate Valve	\$612.95	\$4,903.60	080A236123LN	\$600.00	\$4,800.00	M & H
8	15	6" Fire Hydrant Extension Kit Mueller A320-006 5 1/4 Valve Opening	\$226.00	\$3,390.00	A320-006 Mueller	\$250.00	\$3,750.00	HRPI
9	300	Blue Hydrant Street Reflector	\$2.65	\$795.00	Renco #BHS	\$2.75	\$825.00	BHM
10	20	8" PVC MJ Mega Lug Gland Pack Accessory Kit	\$59.41	\$1,188.20	UFR1500-8-U-A Ford	\$50.00	\$1,000.00	Ford UFR1500AU
11	20	5' Bury Fire Hydrants Mueller NST or M & H with 1 1/2 nuts, 4" pumper nozzle & 1 1/2" pent	\$1,664.65	\$33,293.00	423-502406 Mueller A 423	\$1,495.00	\$29,900.00	MH M129
12	20	6" Mueller or M & H MJ x MJ Gate Valve	\$384.00	\$7,680.00	060A236123LN	\$385.00	\$7,700.00	MH
13	4	6" x 6" MJ Anchor Tee Cast Iron Ductile Iron CP DI C153 Domestic	\$174.50	\$698.00	Tyler Domestic	\$167.00	\$668.00	Tyler
14	100	1" Compression Union Coupling Mueller or Ford	\$13.89	\$1,389.00	015403 Mueller	\$15.00	\$1,500.00	Ford C4444QNL
15	100	1" Corporations - Mueller, Ford CC Thread Pattern Low Lead Brass	\$34.52	\$3,452.00	015008 Mueller	\$36.00	\$3,600.00	Ford F10004QNL
16	100	1" Angle Stop Compression fitting Mueller, Ford No Lead Brass	\$37.11	\$3,711.00	014258 Mueller	\$40.00	\$4,000.00	Ford KV43332WQNL
17	3000	1" Poly Pipe, SDR9, Class 200 Polyethylene (Copper tube size)	\$0.29	\$870.00	ADS SDR9 poly	\$0.40	\$1,200.00	ENDOT/ADS
18	10	2" Angle Stop Compression Fitting Mueller or Ford No Lead Brass	\$166.06	\$1,660.60	014277 Mueller	\$175.00	\$1,750.00	Ford FV43777WGNL

		Ferguson Waterworks		Fortiline Inc.				
Item	Quantity	Description	Unit Price	Total Price	Mfg/Model/PN	Unit Price	Total Price	Mfg/Model/PN
19	100	3/4" x 1" Meter Bushing Mueller H-10889 fem mtr x male mtr - low lead 254N AWWA Standard	\$6.85	\$685.00	010889 Mueller	\$7.00	\$700.00	Ford A34NL
20	200	3/4" Meter Tails No Lead Brass	\$6.33	\$1,266.00	010890 215N Mueller	\$7.00	\$1,400.00	Ford C382325NL
21	200	1" Meter Tails No Lead Brass	\$9.75	\$1,950.00	010890 330N Mueller	\$11.00	\$2,200.00	Ford C38442625
22	200	3/4" Quest Fittings Female Threaded Compression	\$3.06	\$612.00	QQAFA44F Quest	\$6.00	\$1,200.00	NDS
23	200	1" Quest Fittings Female Threaded Compression	\$3.79	\$758.00	QQAFA55F Quest	\$9.00	\$1,800.00	NDS
24	3000	6" DR18 PVC Certa Lok, Certainteed or Equivalent	\$6.27	\$18,810.00	Diamond lock priced per ft + 3,000 ft	\$7.10	\$21,300.00	Certa
25	1000	8" DR18 PVC Certa Lok, Certainteed or Equivalent	\$10.75	\$10,750.00	Diamond lock priced per ft + 1,000 ft	\$12.00	\$12,000.00	Certa
26	4	8" x 6" MJ Anchor Tee Cast Iron Ductile Iron CP DI C153 Domestic	\$217.75	\$871.00	Tyler domestic	\$205.00	\$820.00	Tyler
27	10	6"x12" MJ Anchor Nipple Cast Iron Ductile Iron CP DI C153 Domestic	\$122.57	\$1,225.70	Tyler domestic	\$118.00	\$1,180.00	Tyler
28	20	8" x 1" CC Tap Saddle - AWWA Standard Double Strapped Low Lead Brass	\$93.25	\$1,865.00	BR2B0899CC100 Mueller	\$93.00	\$1,860.00	Ford 202B905CC4
29	140	6" C900 PVC Pipe	\$3.13	\$438.20	Diamond 6" DR-18 140 feet	\$3.40	\$476.00	6DR18
30	10	6" x 2" CC Thread Tap Saddle AWWA Standard Double Strapped No Lead Brass	\$94.68	\$946.80	BR2B0684CC200 Mueller	\$94.00	\$940.00	Ford 202B750CC7
31	10	8" x 2" CC Thread Tap Saddle AWWA Standard Double Strapped No Lead Brass	\$106.98	\$1,069.80	BR2B0899CC200 Mueller	\$107.00	\$1,070.00	Ford 202B905CC7
32	5	1 1/2" Corporation CC Thread Mueller or Ford No Lead Brass	\$97.86	\$489.30	025008 500N Mueller	\$103.00	\$515.00	Ford FB10006QNL
33	5	1 1/2" Angle Stop Compression Fitting Mueller or Ford / No Lead Brass	\$129.34	\$646.70	014277 500N Mueller	\$135.00	\$675.00	Ford FV43666WGNL
34	20	3/4" Union Compression Coupling Mueller or Ford / No Lead Brass	\$12.73	\$254.60	015403 250N Mueller	\$13.25	\$265.00	Ford C4433QNL
35	20	3/4" 90 Compression Fitting Mueller or Ford/No Lead Brass	\$15.65	\$313.00	015526 250N Mueller	\$16.50	\$330.00	Ford L4433QNL
36	20	6" x 12" Fire Hydrant Extension Kit Mueller A320-006 5 1/4" Valve Opening	\$263.00	\$5,260.00	A320-012	\$290.00	\$5,800.00	HRPI
37	20	6" Waterous Fire Hydrant Extension Kit	\$158.33	\$3,166.60	Waterous	\$220.00	\$4,400.00	HRPI
38	20	6" x 12" WATEROUS Fire Hydrant Extension Kit	\$186.42	\$3,728.40	Waterous	\$250.00	\$5,000.00	HRPI
39	15	6" x 7 1/2" Full Circle Clamp Stainless Steel, Smith Blair or Ford OD 6.56 - 6.96	\$49.31	\$739.65	226-00066307-000A	\$45.00	\$675.00	Ford F169675
40	15	8" x 7 1/2" Full Circle Clamp Stainless Steel, Smith Blair or Ford OD 8.99 - 9.39	\$60.28	\$904.20	226-00090507-00A	\$47.00	\$705.00	Ford F193975
41	15	8" x 12 1/2" Full Circle Clamp Stainless Steel, Smith Blair or Ford OD 8.99 - 9.39	\$96.53	\$1,447.95	226-00090512-000A	\$75.00	\$1,125.00	Ford F1939125
42	50	DFW 1730C-18-1A Meter Box	\$217.75	\$10,887.50	DFW 1730C-18-1-A	\$185.00	\$9,250.00	DFW 1730C-18-1A

Item	Quantity	Description	Ferguson Waterworks		Mfg/Model/PN	Fortiline Inc.		Mfg/Model/PN
			Unit Price	Total Price		Unit Price	Total Price	
43	15	6" x 12 1/2" Full Circle Clamp Stainless Steel, Smith Blair or Ford OD 6.62-7.42	\$105.60	\$1,584.00	227-00066312-000A	\$68.00	\$1,020.00	F1745125 Ford
44	15	8" x 12 1/2" Full Circle Clamp Stainless Steel, Smith Blair or Ford OD 8.99 - 9.79	\$116.76	\$1,751.40	227-00090512-000A	\$77.00	\$1,155.00	F1967125 Ford
45	15	8" x 7 1/2" Full Circle Clamp Stainless Steel, Smith Blair or Ford OD 8.99 - 9.79	\$78.62	\$1,179.30	227-00090507-000A	\$48.00	\$720.00	F196775 Ford
46	200	4" SDR35 PVC Sewer Pipe	\$0.65	\$136.50	Diamond priced @ 210 ft	\$0.78	\$156.00	435 JM
47	50	4" Coupling Clay Tile - PVC	\$3.75	\$187.50	1002-44 fernco	\$4.00	\$200.00	Indiana Seals 2804CCLCI
48	25	4" Cast Iron Lateral Cleanout Casting Bass & Hays 404	\$44.73	\$1,118.25	Bass & Hays 404	\$45.00	\$1,125.00	404 CO
49	25	4" x 4" SDR35 Service Tee Wye Gasket x Gasket	\$8.75	\$218.75	Multi fittings	\$11.00	\$275.00	GPK
50	25	4" PVC SDR35 Sewer 22 1/2" Degree Fitting Gasket x Gasket	\$4.52	\$113.00	Multi fittings	\$6.00	\$150.00	GPK
51	25	4" PVC SDR 35 Sewer 45 Degree Fitting Gasket x Gasket	\$4.08	\$102.00	Multi fittings	\$6.00	\$150.00	GPK
52	25	4" SDR 35 Cleanout Adaptor HXF	\$2.50	\$62.50	Multi fittings	\$3.50	\$87.50	GPK
53	25	4" SDR35 Cleanout Plug with Raised Nut	\$1.52	\$38.00	Multi fittings	\$2.00	\$50.00	GPK
54	100	3/4" Angle Stop Compression Fitting Mueller, Ford & 110 Outlet for Quick Connect Low Lead Brass	\$27.10	\$2,710.00	014258215N Mueller	\$30.50	\$3,050.00	Ford KV43332WQNL
55	100	Shorty vlv box Domestic	\$57.17	\$5,717.00	Tyler domestic	\$60.00	\$6,000.00	BH 3401D
56	10	8" x 12" DI Sleeve Domestic	\$119.69	\$1,196.90	Tyler domestic	\$115.00	\$1,150.00	Tyler
57	75	4" Sanitary Sewer Rubber CT's	\$3.50	\$262.50	1056-44 fernco	\$4.00	\$300.00	Indiana Seals 2804CCI
58	100	3/4" Corporations - Mueller, Ford CC Thread Pattern Low lead brass	\$22.80	\$2,280.00	015008 250N Mueller	\$24.50	\$2,450.00	Ford F10003QNL
59	2000	15: SDR 35 sanitary sewer pipe	\$8.20	\$16,400.00	Diamond price per ft 2,000 ft.	\$8.75	\$17,500.00	1535 JM
60	1000	1" Rubber meter gaskets	\$0.12	\$120.00	EGW	\$0.15	\$150.00	White Rhino
61	1000	3/4" Rubber meter gaskets	\$0.08	\$80.00	EGW	\$0.10	\$100.00	White Rhino
Grand Total				\$182,441.65			\$186,387.50	
Delivery time (ARO):			14 days		17 days			
Payment terms:			Net 30		Net 30			
Exceptions to Bid Specifications:			Diamond Lock					
Comments:			Pipe is priced per foot not sticks					

City of Rowlett
972-412-6198 Fax 972-412-6144
2016-04 Water Supply Materials
11/5/2015

HD Supply Waterworks Greg Fontenot 972-635-2722
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Item	Quantity	Description	Unit Price	Total Price	Mfg/Model/PN
1	300	1" Poly Pipe Stainless Steel Insert	\$0.92	\$276.00	Ford 1" insert #52
2	50	6" x 1" CC Thread Tap Saddle-AWWA Standard Double Strapped Low Lead Brass	\$75.21	\$3,760.50	Ford 202B-750-CC4
3	75	Meter Cans DFW 37C Lid & Body	\$90.00	\$6,750.00	DFW 37C-12-1BAF
4	10	6" MJ Anchor 90 USA CP DI C153	\$174.31	\$1,743.10	Star USA MJHB9006D
5	40	6" PVC Restraints with Accessory Kit	\$37.75	\$1,510.00	Star USA PVC
6	5	2" 90 Compression Fitting Mueller or Ford No Lead Brass	\$138.36	\$691.80	Ford L44-77QNL
7	8	8" Mueller or M & H MJ x H MJ x MJ Gate Valve	\$646.25	\$5,170.00	Mueller 8" A23
8	15	6" Fire Hydrant Extension Kit Mueller A320-006 5 1/4 Valve Opening	\$221.64	\$3,324.60	Hydraflo 6" Mueller Ext
9	300	Blue Hydrant Street Reflector	\$2.75	\$825.00	EGW
10	20	8" PVC MJ Mega Lug Gland Pack Accessory Kit	\$50.44	\$1,008.80	Star USA PVC
11	20	5' Bury Fire Hydrants Mueller NST or M & H with 1 1/2 nuts, 4" pumper nozzle & 1 1/2" pent	\$1,711.00	\$34,220.00	Mueller A423
12	20	6" Mueller or M & H MJ x MJ Gate Valve	\$396.17	\$7,923.40	Mueller A2360-20
13	4	6" x 6" MJ Anchor Tee Cast Iron Ductile Iron CP DI C153 Domestic	\$165.00	\$660.00	Star USA MJTH0606D
14	100	1" Compression Union Coupling Mueller or Ford	\$14.95	\$1,495.00	Ford NL C44-QNL
15	100	1" Corporations - Mueller, Ford CC Thread Pattern Low Lead Brass	\$36.70	\$3,670.00	Ford NL F1000-4QNL
16	100	1" Angle Stop Compression fitting Mueller, Ford No Lead Brass	\$40.12	\$4,012.00	Ford NL KV43- 444WQNL
17	3000	1" Poly Pipe, SDR9, Class 200 Polyethylene (Copper tube size)	\$0.35	\$1,050.00	ADS
18	10	2" Angle Stop Compression Fitting Mueller or Ford No Lead Brass	\$180.15	\$1,801.50	Ford NL FV43- 777WQNL

Item	Quantity	Description	HD Supply Waterworks		Mfg/Model/PN
			Unit Price	Total Price	
19	100	3/4" x 1" Meter Bushing Mueller H-10889 fem mtr x male mtr - low lead 254N AWWA Standard	\$7.27	\$727.00	Mueller H-10889
20	200	3/4" Meter Tails No Lead Brass	\$7.68	\$1,536.00	Ford NL C38-23-2.5 NL
21	200	1" Meter Tails No Lead Brass	\$11.13	\$2,226.00	Ford NL C38-44-2-625 NL
22	200	3/4" Quest Fittings Female Threaded Compression	\$11.07	\$2,214.00	Ford NL C14-33QNL
23	200	1" Quest Fittings Female Threaded Compression	\$15.53	\$3,106.00	Ford NL C14-44QNL
24	3000	6" DR18 PVC Certa Lok, Certainteed or Equivalent	\$6.97	\$20,910.00	Certainteed
25	1000	8" DR18 PVC Certa Lok, Certainteed or Equivalent	\$11.78	\$11,780.00	Certainteed
26	4	8" x 6" MJ Anchor Tee Cast Iron Ductile Iron CP DI C153 Domestic	\$207.45	\$829.80	Star USA MJTH0806D
27	10	6"x12" MJ Anchor Nipple Cast Iron Ductile Iron CP DI C153 Domestic	\$116.42	\$1,164.20	Star USA MJA0613D
28	20	8" x 1" CC Tap Saddle - AWWA Standard Double Strapped Low Lead Brass	\$93.07	\$1,861.40	Ford 202B-962-CC4
29	140	6" C900 PVC Pipe	\$3.52	\$492.80	J.M. Eagle DR18 G/J
30	10	6" x 2" CC Thread Tap Saddle AWWA Standard Double Strapped No Lead Brass	\$94.47	\$944.70	Ford 202B-750-CC7
31	10	8" x 2" CC Thread Tap Saddle AWWA Standard Double Strapped No Lead Brass	\$110.00	\$1,100.00	Ford 202B-962-CC7
32	5	1 1/2" Corporation CC Thread Mueller or Ford No Lead Brass	\$105.80	\$529.00	Ford FB1000-6QNL
33	5	1 1/2" Angle Stop Compression Fitting Mueller or Ford No Lead Brass	\$145.00	\$725.00	Ford FV43-666WQNL
34	20	3/4" Union Compression Coupling Mueller or Ford No Lead Brass	\$13.50	\$270.00	Ford C44-33QNL
35	20	3/4" 90 Compression Fitting Mueller or Ford No Lead Brass	\$16.50	\$330.00	Ford L44-33 QNL
36	20	6" x 12" Fire Hydrant Extension Kit Mueller A320-006 5 1/4" Valve Opening	\$248.00	\$4,960.00	Hydraflo
37	20	6" Waterous Fire Hydrant Extension Kit	\$214.00	\$4,280.00	Hydrant Repair Parts
38	20	6" x 12" WATEROUS Fire Hydrant Extension Kit	\$250.00	\$5,000.00	Hydrant Repair Parts
39	15	6" x 7 1/2" Full Circle Clamp Stainless Steel, Smith Blair or Ford OD 6.56 - 6.96	\$48.00	\$720.00	Smith-Blair 226-066307-000
40	15	8" x 7 1/2" Full Circle Clamp Stainless Steel, Smith Blair or Ford OD 8.99 - 9.39	\$59.00	\$885.00	Smith-Blair 226-090507
41	15	8" x 12 1/2" Full Circle Clamp Stainless Steel, Smith Blair or Ford OD 8.99 - 9.39	\$95.00	\$1,425.00	Smith-Blair 226-090512
42	50	DFW 1730C-18-1A Meter Box	\$181.45	\$9,072.50	DFW1730C-18-1A

Item	Quantity	Description	HD Supply Waterworks		Mfg/Model/PN
			Unit Price	Total Price	
43	15	6" x 12 1/2" Full Circle Clamp Stainless Steel, Smith Blair or Ford OD 6.62-7.42	\$80.25	\$1,203.75	Smith-Blair 226-071012-000
44	15	8" x 12 1/2" Full Circle Clamp Stainless Steel, Smith Blair or Ford OD 8.99 - 9.79	\$97.00	\$1,455.00	Smith-Blair 226-094012-000
45	15	8" x 7 1/2" Full Circle Clamp Stainless Steel, Smith Blair or Ford OD 8.99 - 9.79	\$60.25	\$903.75	Smith-Blair 226-094007-000
46	200	4" SDR35 PVC Sewer Pipe	\$0.79	\$158.00	JM Eagle SDR-35
47	50	4" Coupling Clay Tile - PVC	\$2.68	\$134.00	Fernco 1002-44
48	25	4" Cast Iron Lateral Cleanout Casting Bass & Hays 404	\$44.73	\$1,118.25	Bass & Hays 404 Lateral
49	25	4" x 4" SDR35 Service Tee Wye Gasket x Gasket	\$10.73	\$268.25	Multi fittings
50	25	4" PVC SDR35 Sewer 22 1/2" Degree Fitting Gasket x Gasket	\$4.67	\$116.75	Multi fittings
51	25	4" PVC SDR 35 Sewer 45 Degree Fitting Gasket x Gasket	\$5.39	\$134.75	Multi fittings
52	25	4" SDR 35 Cleanout Adaptor HXF	\$2.58	\$64.50	Multi fittings
53	25	4" SDR35 Cleanout Plug with Raised Nut	\$1.56	\$39.00	Multi fittings
54	100	3/4" Angle Stop Compression Fitting Mueller, Ford & 110 Outlet for Quick Connect Low Lead Brass	\$32.00	\$3,200.00	Ford DV43-332WQNL
55	100	Shorty vlv box Domestic	\$57.50	\$5,750.00	Bass & Hays
56	10	8" x 12" DI Sleeve Domestic	\$118.00	\$1,180.00	Star USA
57	75	4" Sanitary Sewer Rubber CT's	\$3.78	\$283.50	Fernco 1056-44 PVCxPVC
58	100	3/4" Corporations - Mueller, Ford CC Thread Pattern Low lead brass	\$24.00	\$2,400.00	Ford F1000-3QNL
59	2000	15' SDR 35 sanitary sewer pipe	\$9.68	\$19,360.00	JM Eagle
60	1000	1" Rubber meter gaskets	\$0.09	\$90.00	EGW
61	1000	3/4" Rubber meter gaskets	\$0.09	\$90.00	EGW
Grand Total				\$194,929.60	
Delivery time (ARO):			7-14 days		
Payment terms:			Net 30		
Exceptions to Bid Specifications:					
Comments:					



City of Rowlett

Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 12/01/15

AGENDA ITEM: 7F

TITLE

Consider a resolution authorizing the City Manager to amend the lease agreement between New Cingular Wireless PCS, LLC and the City of Rowlett as it pertains to the lease area located at 3800 Miller Road, Rowlett, TX, further described as Fire Station 1.

STAFF REPRESENTATIVE

Marc Kurbansade, AICP, Director of Development Services

SUMMARY

The City Council approved an agreement with AT&T Mobility Texas, LLC (now known as New Cingular Wireless PCS, LLC) on August 24, 2005, for 3800 Miller Road, Fire Station 1 (Attachment 1). Recently, New Cingular Wireless contacted staff and requested an amendment to this agreement (Exhibit A). The amendment largely focuses on the Rent, Term, and Extension sections, as well as the Rent Adjustment section. This item outlines their request. If approved, the resolution will authorize the City Manager to execute an amendment to the original lease agreement.

BACKGROUND INFORMATION

On May 5, 2015, Staff presented a work session item to the City Council outlining changes in industry trends and how they might affect the City's leases in the future. Two of the trends discussed pertained to changes in lease rates and escalation schedules. In summary, due to advancements in technology, providers must take into consideration the topography of the tower site because different elevations provide different ranges in the quality of service. The location of where the equipment is placed on a tower, as well as the amount of interference in the area will contribute to the lease rates providers are able to pay. In addition, the technology itself will dictate lease rates as providers move towards placing micro antennas in multiple areas to increase data coverage while phasing out larger antennas associated with voice coverage. In the past, collocating providers have paid similar rental rates and escalator rates as the initial provider who built the tower and often secured the prime antenna locations. This model is no longer sustainable for the collocatees and it is likely that the City will continue to see requests for amendments similar to this request.

DISCUSSION

The original rental terms in the agreement were \$2,500.00 per month with a 20 percent escalator every five years for up to two consecutive renewal terms. New Cingular Wireless is requesting an amendment that would establish a new initial term date of January 1, 2016. They propose a rent amount of \$3,000.00 per month with a 15 percent escalator every five years with the option

of up to five consecutive renewal terms for a total of 25 years beyond the initial term of the agreement.

FINANCIAL/BUDGET IMPLICATIONS

The Fire Station 1 agreement is within its third term with the City, so the monthly rent has escalated to \$3,600.00 per month. Based on the original terms of the agreement, it will not escalate again before the agreement expires in 2020. The proposed new term would start the rent rate over at \$3,000.00 on January 1, 2016, and then escalate 15% every five years for up to 25 years. Based on the proposed amendment, it would take five years to equal the current lease rate. The City would see an initial loss of \$600.00 per month between 2016-2021.

If the proposed amendment is approved, the City will initially see a loss in revenue. However, as previously mentioned, the reason that New Cingular is requesting these amendments is because technology has changed and their standard antennas are no longer viable. They will continue reviewing and revising leases across the country to align with changing technology and industry trends. While there are no guarantees, it stands to reason that while the City will see a reduction in revenue now, there is the potential to see an overall increase as New Cingular expands the number of leases they maintain throughout the City. Ultimately, New Cingular has conveyed to staff that this is the direction that their company is moving and all their current leases will either be amended or they will be terminated. From this point forward they will only pursue leases that support their changing technology needs and the adjusted rates that accompany that technology.

RECOMMENDED ACTION

Staff has reviewed the terms of the amendment with the City Attorney and find them to be legally sound and aligned with what is known regarding industry trends.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO A PREVIOUSLY APPROVED COMMUNICATION FACILITY LICENSE AGREEMENT BY AND BETWEEN THE CITY OF ROWLETT AND NEW CINGULAR WIRELESS PCS, LLC (FORMERLY KNOWN AS AT&T MOBILITY TEXAS, LLC), FOR THE INSTALLATION, HOUSING, AND OPERATION OF ANTENNA FACILITIES AND ASSOCIATED EQUIPMENT AND CABLES AND TO LEASE PROPERTY TO PROVIDE TELECOMMUNICATIONS SERVICES AT 3800 MILLER ROAD, ROWLETT, TEXAS, FURTHER DESCRIBED AS FIRE STATION 1; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Rowlett desires to amend the previous lease agreement with New Cingular Wireless PCS, LLC with terms, as described in Exhibit "A" for the installation of telecommunication equipment at 3800 Miller Road, Rowlett, TX further described as Fire Station 1; and

WHEREAS, New Cingular Wireless PCS, LLC is a telecommunications company duly authorized to provide certain telecommunications services and desires to amend their leases for

certain property owned by the City of Rowlett for the continued use of Antenna Facilities and the installation and operation of Licensee's Equipment on and around the Antenna Facilities; and

WHEREAS, the City of Rowlett owns the premises and facilities described below and desires to allow New Cingular Wireless PCS, LLC to enter and utilize designated areas of the facilities and premises; and

WHEREAS, the amendments attached herein as Exhibit "A" are contingent on City staff's final approval of construction documents as required.

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

Section 1: That the City Council of the City of Rowlett hereby approves and authorizes the City Manager to execute the Amended Communication Facility License Agreement with New Cingular Wireless PCS, LLC as provided in Exhibit "A," which is attached hereto and incorporated herein.

Section 2: This resolution shall become effective immediately upon its passage.

ATTACHMENT

Exhibit A – Fire Station 1 Amendment

Attachment 1 – Original Fire Station 1 Agreement

Cell Site No.: DX1520
Cell Site Name: ROWLETT/MILLER ROAD
Fixed Asset No.: 10042646
Market: N. TX
Address: 3800 Miller Road

**FIRST AMENDMENT TO COMMUNICATIONS FACILITIES
LICENSE AGREEMENT**

THIS FIRST AMENDMENT TO COMMUNICATIONS FACILITIES LICENSE AGREEMENT ("**First Amendment**"), dated as of the latter of the signature dates below (the "**Effective Date**"), is by and between the City of Rowlett, Texas, a home rule municipal corporation, having a mailing address of 4000 Main Street, Rowlett, TX 75088 (hereinafter referred to as "**City**"), and New Cingular Wireless PCS, LLC, a Delaware limited liability company, successor by merger to Houston Cellular Telephone Company, LP, by its general partner, New Cingular Wireless PCS, LLC, having a mailing address of 575 Morosgo Drive NE, Atlanta, GA 30324 (hereinafter referred to as "**Licensee**").

WHEREAS, City (or its respective predecessor-in-interest) and Licensee (or its respective predecessor-in-interest) entered into a Communications Facilities License Agreement dated August 24, 2005 (hereinafter, the "**Agreement**"), whereby City leased to Licensee certain Premises, therein described, that are a portion of the property ("**Property**") located at 3800 Miller Road, Rowlett, TX; and

WHEREAS, the term of the Agreement will expire on September 30, 2020, and the parties mutually desire to renew the Agreement, memorialize such renewal period and modify the Agreement in certain other respects, all on the terms and conditions contained herein; and

WHEREAS, City and Licensee desire to amend the Agreement to extend the term of the Agreement; and

WHEREAS, City and Licensee desire to amend the Agreement to adjust the Rent Payment (as defined below) in conjunction with the modifications to the Agreement contained herein; and

WHEREAS, City and Licensee desire to amend the Agreement to modify the notice section thereof; and

WHEREAS, City and Licensee desire to amend the Agreement to permit Licensee to add, modify and/or replace equipment in order to be in compliance with any current or future federal, state or local mandated application, including but not limited to emergency 911 communication services; and

WHEREAS, City and Licensee, in their mutual interest, wish to amend the Agreement as set forth below accordingly.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Licensee agree that the recitals set forth above are incorporated herein as if set forth in their entirety and further agree as follows:

Cell Site No.: DX1520
Cell Site Name: ROWLETT/MILLER ROAD
Fixed Asset No.: 10042646
Market: N. TX
Address: 3800 Miller Road

1. **Extension of Term.** The term of the Agreement shall be extended to provide that the Agreement has a new initial term of five (5) years ("**New Initial Term**") commencing on January 1, 2016 ("**New Term Commencement Date**"). As of the New Term Commencement Date, the term provided in the Agreement and any extensions thereof, as applicable, shall be void and of no further force and consequence. The Agreement will automatically renew, commencing on the expiration of the New Initial Term, for up to five (5) separate consecutive additional periods of five (5) years each (each such five (5) year additional period is hereinafter referred to as an "**Additional Extension Term**" and each such Additional Extension Term shall be considered an Extension Term under the Agreement), upon the same terms and conditions of the Agreement, as amended herein, without further action by Licensee unless Licensee notifies City in writing of Licensee's intention not to renew the Agreement at least sixty (60) days prior to the expiration of the then current Additional Extension Term. The New Initial Term, the Additional Extension Term are collectively referred to as the Term ("**Term**").
2. **Termination.** In addition to any rights that may exist in the Agreement, Licensee may terminate the Agreement at any time with prior written notice to City for any or no reason.
3. **Rent Payment.** Commencing on January 1, 2016, the current Rent Payment payable under the Agreement shall be Three Thousand and No/100 Dollars (\$3,000.00) per month (the "**Rent Payment**"), and shall continue during the Term, subject to adjustment as provided herein. Section 4 of the Agreement shall be amended to provide that Rent Payment shall be adjusted as follows: commencing on January 1, 2021, and each Additional Extension Term exercised thereafter, the Monthly Rent Payment will increase by fifteen percent (15%) over the Rent Payment paid during the previous Term.
4. **Emergency 911 Service.** In the future, without the payment of additional Rent Payment, or any other consideration, and at a location mutually acceptable to City and Licensee, City agrees that Licensee may add, modify and/or replace equipment in order to be in compliance with any current or future federal, state or local mandated application, including but not limited to emergency 911 communication services.
5. **Rental Stream Offer.** If at any time after the date of this First Amendment, City receives a bona fide written offer from a third party seeking an assignment or transfer of the Rent Payment associated with the Agreement ("**Rental Stream Offer**"), City shall immediately furnish Licensee with a copy of the Rental Stream Offer. Licensee shall have the right within ninety (90) days after it receives such copy to match the Rental Stream Offer and agree in writing to match the terms of the Rental Stream Offer. Such writing shall be in the form of a contract substantially similar to the Rental Stream Offer. If Licensee chooses not to exercise this right or fails to provide written notice to City within the ninety (90) day period, City may assign the right to receive Rent Payment payments pursuant to the Rental Stream Offer, subject to the terms of the Agreement. If City attempts to assign or transfer Rent Payment payments without complying with this Section, the assignment or transfer shall be void. Licensee shall not be responsible for any failure to make payments under the Agreement and reserves the right to hold payments due under the Agreement until City complies with this Section.

Cell Site No.: DX1520
Cell Site Name: ROWLETT/MILLER ROAD
Fixed Asset No.: 10042646
Market: N. TX
Address: 3800 Miller Road

6. **Charges.** All charges payable under the Agreement such as utilities and taxes shall be billed by City within one (1) year from the end of the calendar year in which the charges were incurred; any charges beyond such period shall not be billed by City, and shall not be payable by Licensee. The foregoing shall not apply to monthly rent which is due and payable without a requirement that it be billed by City. The provisions of this subparagraph shall survive the termination or expiration of the Agreement.

7. **Acknowledgement.** City acknowledges that: 1) this First Amendment is entered into of the City's free will and volition; 2) City has read and understands this First Amendment and the underlying Agreement and, prior to execution of this First Amendment, was free to consult with counsel of its choosing regarding City's decision to enter into this First Amendment and to have counsel review the terms and conditions of this First Amendment; 3) City has been advised and is informed that should City not enter into this First Amendment, the underlying Agreement between City and Licensee, including any termination or non-renewal provision therein, would remain in full force and effect.

8. **Notices.** Section 19 of the Agreement is hereby deleted in its entirety and replaced with the following:

“(a) NOTICES. All notices, requests, and demands hereunder will be given by first class certified or registered mail, return receipt requested, or by a nationally recognized overnight courier, postage prepaid, to be effective when properly sent and received, refused or returned undelivered. Notices will be addressed to the parties as follows:

If to Licensee:

New Cingular Wireless PCS, LLC
Attn: Network Real Estate Administration
Re: Cell Site #: DX1520
Cell Site Name: ROWLETT/MILLER RD (TX); Fixed Asset No.: 10042646
575 Morosgo Drive NE
Atlanta, GA 30324

With a required copy of the notice sent to the address above to AT&T Legal at:

New Cingular Wireless PCS, LLC
Attn: AT&T Legal Department
Re: Cell Site #: DX1520
Cell Site Name: ROWLETT/MILLER RD (TX); Fixed Asset No.: 10042646
208 S. Akard Street
Dallas, Texas, 75202-4206

A copy sent to the Legal Department is an administrative step which alone does not constitute legal notice.

Cell Site No.: DX1520
Cell Site Name: ROWLETT/MILLER ROAD
Fixed Asset No.: 10042646
Market: N. TX
Address: 3800 Miller Road

And as to City:

City of Rowlett, Texas
4000 Main Street
Rowlett, TX 75088

(b) In the event of a change in ownership, transfer or sale of the Property, within ten (10) days of such transfer, City will send the below documents to Licensee. In the event Licensee does not receive such appropriate documents, Licensee shall not be responsible for any failure to pay the current landlord

- (i) New deed to Property
- (ii) New W-9
- (iii) New Payment Direction Form
- (iv) Full contact information for new City including all phone numbers

Either party hereto may change the place for the giving of notice to it by thirty (30) days prior written notice to the other as provided herein.”

9. **Memorandum of Agreement.** Either party will, at any time upon fifteen (15) days prior written notice from the other, execute, acknowledge and deliver to the other a recordable Memorandum of Agreement substantially in the form of the Attachment 1. Either party may record this memorandum at any time, in its absolute discretion.

10. **Other Terms and Conditions Remain.** In the event of any inconsistencies between the Agreement and this First Amendment, the terms of this First Amendment shall control. Except as expressly set forth in this First Amendment, the Agreement otherwise is unmodified and remains in full force and effect. Each reference in the Agreement to itself shall be deemed also to refer to this First Amendment.

11. **Capitalized Terms.** All capitalized terms used but not defined herein shall have the same meanings as defined in the Agreement.

[NO MORE TEXT ON THIS PAGE - SIGNATURES TO FOLLOW ON NEXT PAGE]

Cell Site No.: DX1520
Cell Site Name: ROWLETT/MILLER ROAD
Fixed Asset No.: 10042646
Market: N. TX
Address: 3800 Miller Road

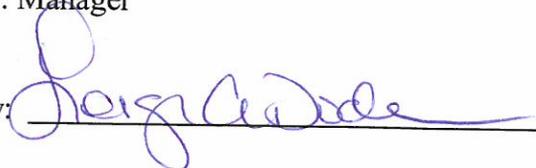
IN WITNESS WHEREOF, the parties have caused their properly authorized representatives to execute this First Amendment on the dates set forth below.

CITY:
City of Rowlett, Texas,
a home rule municipal corporation

LICENSEE:
New Cingular Wireless PCS, LLC,
a Delaware limited liability company

By: AT&T Mobility Corporation
Its: Manager

By: _____

By:  _____

Print Name: _____

Print Name: Leigh Ann Dodson

Title: City Manager

Title: Area Manager - RE&C
NTX Network Ops

Date: _____

Date: 10-21-15

[ACKNOWLEDGMENTS APPEAR ON THE NEXT PAGE]

Cell Site No.: DX1520
Cell Site Name: ROWLETT/MILLER ROAD
Fixed Asset No.: 10042646
Market: N. TX
Address: 3800 Miller Road

Attachment 1

Memorandum of Agreement

Cell Site No.: DX1520
Cell Site Name: ROWLETT/MILLER ROAD
Fixed Asset No.: 10042646
Market: N. TX
Address: 3800 Miller Road

Exhibit A

Copy of Agreement

**THIS DOCUMENT PREPARED BY,
and
WHEN RECORDED RETURN TO:**

Michael Fraunces, President
Md7, LLC
10590 West Ocean Air Drive
Suite 300
San Diego, CA 92130

PARCEL #: 44-90162-00A-002-0000

SPACE ABOVE FOR RECORDER'S USE

Re: Cell Site #: DX1520
Cell Site Name: ROWLETT/MILLER ROAD (TX)
Fixed Asset Number: 10042646
State: TX
County: Dallas

**MEMORANDUM
OF
AGREEMENT**

This Memorandum of Agreement is entered into on this ____ day of _____, 201__, by and between the City of Rowlett, Texas, a home rule municipal corporation, having a mailing address at 4000 Main Street, Rowlett, TX 75088 (hereinafter referred to as "City") and New Cingular Wireless PCS, LLC, a Delaware limited liability company, successor by merger to Houston Cellular Telephone Company, LP, by its general partner, New Cingular Wireless PCS, LLC, having a mailing address of 575 Morosgo Drive NE, Atlanta, GA 30324 (hereinafter referred to as "**Licensee**").

1. City and Licensee (or their predecessors in interest) entered into a certain Communications Facilities License Agreement dated August 24, 2005, as amended by that certain First Amendment to Communications Facilities License Agreement dated _____, 201__ (hereinafter, collectively, the "**Agreement**") for the purpose of installing, operating and maintaining a communications facility and other improvements at City's real property located in the City of Rowlett, County of Dallas, commonly known as 3800 Miller Road. All of the foregoing are set forth in the Agreement.
2. The New Initial Term will be five (5) years ("**New Initial Term**") commencing on January 1, 2016, with five (5) successive five (5) year options to renew.
3. The portion of the land being leased to Licensee (the "**Premises**") is described in **Exhibit 1** annexed hereto.

4. This Memorandum of Agreement is not intended to amend or modify, and shall not be deemed or construed as amending or modifying, any of the terms, conditions or provisions of the Agreement, all of which are hereby ratified and affirmed. In the event of a conflict between the provisions of this Memorandum of Agreement and the provisions of the Agreement, the provisions of the Agreement shall control. The Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors, and assigns, subject to the provisions of the Agreement.

[NO MORE TEXT ON THIS PAGE - SIGNATURES TO FOLLOW ON NEXT PAGE]

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

CITY:

City of Rowlett, Texas,
a home rule municipal corporation

By: _____

Print Name: _____

Title: City Manager

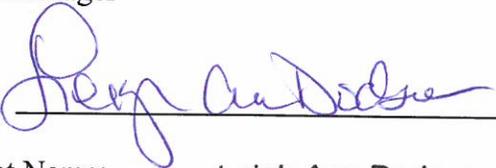
Date: _____

LICENSEE:

New Cingular Wireless PCS, LLC,
a Delaware limited liability company

By: AT&T Mobility Corporation

Its: Manager

By:  _____

Print Name: Leigh Ann Dodson

Area Manager - RE&C
NTX Network Ops

Title: _____

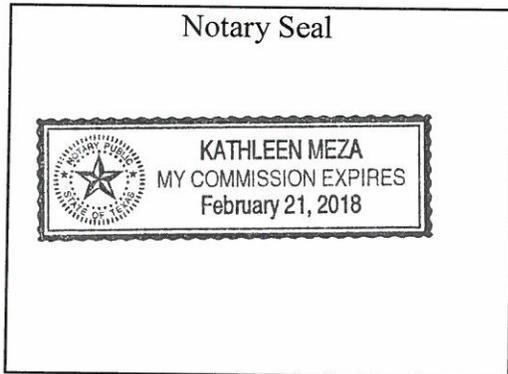
Date: 10-21-15

LICENSEE ACKNOWLEDGEMENT

STATE OF Texas)
) SS.
COUNTY OF Dallas)

I certify that I know or have satisfactory evidence that Leigh Ann Dodson is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Area Manager of AT&T Mobility Corporation, the Manager of **New Cingular Wireless PCS, LLC, a Delaware limited liability company**, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 10-21-15



Kathleen Meza
(Signature of Notary)
Kathleen Meza
(Legibly Print or Stamp Name of Notary)
Notary Public in and for the State of
Texas
My appointment expires: 2-21-18

Exhibit 1 to Memorandum of Agreement

Legal Description

The Property is legally described as follows:

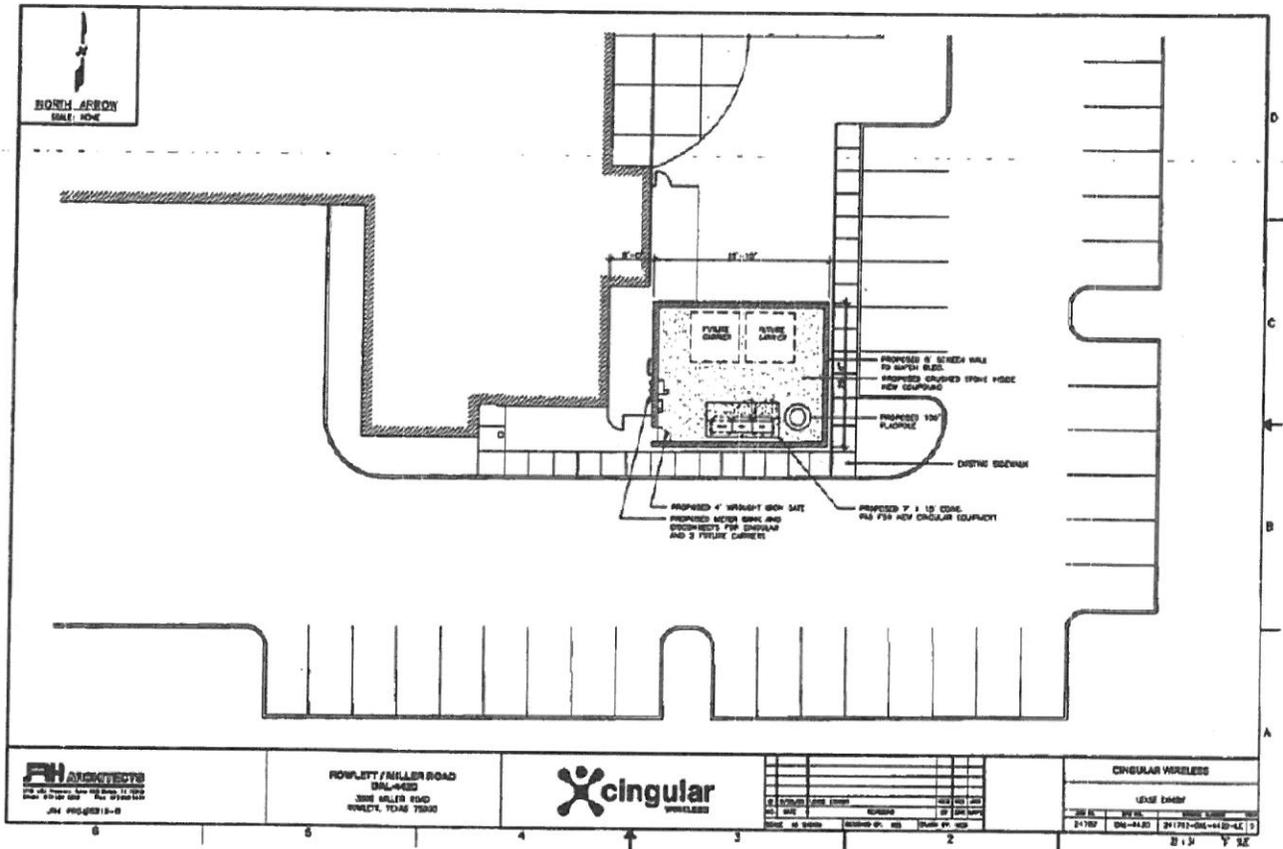
Street Address: 3800 Miller Road, Rowlett, TX 75088

Parcel #: 44-90162-00A-002-0000

Lot 2 in Block A of Koch Estates, an Addition to the City of Rowlett, Texas, according to the Map thereof recorded in Volume 97112, Page 2488, of the Deed Records of Dallas County, Texas.

That certain Premises (and access and utility easements) is located on a portion of the Property and is described as follows:

A fifty (50) foot by fifty (50) foot area on City's Property, more particularly described as follows:



PH ARCHITECTS
 100 W. Superior Street, Suite 1000, Chicago, IL 60605
 Phone: 312.467.0000 Fax: 312.467.0001
 JAY #002818-B

ROWLETT / MILLER ROAD
 3000 MILLER ROAD
 WHEELING, TEXAS 75080



NO.	DESCRIPTION	DATE	BY
1	ISSUED FOR PERMIT	08/10/10	JAY
2	REVISED	08/10/10	JAY
3	REVISED	08/10/10	JAY
4	REVISED	08/10/10	JAY
5	REVISED	08/10/10	JAY
6	REVISED	08/10/10	JAY

CINGULAR WIRELESS			
LEASE EXHIBIT			
REV. NO.	REV. DATE	REV. DESCRIPTION	REV. BY
1	08/10/10	241793-000-4430-4431	JAY



City of Rowlett

Official Copy

Resolution: 2005-448

City of Rowlett
4000 Main Street
P.O. Box 99
Rowlett, TX 75030
www.ci.rowlett.tx.us

File Number: 2005-448

Enactment Number: RES-133-05

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A COMMUNITY FACILITIES LICENSE AGREEMENT BY AND BETWEEN THE CITY OF ROWLETT AND HOUSTON CELLULAR TELEPHONE COMPANY, LP, BY ITS GENERAL PARTNER, NEW CINGULAR WIRELESS PCS, LLC FOR THE INSTALLATION, HOUSING, AND OPERATION OF A ONE HUNDRED FOOT MONOPOLE TOWER AND ASSOCIATED ANTENNA AND CABLES AND TO LEASE PROPERTY TO PROVIDE TELECOMMUNICATIONS SERVICES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Rowlett desires to provide Houston Cellular Telephone Company with facilities for housing and operating certain communications equipment, including a fifty (50) foot by fifty (50) foot area, for the installation of a one hundred (100) foot monopole tower and associated antenna and cables, twelve (12) foot by twenty (20) foot equipment shelter and associated hardware; and

WHEREAS, Houston Cellular Telephone Company is a telecommunications company duly authorized to provide certain telecommunications services and desires to lease certain property owned by the City of Rowlett for installation and operation of the monopole tower and associated equipment; and

WHEREAS, the City of Rowlett desires to lease Houston Cellular Telephone Company designated areas of the facilities and premises for telecommunication service; and

WHEREAS, the agreement attached herein as "Exhibit A" is contingent on City staff's final approval of the construction documents.

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

Section 1: That the City Council of the City of Rowlett hereby authorizes the City Manager to execute the Community Facilities License Agreement with Houston Cellular Telephone Company as provided in Exhibit A which is attached hereto; and

Section 2: This resolution shall become effective immediately upon its passage.

At a meeting of the City Council on 8/2/2005, a motion was made by Mayor Pro Tem Alberts, seconded by Councilmember Rushing, that this Resolution be approved. The motion passed by the following vote:

Ayes: 7 Mayor Johnson, Mayor Pro Tem Alberts, Councilmember Maggiotto, Councilmember Rushing, Deputy Mayor Pro Tem Bryan, Councilmember Sebastian and Councilmember Alsop

Approved by Shane Johnson Date 8/2/05
Mayor

Approved to Form by [Signature] Date 8/2/05
City Attorney

Certified by [Signature] Date 8/2/05
City Secretary



STATE OF TEXAS §
 § **COMMUNICATIONS FACILITIES**
 § **LICENSE AGREEMENT**
 COUNTY OF DALLAS §

KNOW ALL BY THESE PRESENTS:

This non-exclusive License for Communications Facilities ("Agreement") is made by and between the **CITY OF ROWLETT, TEXAS**, a home rule municipal corporation (hereinafter referred to as the "CITY") and HOUSTON CELLULAR TELEPHONE COMPANY, LP, BY ITS GENERAL PARTNER, NEW CINGULAR WIRELESS PCS, LLC hereinafter referred to as "LICENSEE"), for the use of certain premises and/or facilities according to the following terms and conditions:

WITNESSETH:

WHEREAS, CITY desires to provide LICENSEE with facilities for housing and operating certain communications equipment, including a fifty (50) foot by fifty (50) foot area, more particularly described in Appendix "A", for the installation of a one hundred (100) foot monopole tower and associated antenna and cables, twelve (12) foot by twenty (20) foot equipment shelter and associated hardware; and

WHEREAS, LICENSEE is a telecommunications company duly authorized to provide certain telecommunications services and desires to lease certain property owned by CITY for installation and operation of IMPROVEMENTS as defined herein; and

WHEREAS, CITY owns the premises and facilities described below and desires to allow LICENSEE to enter and utilize designated areas of the facilities and premises.

NOW, THEREFORE, in consideration of the terms and conditions hereinafter set forth, the Parties agree as follows:

1. Location

1.1 The premises and facilities (hereinafter referred to as the "PREMISES") provided by CITY are described in the SITE PLAN attached hereto and incorporated herein as **Appendix "A"**. Included upon the PREMISES shall be LICENSEE's Equipment Compound, the Antenna Facilities, as defined herein, and the cabling run between the Antenna Facilities and the Equipment Compound (hereinafter referred to as "IMPROVEMENTS"). As a part of the SITE PLAN, LICENSEE shall provide to CITY a map that identifies all of LICENSEE's cell sites within the City of Rowlett and within a one-mile radius of the boundaries of the City of Rowlett. As used herein, the term "Equipment Compound" means all equipment, shelters and similar structures located on

the PREMISES and identified on **Appendix "A"**. The license authorized under the terms of this Agreement shall be a license for the use of that portion of the PREMISES designated for use by LICENSEE on the SITE PLAN.

1.2 **Site Plan.** The SITE PLAN must be approved by CITY prior to the execution of this Agreement, with approval or disapproval not to be unreasonably delayed or withheld. The SITE PLAN shall describe and illustrate the location of the IMPROVEMENTS under this Agreement. The SITE PLAN shall include a scale drawing and inventory analysis of the proposed installations, as well as an elevation of the PREMISES with the proposed installations. Performance under this Agreement shall be in strict compliance with the SITE PLAN. If LICENSEE's installation, maintenance and operation of the IMPROVEMENTS fail to comply with the approved SITE PLAN, at any time, as determined by CITY, then CITY shall have the right to terminate this Agreement upon notice to LICENSEE, who has an opportunity to cure as provided under Section 6 herein. Any and all proposed modifications that significantly alter the appearance and/or profile from public view to LICENSEE's SITE PLAN must be approved in writing by CITY before LICENSEE may make any changes to its SITE PLAN as originally approved by CITY, such proposed modification shall not interfere with the operations of the CITY or other Tenants.

1.3 LICENSEE has inspected, examined and investigated the status of the title and condition of the PREMISES to the extent that LICENSEE has deemed necessary, and LICENSEE understands, acknowledges and agrees that it is entering into this Agreement to acquire a leasehold interest in the PREMISES "AS IS" in reliance solely upon the results of any inspection, examination and investigation of the status of title and condition of the PREMISES that LICENSEE has conducted and not as a result of any representation, warranty, assurance, guaranty or promise of CITY or any person purporting to act on behalf of CITY, other than those which may be expressly set forth in this Agreement.

1.4 LICENSEE UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT NEITHER CITY NOR ANY AGENT, EMPLOYEE OR OTHER PERSON ACTING ON BEHALF OF THE CITY, HAS MADE ANY, AND THE CITY EXPRESSLY DISCLAIMS EVERY, REPRESENTATION, WARRANTY (INCLUDING WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE AND HABITABILITY), ASSURANCE, GUARANTY OR PROMISE, EXPRESS OR IMPLIED, CONCERNING THE STATUS OF THE TITLE OR CONDITION OF THE PREMISES WHICH ARE NOT EXPRESSLY SET FORTH IN THIS AGREEMENT AND THAT NO AGENT OR EMPLOYEE OF THE CITY OR OTHER PERSON HAS ANY AUTHORITY TO MAKE OR DELIVER ANY REPRESENTATION, WARRANTY, ASSURANCE, GUARANTY OR PROMISE WHICH IS NOT SET FORTH IN THIS AGREEMENT.

2. Use of Premises

2.1 **Permitted Use.** CITY agrees to allow installment of LICENSEE's IMPROVEMENTS, in accordance with the terms of this Agreement. LICENSEE's use shall be non-exclusive and shall be for the purpose of the installation, operation, and maintenance of its IMPROVEMENTS, for the transmission, reception, and operation of a communications system and uses incidental thereto. LICENSEE shall obtain the written approval of the City prior to installation of any IMPROVEMENTS that significantly alter the appearance and/or profile from public view on the PREMISES, which approval shall not be unreasonably withheld, conditioned or delayed. LICENSEE understands, acknowledges and agrees that the use of the PREMISES by LICENSEE in conjunction with the terms of this Agreement is to be for the installation, operation and maintenance of communications equipment, in strict compliance with the Agreement and the attached SITE PLAN. LICENSEE shall not use the PREMISES for any other purpose whatsoever, including the storage or placement of debris, replacement IMPROVEMENTS, or any other item, without first obtaining the prior written consent of CITY, which may be given or withheld for any reason or for no reason, in the CITY'S sole, absolute and unrestricted discretion.

2.2 **Prohibited Use.** LICENSEE shall not use the PREMISES in any manner that constitutes waste or nuisance, or that violates any applicable law, ordinance or governmental regulation in any respect. LICENSEE shall neither do nor permit to be done anything that would violate any certificate of occupancy applicable to the PREMISES or would render void or uncollectible any insurance then in force with respect to the PREMISES, or that would in any way increase the premiums payable by CITY for fire, liability or any other insurance coverage on the PREMISES or the contents of any improvements thereon.

2.3 **Subletting of Use Premises or Improvements.** LICENSEE may not sublet to or license others to use the PREMISES or LICENSEE's IMPROVEMENTS without the prior written consent of CITY. Any such attempt by LICENSEE shall be without effect and may at CITY's option result in the termination of this Agreement.

2.4 **Maintenance, Repair or Replacement of Improvements.** LICENSEE may update or replace the IMPROVEMENTS located upon the PREMISES from time to time with the prior written approval of CITY, said approval not to be unreasonably withheld, conditioned or delayed, provided that the replacement IMPROVEMENTS, together with related equipment, do not require more space than the existing IMPROVEMENTS. LICENSEE may maintain and/or repair the IMPROVEMENTS located upon the PREMISES from time to time without the prior written approval of CITY. All employees and agents of LICENSEE shall carry proper identification and/or authorization from LICENSEE. Any change in the location of improvements on the PREMISES must be satisfactory to CITY. LICENSEE shall submit to CITY, a detailed

proposal for any replacement IMPROVEMENTS and any supplemental materials for CITY's evaluation and written approval. CITY agrees that such approval will not be unreasonably withheld, conditioned or delayed. A current and accurate SITE PLAN must be submitted to CITY by LICENSEE and maintained on file with CITY for the entire term of this Agreement and all renewals thereof.

3. Term

3.1 This Agreement shall be for an initial term of five (5) years, commencing on the Effective Date. The Effective Date shall be the date the building permit is issued by the CITY to LICENSEE or the 1st day of October, 2005, whichever occurs first. For a period not to exceed one hundred eighty (180) days following the Effective Date, LICENSEE shall have the right to terminate this Agreement by giving thirty (30) days written notice to CITY of such termination if LICENSEE is unable to obtain all licenses and permits or authorizations required for LICENSEE's use of the PREMISES from all applicable government and/or regulatory entities (the "Governmental Approvals") for LICENSEE's intended use of and improvements to the PREMISES.

3.2 LICENSEE is granted the option to renew this license for two (2) additional Five (5) year terms, after the initial term expires. Unless LICENSEE gives written notice of its decision not to exercise the renewal option within 90 days prior to the expiration of the current term or period. This Agreement will automatically renew for each said renewal term as long as LICENSEE remains in full compliance with all other provisions of this Agreement. All the terms and covenants of this Agreement apply to all extension periods, subject to amendment by the mutual agreement of the Parties, in writing and signed by both Parties. If LICENSEE continues to possess the PREMISES following the expiration of all of the extension periods provided herein, and this Agreement has not been renewed or superseded, this Agreement (1) shall be deemed to be a holdover tenancy at will but shall not itself constitute a renewal or extension of any term, (2) shall continue from month to month under the terms and conditions set forth herein and (3) may be terminated by either party upon at least thirty (30) days written notice to the other party, without further obligation or liability by either party. All the terms and covenants of this Agreement apply to all holdover tenancy periods.

4. Payment Terms and Conditions

4.1 **Rent Payment.** In consideration for providing the PREMISES for use by LICENSEE, the LICENSEE shall pay rent to CITY monthly, with the first payment being due within thirty (30) days following the Effective Date of this Agreement. Thereafter payment shall be due on the first day of each month throughout the initial term and all renewal terms hereof and prorated for any partial term. LICENSEE shall pay rent to CITY in advance, without prior notice or demand, without any abatement, setoff, reduction, deduction, counterclaim or recoupment whatsoever, except as provided herein, in the amount of Two thousand five hundred(\$2500.00) dollars per month for the term of

this Agreement ("**Rent Payment**"). Interest on late payments shall accrue at the maximum rate allowed by law. If this Agreement is terminated at a time other than the last day of the calendar year of the term for any reason other than a default by LICENSEE, all Rent Payments shall be prorated as of the date of termination and all prepaid Rent Payments shall be refunded to LICENSEE.

4.2 **Rent Adjustment.** The Rent Payment shall be increased by Twenty percent (20%) at the beginning of each Lease Term (as herein defined) following the first Lease Term. For purposes of this Lease Agreement, the term "**Lease Term**" shall mean the Five year period which commences on the first day of the calendar month in which the Effective Date occurs (if the Effective Date occurs on the first day of a calendar month) or on the first day of the calendar month following the calendar month in which the Effective Date occurs (if the Effective Date occurs on a day other than the first day of a calendar month). The dollar increase in the Rent Payment shall be determined by multiplying the Rent Payment (as previously adjusted) payable during the preceding Lease Term by Twenty percent (20%).

4.3 **Additional Expenses.** LICENSEE shall pay to CITY an amount not to exceed Two-Thousand Five Hundred Dollars (\$2,500) for the engineering and architectural review of LICENSEE plans and specifications. LICENSEE shall make payment within 30 days upon CITY submitting invoice to LICENSEE.

4.4 **Holdover Rent.** The Rent Payment, as defined in Subsection (a) above, due during any holdover period shall be equal to two hundred percent (200%) of the Rent Payment due during the immediately preceding Initial term or any renewal term.

4.5 **Payment Address.** Rent Payments and Additional Fees shall be made payable to "City of Rowlett: Accounting Department" and shall be remitted to 4004 Main Street, P.O. Box 99; Rowlett, TX 75030-0099. CITY shall provide LICENSEE written notice of any change in address for purposes of Rent Payments and Additional Rent.

4.6 **Lawful Currency.** Rent Payments shall be made according to paragraph 4.5 above in lawful money of the United States of America without any abatement, setoff, reduction, deduction, counterclaim or other recoupment whatsoever. Rent Payments shall be free and clear of any business license tax or fee which is measured upon the size of the PREMISES. In no event will LICENSEE be obligated to pay any general income taxes measured upon the income of the City. In the event any federal, state, county, municipal or other governmental authority hereafter imposes or levies any such business license tax or fee, LICENSEE shall pay to CITY an amount equal to any and all amounts so imposed or levied as a component of Additional Fees.

4.7 **Dishonored Checks.** Any dishonored check shall incur a service charge of ten percent (10%) of its face amount. Subsequent to the first dishonored check

received by CITY for any payment, all subsequent payments, including Rent Payments and Additional Fees, shall be made by cashier's check.

5. Termination

5.1 **Termination for Cause.** Upon the occurrence of any one or more of the events listed below (hereinafter referred to as "Event of Default"), or as provided elsewhere in this Agreement, CITY may, without penalty, at its option and without prejudice to any other remedy to which it may be entitled under this Agreement, terminate use or occupancy under this Agreement at any time, either in whole or in part, by giving at least sixty (60) days prior written notice thereof to LICENSEE with the understanding that all use of the PREMISES being terminated shall cease upon the date specified on such notice. LICENSEE shall equitably compensate CITY in accordance with the terms of this Agreement for the use of the PREMISES prior to the date specified in such notice, following inspection and acceptance of same by CITY. LICENSEE shall not, however, be entitled to any damages, including but not limited to, lost or anticipated profits should CITY choose to exercise its option to terminate.

5.2 **Event of Default.** Any of the following occurrences, conditions, or acts shall be deemed an "Event of Default" under this Agreement:

- (a) if LICENSEE fails to pay amounts due under this Agreement within ten (10) days of receipt of written notice that such payments are overdue;;
- (b) if either party fails to observe or perform its obligations under this Agreement other than as provided in Section 5.2(a) above and does not cure such failure within thirty (30) days from the party's receipt of written notice of breach or such longer period as may be mutually agreed upon by the parties to complete a cure commenced within the 30 day period.

5.3 **Termination by LICENSEE.** This Agreement may be terminated by LICENSEE, without penalty or further liability, as follows:

(a) upon written notice, if LICENSEE is unable to obtain, or maintain, any required approval(s) or the issuance of a license or permit by any agency, board, court or other governmental authority necessary for the construction or operation of the Communication Facility as now and hereafter intended by LICENSEE; or if LICENSEE determines in its sole discretion that the cost of obtaining or retaining the same is commercially unreasonable;

(b) on sixty (60) days written notice for any reason, other than 5.2(a) or (b) above, so long as LICENSEE pays CITY a termination fee equal to six (6) months rent at the current rate or rent at the current rate prorated to the end of the City's fiscal year in which the termination occurs, whichever is greater.

5.4 Notice and Opportunity to Cure. Upon the occurrence of an Event of Default, CITY shall deliver to LICENSEE a Notice of Intent to Terminate that identifies in detail the Event of Default. If the Event of Default remains uncured for twenty (20) calendar days, CITY may terminate this Agreement and the license granted herein by delivering to the LICENSEE a Notice of Termination that identifies the effective date of the termination, which date shall not be less than sixty (60) days after the date of delivery of the Notice of Intent to Terminate.

5.5 Removal of Improvements. If LICENSEE's IMPROVEMENTS must be removed, whether or not such removal is done pursuant to Section 5.4 above, LICENSEE shall have the right to set up a portable mounted antenna, a cell on wheels (COW), and/or some other similar temporary structure approved by CITY, on CITY premises to allow LICENSEE to continue to provide wireless communications service. LICENSEE may maintain its COW for a period of thirty (30) days past the date of removal of IMPROVEMENTS. To maintain the temporary antenna, COW, or other temporary structure for a period in excess of thirty (30) days, LICENSEE must obtain written approval from CITY. If the PREMISES are not in such condition as to be utilized by LICENSEE at the end of the initial thirty (30) day period, CITY may provide as many additional thirty (30) day extensions for such temporary structures as are necessary to allow LICENSEE to continue its operations as authorized by this Agreement.

6. City's Right of Entry Onto Premises

6.1 CITY and CITY's agents, employees or contractors may enter upon the PREMISES, except LICENSEE's secured areas, for the purpose of performing repairs and maintenance work to the PREMISES.

7. Access

7.1 LICENSEE shall have the non-exclusive right to access the aforementioned PREMISES at any time,

7.2 LICENSEE's right of access is a contractual right for the benefit of LICENSEE only and nothing contained in this Agreement shall be construed to constitute a dedication or an easement. However, in the event this Agreement is assigned in accordance and in compliance with Section 22.9 below, such right of access shall inure to the benefit of LICENSEE's assignee.

8. Damages to Property

8.1 **Damage and Restoration of Property.** LICENSEE shall immediately notify CITY of any and all damages resulting from, arising out of, or caused to, the PREMISES and CITY property surrounding the PREMISES, including but not limited to

structural damages, electrical damages, damages to fencing, irrigation systems or landscaping by LICENSEE's operations, by LICENSEE, its officers, agents, employees and invitees. LICENSEE shall be solely responsible for the costs and the repair of all such damages and such repairs and/or replacements shall be commenced within twenty-five (25) calendar days and shall be completed in a manner acceptable to CITY, no later than forty-five (45) calendar days from commencement, unless approved in writing by the CITY.

8.2 Failure to Restore Property. If LICENSEE does not make or perform any required maintenance or repairs to the PREMISES within the time period provided in Section 8.1, CITY shall have the right, but not the obligation, to make such repairs and to perform such maintenance, in which event LICENSEE shall pay CITY the cost thereof, plus an administrative fee of ten percent (10%) of the cost of the repairs, within three (3) business days of demand. Within thirty (30) days following the expiration or earlier termination of this Agreement, LICENSEE shall restore the PREMISES to the condition in which the PREMISES existed on the Effective Date of this Agreement, excluding all below ground improvements which will be removed a minimum 2' below existing grade, ordinary wear and tear and loss due to other casualty beyond LICENSEE's control excepted.

9. Electrical, Radio and Intermodulation Interference

9.1 LICENSEE shall operate its IMPROVEMENTS in a manner that will not cause radio frequency interference to the CITY or other licensees of the SITE in their use of any equipment or their conduct of any activity on the SITE pursuant to agreements which pre-date the installation and operation of LICENSEE's IMPROVEMENTS. LICENSEE's installation and operation of the IMPROVEMENTS shall be in compliance with all FCC requirements.

9.2 Prior to installation of any IMPROVEMENTS on the PREMISES, LICENSEE shall conduct bandwidth testing of its IMPROVEMENTS and CITY equipment to check bandwidth conflict between CITY's monitoring control system and LICENSEE's system. If such conflict occurs, LICENSEE shall take all steps necessary to resolve the conflict to the reasonable satisfaction of CITY. If the conflict cannot be remedied to the reasonable satisfaction of CITY, CITY or LICENSEE may terminate this Agreement upon thirty (30) days written notice to LICENSEE, without further liability or obligation.

9.3 LICENSEE shall not cause electrical, radio or intermodulation interference to CITY or to any other licensee who is using the PREMISES prior to or at the time of LICENSEE's installation of its IMPROVEMENTS. Should such interference occur, LICENSEE will promptly take all steps necessary to correct such interference within ten (10) days notice of the problem and, if such interference cannot be eliminated within thirty (30) days of such notice, LICENSEE shall suspend operations (transmissions) at the

site, except for brief periods for testing, while the interference problems are studied and a means to eliminate the problem is determined. Any such method for correction of an interference problem must be acceptable to both CITY and LICENSEE. If the interference complained of cannot be eliminated, LICENSEE will cease its operations, remove all its IMPROVEMENTS from the PREMISES, and this Agreement shall be terminated, without further liability or obligation.

9.4 LICENSEE shall not cause electrical, radio or intermodulation interference to CITY at anytime during or after installation or operation of LICENSEE's IMPROVEMENTS. Moreover, LICENSEE's use will not in any way adversely affect or interfere with CITY's signal operation or its communication system. Should such interference occur, LICENSEE will promptly take all steps necessary to correct such interference within ten (10) days notice of the problem and, if such interference cannot be eliminated within thirty (30) days of such notice, LICENSEE shall suspend operations (transmissions) at the site, except for brief periods for testing, while the interference problems are studied and a means to eliminate the problem is found. Any such method for correction of an interference problem must be acceptable to both CITY and LICENSEE. If the interference complained of cannot be eliminated, LICENSEE will cease its operations, remove all its IMPROVEMENTS from the PREMISES, and this Agreement shall be terminated, without further liability or obligation.

9.5 CITY will not grant a license to any other party for the use of CITY's PREMISES without including in that license a provision stating that the party's use will not in any way adversely affect or interfere with LICENSEE's signal operation or its communication system. Furthermore, license agreements with third parties will state that prior to installation of improvements, such third parties shall be required to conduct bandwidth testing of its equipment and the equipment of LICENSEE to check bandwidth conflict between third-party equipment and LICENSEE's equipment. LICENSEE shall have the right to terminate this Agreement upon ten (10) days written notice to CITY if another user of the PREMISES causes significant interference with LICENSEE's operations, and such interference is not corrected within thirty (30) days following the notice to such third party user causing the interference. In the event that LICENSEE experiences interference caused by a third-party licensee, LICENSEE agrees that it shall seek recourse solely from such third party. No compensation shall be due from CITY for damages, including, but not limited to, lost or anticipated profits.

9.6 LICENSEE shall have the sole burden of, and be responsible for all costs associated with, alleging and proving that another user of the PREMISES is causing significant interference, as well as for otherwise enforcing LICENSEE's rights under this Agreement. CITY shall not be responsible for the costs associated with the resolution of any dispute between users of the PREMISES, or enforcement of any of LICENSEE's rights under this Agreement

9.7 Upon report to LICENSEE, and all other third parties with communications equipment on that CITY-owned property, of interference with any CITY-owned/operated radio emergency system, LICENSEE shall, within six (6) hours after such notification, perform an assessment of the source of the interference. In the event such interference results from LICENSEE's operations, LICENSEE agrees, within twelve (12) hours of first notification, to propose a plan of action to eliminate the interference. CITY and LICENSEE agree to provide a technician or other qualified representative to assist in testing, formulating and coordination of a plan for resolution.

9.8 If such interference results from LICENSEE's operations, LICENSEE must correct the interference within twenty-four (24) hours of CITY's original notification to LICENSEE or shall discontinue all use of LICENSEE's IMPROVEMENTS upon the PREMISES. LICENSEE's IMPROVEMENTS cannot be reactivated until LICENSEE can demonstrate that the cause of the interference has been eliminated.

9.9 Each party agrees to provide the other with a telephone number through which that party can contact a representative of the other on a 24-hour per day, 7 days a week basis for the purpose of implementing the requirements of this paragraph.

10. Condition of Premises

10.1 CITY shall maintain the PREMISES in compliance with all applicable statutes, ordinances, regulations and rules required for CITY uses of the PREMISES and surrounding property, and in a manner which will not interfere with LICENSEE's reasonable use of the PREMISES. Upon expiration, cancellation, or termination of this Agreement, LICENSEE will have the right to remove its IMPROVEMENTS from the PREMISES at LICENSEE's cost and expense. Title to all remaining improvements shall belong to CITY. However, upon vacation of the PREMISES, LICENSEE shall surrender the PREMISES in substantially the same condition as received, except for ordinary wear and tear and loss due to other casualty beyond LICENSEE's control, as determined by CITY. Tower foundations shall be removed to a depth of 2'. If, as determined by CITY, the PREMISES are not surrendered in satisfactory condition, CITY shall give LICENSEE thirty (30) days to correct the problem. Should the problem not be corrected to CITY's satisfaction, the LICENSEE shall pay CITY within thirty (30) business days of demand an amount equal to the actual cost to restore the PREMISES to substantially the same condition as received plus an administrative fee of ten percent (10%) of the restoration costs.

10.2 LICENSEE shall have sole responsibility for the maintenance, repair, and security of its IMPROVEMENTS, and shall keep same in good repair and condition during the term and all renewals and holdover tenancies of this Agreement.

10.3 LICENSEE shall keep the PREMISES free of debris and anything reasonably determined to be of a dangerous, noxious, or offensive nature or which would create a hazard or undue vibration, heat, noise, or interference.

10.4 In the event CITY or any other licensee undertakes painting, construction, or other alterations on the PREMISES, LICENSEE shall take reasonable measures at LICENSEE's cost to cover all of LICENSEE's IMPROVEMENTS and protect such from paint and debris fallout which may occur during the painting, construction, or alteration process. CITY shall not be responsible for any damages or costs incurred by LICENSEE due to the actions or omissions of any third-party licensees upon the PREMISES. CITY shall provide thirty (30) business days written notice to all licensees upon the PREMISES prior to CITY undertaking such painting, construction, or other alterations.

10.5 By taking possession of the PREMISES, LICENSEE accepts the PREMISES in the condition existing as of the Effective Date. CITY makes no representation or warranty with respect to the condition of the PREMISES and CITY shall not be liable for any latent or patent defect in the PREMISES. CITY agrees to notify LICENSEE of the existence of any latent defects of which the CITY has knowledge.

11. Construction, Installation and Operation

11.1 **Construction, Installation and Operation.** LICENSEE may, at its sole cost and expense, construct, install, operate, maintain, monitor, reconfigure and repair its IMPROVEMENTS. Not less than thirty (30) days prior to the date on which LICENSEE intends to commence construction of its IMPROVEMENTS, LICENSEE shall provide to the CITY for its approval a proposal containing: (i) a written notice and plan describing, in reasonable detail, the steps necessary to complete LICENSEE's construction and installation; (ii) a list and description of all IMPROVEMENTS to be installed on the PREMISES; (iii) a list of all contractors, subcontractors and other entities that will perform LICENSEE's construction and installation work; and (iv) copies, certificates or other proof that LICENSEE or LICENSEE's contractors and subcontractors have obtained all necessary permits and licenses for the performance of LICENSEE's work. CITY's grant of approval under this Section shall not be construed as an assumption of liability or indemnification; nor shall such approval replace or constitute any approval that LICENSEE is required to obtain from any duly authorized local authorities for any construction, installation or other element of LICENSEE's work.

11.2 **Marking and Lighting Requirements.** LICENSEE acknowledges that it shall be responsible for compliance with all tower or building marker and lighting requirements which may be required by the Federal Aviation Administration or the Federal Communication Commission in conjunction with LICENSEE's installation and

maintenance of IMPROVEMENTS under this Agreement, as well as any expenses, fees or fines associated with the compliance or the non-compliance of LICENSEE's installation or maintenance of IMPROVEMENTS under this Agreement. If the LICENSEE does not cure a condition of noncompliance within the timeframe allowed by the citing agency, CITY may terminate this Agreement upon seven (7) days written notice.

11.3 Inspection and Tests. Upon the Effective Date and for the term of this Agreement, LICENSEE shall have reasonable access as provided in Section 7 above to the SITE and PREMISES as are necessary and approved by CITY for the purpose of inspection and planning. LICENSEE shall retain, or shall cause to be retained, at its sole cost and expense, certified and insured structural engineers to perform such an inspection and provide a structural report as to the structural integrity of the PREMISES, its maximum load capacity, and other aspects of the PREMISES, as appropriate. LICENSEE shall provide to CITY a copy of the report. LICENSEE shall not conduct construction, installation, operation, maintenance or repair of IMPROVEMENTS in a manner inconsistent with the structural report.

11.4 Payment, No Mechanics Liens. LICENSEE shall make full and prompt payment of all sums necessary to pay the costs of all installation, repairs and alterations, improvements, changes and other work done by LICENSEE in or to the PREMISES. Title to the IMPROVEMENTS shall be held by LICENSEE. CITY shall not be responsible for or with respect to the performance of LICENSEE's Work. LICENSEE shall pay or cause to be paid all costs associated with LICENSEE's work. LICENSEE shall not suffer or permit to be enforced against any portion of the SITE or PREMISES any (i) mechanic's, materialman's, contractor, subcontractor or other lien or claim arising from or in any way related to LICENSEE's work, or (ii) any other claim, mortgage, security interest, encumbrance, lien or other charge. Within thirty (30) days after recordation of any lien, encumbrance, judgment or similar item which affects the SITE or PREMISES in any way, LICENSEE shall obtain the complete discharge and release thereof at LICENSEE's sole expense or expenditure (without any cost being imposed upon CITY.) However, LICENSEE shall have the right to contest, in good faith, any mechanic's or materialman's lien upon the condition that LICENSEE provides a bond or other form of security reasonably acceptable to CITY in an amount sufficient to hold CITY fully and completely harmless from any and all liability therefor or on account thereof.

11.5 Improvements to Premises; Removal. All IMPROVEMENTS constructed, installed and operated by or on behalf of LICENSEE shall remain LICENSEE's personal property and are not fixtures. LICENSEE shall remove all IMPROVEMENTS at its sole expense within thirty (30) days following the expiration or earlier termination of this Agreement, and LICENSEE shall surrender the PREMISES in substantially the same condition as received, except for ordinary wear and tear and loss due to other casualty beyond LICENSEE's control, as determined by CITY. Tower

foundations shall be removed to a depth of 2'. LICENSEE shall repair any damage to the PREMISES or SITE caused by such removal and restore the PREMISES or SITE to substantially the same condition, minus ordinary wear and tear, as existed prior to such damage at its sole cost and expense. LICENSEE shall provide to CITY in writing, by not later than the end of the prescribed thirty (30)-day period, notice that all IMPROVEMENTS have been removed in accordance with this Section. Failure of LICENSEE to remove any or all IMPROVEMENTS from the PREMISES and SITE within the prescribed thirty (30) days shall be construed as holdover pursuant to this Section, and all obligations and requirements, including payment of Rent Payments, shall continue to apply unless and until LICENSEE removes all IMPROVEMENTS and so notifies CITY.

11.6 Liability for Damage/Outages. LICENSEE shall be solely responsible for any damage caused by LICENSEE, its agents and/or contractors on or to the PREMISES or SITE that causes an interruption or outage in the services, operations or utilities of another licensee, and shall indemnify and hold harmless CITY and its employees, agents, successors and assigns from all claims or actions for damages, including actual, incidental and consequential damages, brought by another licensee as a result of LICENSEE's, or its employees', contractors', agents', assigns' or licensees', willful, reckless or gross negligence or other conduct.

12. Communication Tower

12.1 This provision shall be implemented only in the instances where LICENSEE will be leasing ground space from the CITY and constructing a suitable support structure ("Communication Tower") upon which LICENSEE will install, operate, maintain, and repair LICENSEE's IMPROVEMENTS.

12.2 The LICENSEE shall have the right to construct a suitable support structure to be structurally capable of supporting up to three (3) wireless communications carriers. Structural design shall be provided to CITY for review and shall be in compliance with approved Site Plan reference paragraph 1.2. Possession of the Communication Tower remains that of LICENSEE. However, the CITY shall retain the exclusive right to negotiate requests of other wireless communications carriers ("COLLOCATEES"), according to then current Master Lease Agreement ("MLA") between the CITY and the COLLOCATEE, if applicable, to collocate their communications equipment at the PREMISES, and CITY retains the sole right of approval for said COLLOCATEES. LICENSEE shall not prohibit the other COLLOCATEES from the placement of equipment on the Communication Towers, . . . CITY . CITY shall retain one hundred percent (100%) of the rental compensation derived from the subleases to COLLOCATEES, subject to the terms of rent abatement described in Appendix "B".

12.3 LICENSEE shall have the right to perform necessary tests including, but not limited to, Radio Frequency tests, and a structural analysis on such Communication Tower. Such costs shall be paid by the COLLOCATEE. A copy of any such structural analysis shall be provided to CITY.

12.4 LICENSEE will provide notice to City at least thirty (30) days prior to the commencement of co-location construction. LICENSEE shall not withhold or obstruct access to such Communication Tower for the purposes of co-location, subject to the required interference studies and the structural integrity of the tower.

13. Compliance with Laws

13.1 **By LICENSEE** LICENSEE, its employees, agents, designees, contractors, subcontractors, customers, invitees and licensees, shall comply in all respects and at all times with all local, state and federal laws, statutes, ordinances, regulations, rulings, requirements, conditions, orders, licenses, permits, covenants, restrictions, approvals and consents pertaining to LICENSEE's services, LICENSEE's construction, installation and operation work, IMPROVEMENTS and LICENSEE's use of the PREMISES. Without limiting the generality of the preceding sentence, LICENSEE shall fully and timely observe and comply with applicable laws, regulations, policies and requirements concerning health and/or public safety, including standard industry equipment safety regulations, and shall not use the PREMISES or operate the IMPROVEMENTS in any manner which is inconsistent therewith. LICENSEE shall, at LICENSEE's sole cost and expense, promptly apply for and use its best efforts to obtain and maintain all necessary licenses, permits, approvals and consents required or necessary for the construction and operation of the IMPROVEMENTS. In the event LICENSEE fails to obtain any required license, permit, approval or consent to construct and operate the IMPROVEMENTS, through no fault of LICENSEE, LICENSEE shall have the right to terminate this Agreement in accordance with Section 5 of this Agreement.

13.2 **By CITY.** The City shall comply in all material respects, and shall exercise commercially reasonable efforts to cause its employees, agents, designees, contractors, subcontractors, customers, invitees and licensees to comply in all material respects with all laws, ordinances, orders, rules and regulations of all governmental or judicial authorities having jurisdiction thereof, whether state, federal or local, relating to the City's leasehold interest in the Site.

14. Complaint Resolution

14.1 If either LICENSEE or CITY receives a written complaint regarding LICENSEE's operations pertaining to the Premises and such complaint, if determined by the City to be in breach of any federal, state, or local law or ordinance or regulation, LICENSEE shall respond within thirty days(30) of receipt of such written complaint. LICENSEE shall respond with a written explanation to each such complaint with detail of its investigation into the incident upon which the complaint was based (the "Incident")

and the actions that LICENSEE has taken to resolve the Incident including, when necessary, all future actions LICENSEE will take to fully resolve the Incident or prevent a recurrence of the Incident. If the Incident cannot be resolved to the satisfaction of the complainant within sixty (60) days, LICENSEE shall provide a schedule for completion of its plan to resolve or prevent the Incident; such schedule is subject to CITY approval.

15. Utility Easements and Utility Cost

15.1 LICENSEE shall pay directly to all public utility service companies, before delinquency, all charges for the electricity, water and other utility services that LICENSEE consumes in connection with the installation and operation of LICENSEE's IMPROVEMENTS and which are separately metered and charged to LICENSEE by any public utility service company, without any expense therefore being imposed upon CITY

15.2 If LICENSEE first obtains CITY's written consent, which may be given or withheld for any reason or no reason in the CITY's sole discretion, LICENSEE shall have the right to obtain electricity and other public utility services from the existing outlets available at the PREMISES. Absent such consent, LICENSEE shall obtain separate public utility services from any company that will provide such services to the PREMISES (which services may include an approved standby power generator located on the PREMISES for LICENSEE's exclusive use).

15.3 LICENSEE shall not permit any charges for public utility services to accumulate or become a lien on the SITE. If LICENSEE fails to pay any such charge required to be paid by LICENSEE pursuant to this Section, CITY may, but shall not be required to, pay such charge on LICENSEE's behalf. If CITY pays any such charge on behalf of LICENSEE or incurs any cost with respect to any grant of any public utility service easement for the benefit of LICENSEE pursuant to this Section, LICENSEE shall reimburse and pay to CITY an amount equal to all such charges so paid and all such easement costs so incurred, immediately upon demand as Additional Fees.

15.4 **Additional Utility/Power Equipment.** In the event that LICENSEE is required to or otherwise decides to install, operate and use additional equipment to provide electricity or other utility services required for the operations of LICENSEE's IMPROVEMENTS, such installation, operation and use shall comply in all respects with the terms and conditions set forth in this Agreement.

16. Taxes

16.1 LICENSEE agrees to timely reimburse CITY for all taxes that are assessed against CITY, if any, due to the real property taxes attributable to LICENSEE's IMPROVEMENTS or use of the PREMISES and IMPROVEMENTS constructed or maintained by LICENSEE on or about the PREMISES; provided, however, CITY shall use its best efforts to provide prior notification of any taxes for which LICENSEE is to be

charged, so LICENSEE will have the opportunity to appear before the taxing authority and contest any assessment.

16.2 If LICENSEE fails to pay any such taxes for which LICENSEE is obligated, CITY may, but shall not be required to, pay such taxes on LICENSEE's behalf. If CITY pays any such taxes on behalf of LICENSEE pursuant to the preceding sentence, LICENSEE shall reimburse and pay to CITY an amount equal to any such taxes so paid, plus an administrative fee of ten percent (10%) of the taxes, immediately upon demand as Additional Rent.

17. Liability and Indemnification

17.1 LICENSEE shall at all times comply with all laws and ordinances and all rules and regulations of municipal, state and federal government authorities relating to the installation, maintenance, height, location, use, operation, and removal of the IMPROVEMENTS, authorized herein, and shall fully release, defend, indemnify and hold harmless CITY, its officers, officials, agents, servants or employees against any and all claims, damages, lawsuits, losses, costs, or expenses which may be sustained or incurred by CITY, its officers, officials, agents, servants or employees as a result of LICENSEE's installation, operation, or removal of such IMPROVEMENTS.

17.2 LICENSEE undertakes and assumes for its officers, agents, employees, servants, affiliates, contractors and subcontractors, all risk of dangerous conditions, if any on or about the PREMISES, and LICENSEE hereby agrees to release, defend, indemnify and hold harmless CITY, its officers, officials, agents, servants and employees against and from any claim asserted or liability imposed upon CITY, its officers, officials, agents, servants, and employees for personal injury or property damage to any person arising out of LICENSEE's installation, operation, maintenance, condition or use of the PREMISES or LICENSEE's IMPROVEMENTS or LICENSEE's failure to comply with any federal, state, or local statute, ordinance or regulation.

17.3 LICENSEE represents and warrants that its use of the PREMISES herein will not generate any hazardous substance, and it will not store or dispose on the PREMISES nor transport to or over the PREMISES any hazardous substance. Provided, however, that LICENSEE may store acid storage batteries on the Premises as necessary for use in the event of a power outage, and LICENSEE may transport to and store on the premises a diesel or propane generator during an emergency to provide electricity in the event of a power outage in excess of four (4) continuous hours. LICENSEE further agrees to release, defend, indemnify, and hold CITY, its officers, officials, agents, servants and employees, harmless from and against any damage, loss, or expense or liability resulting from the generating, transporting, storage or disposal of such hazardous substances including all attorneys' fees, costs and penalties incurred as a result thereof. "Hazardous substance" shall be interpreted broadly to mean any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, hazardous

or toxic or radioactive substance, or other similar term by any federal, state or local environmental law, regulation or rule presently in effect or promulgated in the future, as such laws regulations or rules may be amended from time to time; and it shall be interpreted to include, but not be limited to, any substance which after release into the environment will or may reasonably be anticipated to cause sickness, death, or disease, including diesel and propane fuel.

18. Insurance

18.1 LICENSEE shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension or renewal thereof, at LICENSEE's sole expense, liability insurance and workers' compensation insurance, and a certificate of insurance shall be submitted to and approved by CITY prior to the Effective Date of this Agreement. Licensee must provide insurance in compliance with Appendix "C", attached hereto and incorporated herein for all purposes. At the time of an extension or renewal of this license agreement, LICENSEE shall provide a certificate of insurance for the added term that shows LICENSEE meets all insurance requirements under Appendix C.

18.2 In the event that LICENSEE uses third-party contractors or subcontractors to provide services or to perform work upon the PREMISES, LICENSEE shall include in all contracts, subcontracts, and bid documents with such third parties, the requirement that each such third party shall sign a contract with CITY guaranteeing to provide CITY with insurance that complies with the requirements of this Agreement and to provide separate certificates of insurance or such other documentation as is required by CITY to evidence that each such third party obtains and maintains insurance coverage consistent with the insurance requirements of this Agreement and the Contractor Agreement, a copy of which is attached hereto and incorporated herein as **Appendix "C"**, throughout the term of its contract with LICENSEE and **Appendix "C"**. All such insurance certificates and other documents evidencing coverage shall contain an affirmative statement of the contractor, subcontractor, or other third party that such third party shall notify the City of Rowlett in the event that the policy lapses or is canceled for any reason.

19. Notice

19.1 Any notice or demand required or desired to be given to any Party pursuant to this Agreement shall be in writing, shall be delivered to the address set forth below and shall be deemed validly served, given, delivered or made only if (i) personally delivered (including delivery by a commercially-recognized courier which provides service between the point-of-origin and the point-of-destination); or (ii) deposited in the United States mail, certified or registered, postage prepaid, return receipt requested.. Service by United States mail shall be deemed made on the date actually received.

CITY
City of Rowlett

Attn: City Manager
 City Manager
 P.O. Box 99
 Rowlett, Texas 75030-0099

With copies to:
 City of Rowlett
 Attn: Fire Chief
 4002 Main Street
 Rowlett, TX 75088

City of Rowlett
 Attn: Public Works Director
 4310 Industrial
 Rowlett, TX 75088

If to Licensee: c/o Cingular Wireless LLC
 Attn: Network Real Estate Administration
 Re: Cell Site # 4420
 6100 Atlantic Boulevard
 Norcross, GA 30071

With a copy to: Cingular Wireless LLC
 Attn: Legal Department
 Re: Cell Site # 4420
 15 E Midland Avenue
 Paramus, NJ 07652

CITY or LICENSEE may from time to time designate any other address for this purpose by written notice to the other party.

20. Remedies

20.1 LICENSEE's failure to timely remit payments due hereunder three times within a 12-month period shall be a breach of this Agreement for which LICENSEE shall be given ten (10) days from receipt of written notice from CITY that such payment is overdue to cure. If LICENSEE fails to make payment as required; if LICENSEE abandons or vacates the PREMISES; or if LICENSEE becomes insolvent; and has not filed for bankruptcy, CITY shall have the right, at its option, CITY may have hereunder or by operation of law, with five (5) business day demand or notice, to re-enter the PREMISES and remove the IMPROVEMENTS therefrom. Upon such occurrence, CITY may either (a) declare this Agreement and license granted herein at an end, in which event LICENSEE shall immediately pay CITY a sum of money equal to the total of the amount of Rental Fees accrued through the date of termination.

20.2 No re-entry and taking of possession of the PREMISES by CITY shall be construed as an election on CITY's part to terminate this Agreement, regardless of the extent of renovations and alterations by CITY, unless a written notice of such intention is given to LICENSEE by CITY.

21. Force Majeure

21.1 Notwithstanding any other provision in this Agreement to the contrary, neither Party will have any liability to the other with respect to its failure to perform its obligations under this Agreement, except for the payment of amounts due, if such failure is due to any of the following events (each a "Force Majeure" event): (i) the failure of any equipment or software under the control of a person, firm or entity not affiliated with such Party; (ii) fire, flood, earthquake, law or government regulation; or (iii) any other cause beyond the reasonable control of such Party. In any such case, the Parties' time for performance under this Agreement and the term hereof, to the extent affected by any of the foregoing, shall be correspondingly extended; provided, however, that if such condition shall continue in effect for more than 180 days, either Party shall have the right to terminate this Agreement upon thirty (30) days notice.

22. Miscellaneous Provisions

22.1 **Modifications.** LICENSEE's operations and all CITY approved modifications to the PREMISES must at all times comply with the terms of this Agreement, all applicable federal, state and local laws and ordinances and all amendments thereto.

22.2 **Entire Agreement.** This Agreement, together with all Appendices attached hereto and incorporated herein constitutes the entire agreement between the parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written agreement between the parties that in any manner relates to the subject matter of this Agreement.

22.3 **Capacity.** Both LICENSEE and CITY represent that they have full capacity and authority to grant all rights and assume all obligations they have granted and assumed under this Agreement.

22.4 **Governing Law** The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the parties, shall be governed by the laws of the State of Texas, and exclusive venue for any action concerning this Agreement shall be in Dallas County, Texas.

22.5 **Amendment.** This Agreement may only be amended by the mutual written agreement signed by the parties hereto.

22.6 **Legal Construction; Severability.** In the event that any one or more of the provisions contained in the Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect the other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

22.7 **Nonwaiver.** No right or remedy granted herein or reserved to the parties is exclusive of any right or remedy herein by law or equity provided or permitted; but each shall be cumulative of every right or remedy given hereunder. No covenant or conditions of this Agreement may be waived without consent of the parties. It is further agreed that one (1) or more instances of forbearance by CITY in the exercise of its rights herein shall in no way constitute a waiver thereof.

22.8 **Independent Contractor.** LICENSEE covenants and agrees that LICENSEE is an independent contractor and not an officer, agent, servant or employee of CITY; that LICENSEE shall have exclusive control of and exclusive right to control the details of the work performed hereunder and all persons performing same, and shall be responsible for the acts and omissions of its officers, agents, employees, contractors, subcontractors and consultants; that the doctrine of respondeat superior shall not apply as between CITY and LICENSEE, its officers, agents, employees, contractors, subcontractors and consultants, and nothing herein shall be construed as creating a partnership or joint enterprise between CITY and LICENSEE.

22.9 **Successors and Assigns.**

- (a) CITY and LICENSEE each bind themselves, their successors, executors, administrators and assigns to the other party to this Agreement. Neither CITY nor LICENSEE will assign, sublet, subcontract or transfer any interest in this Agreement without the written consent of the other party. No assignment, delegation of duties or subcontract under this Agreement will be effective without the written consent of CITY. LICENSEE shall not assign, sublet, subcontract, transfer or allow the use of any interest in the PREMISES or any use of LICENSEE's IMPROVEMENTS, including but not limited to equipment, lines, channels or frequencies, on the PREMISES without the prior written consent of CITY. CITY's consent may be conditioned upon LICENSEE successfully obtaining contracts from such third parties wherein those parties agree to directly compensate CITY for all benefits incurred by the use of the PREMISES.
- (b) LICENSEE may assign this Agreement to any parent, subsidiary or Affiliate. As used herein "Affiliate" shall mean any entity which is at least fifty-one percent (51%) controlled by LICENSEE or having control over LICENSEE, provided such assignee has first received FCC or state

regulatory agency approvals, acquires LICENSEE's radio communications business and assumes all obligations of LICENSEE under this Agreement. Notwithstanding any assignment permitted under this Section or otherwise under this Agreement, LICENSEE shall remain absolutely and unconditionally primarily liable to pay and perform each and all of the obligations set forth in this Agreement prior to said assignment and shall be relieved of all future performance, liability and obligations after said assignment.

- (c) If CITY shall, at any time, relinquish its ownership or otherwise dispose of the PREMISES, CITY shall be automatically released from all obligations under and pursuant to this Agreement that accrue after such disposition. If the PREMISES are so disposed of, LICENSEE shall not disavow any of LICENSEE's obligations pursuant to this Agreement but shall attorn to the purchaser or transferee thereof for the performance of CITY's obligations under this Agreement.

22.10 Applicable Laws. This Agreement is entered into subject to the charter and ordinances of CITY as they may be amended from time to time, and is subject to and is to be construed, governed and enforced under all applicable federal and Texas state laws.

22.11 Subordination to Mortgage. Any mortgage now or subsequently placed upon any property of which the PREMISES are a part shall be deemed to be prior in time and senior to the rights of the LICENSEE under this Agreement. LICENSEE subordinates all of its interest in the PREMISES created by this Agreement to the lien of any such mortgage. LICENSEE shall, at CITY's request, execute any additional documents necessary to indicate this subordination provided that such mortgage shall not disturb possession of LICENSEE hereunder.

22.12 Contract Interpretation. Both parties have participated fully in the review and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply to the interpretation of this Agreement.

EXECUTED on the 24th day of August, 2005.

LICENSEE:
HOUSTON CELLULAR TELEPHONE
COMPANY, LP, BY ITS GENERAL
PARTNER, NEW CINGULAR
WIRELESS PCS, LLC

BY: 

It's Kevin J. Haynes
Executive Director
North Texas Network Operations

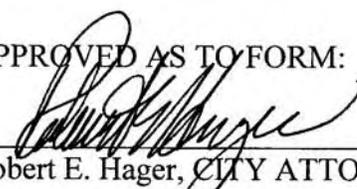
CITY:

**CITY OF ROWLETT, TEXAS, a home
rule municipal corporation**

BY: 

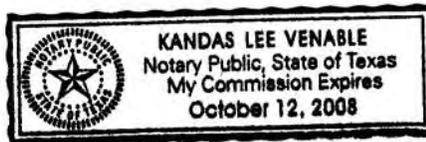
It's CITY MANAGER
4000 Main Street
P.O. Box 99
Rowlett, TX 75030-0099

APPROVED AS TO FORM:


Robert E. Hager, CITY ATTORNEY

ACKNOWLEDGMENTS

STATE OF TEXAS §
§
COUNTY OF DALLAS §



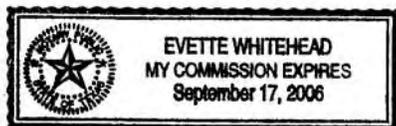
This instrument was acknowledged before me on the 24th day of August, 2005, by Kevin Haynes, an Executive Director, on behalf of said, HOUSTON CELLULAR TELEPHONE COMPANY, LP, BY ITS GENERAL PARTNER, NEW CINGULAR WIRELESS PCS, LLC .

K. Venable
Notary Public in and for
The State of TEXAS

ACKNOWLEDGMENTS

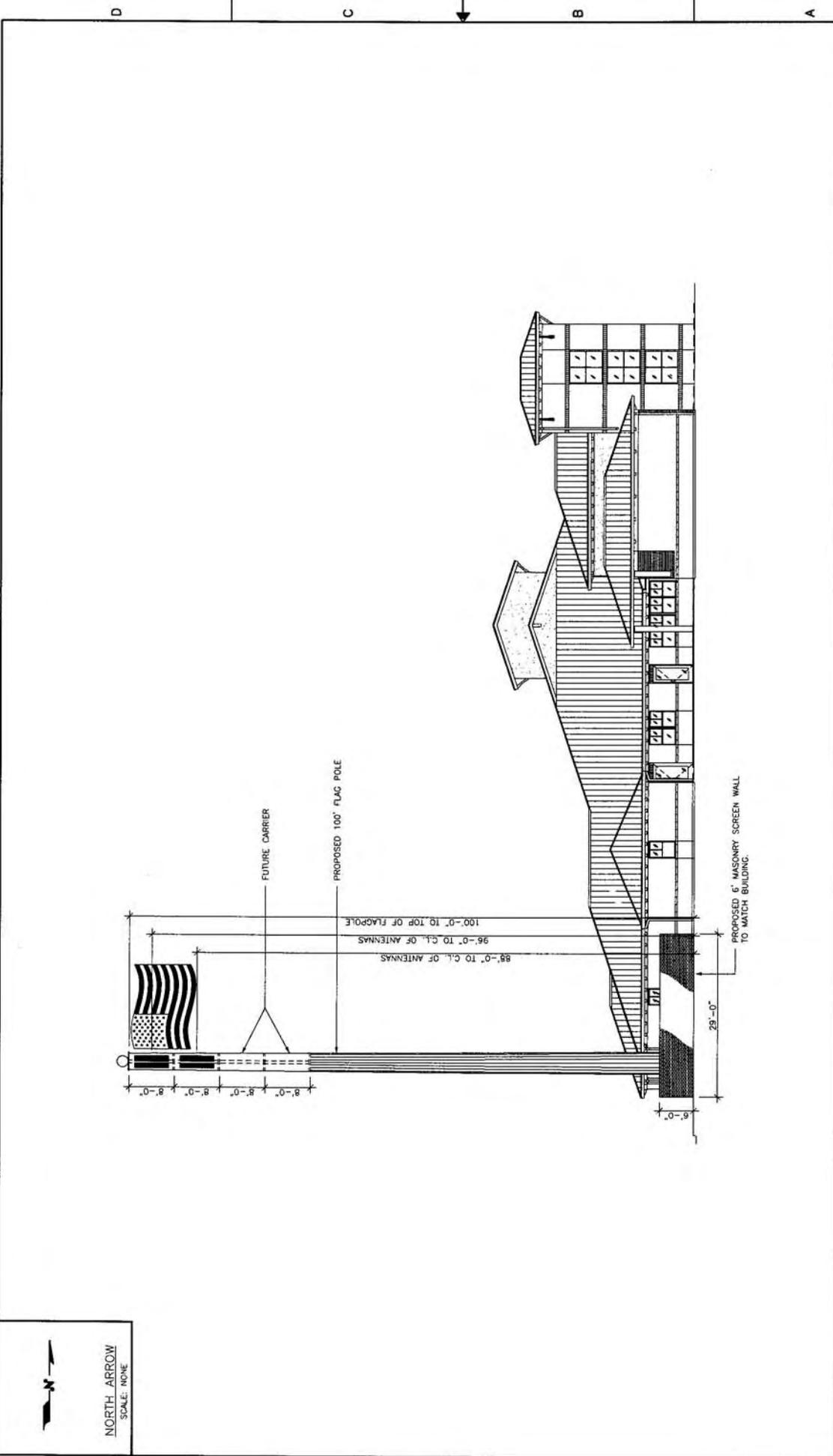
STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 16th day of September, 2005, by, City Manager of the CITY OF ROWLETT, TEXAS, a home-rule municipal corporation, on behalf of said corporation.



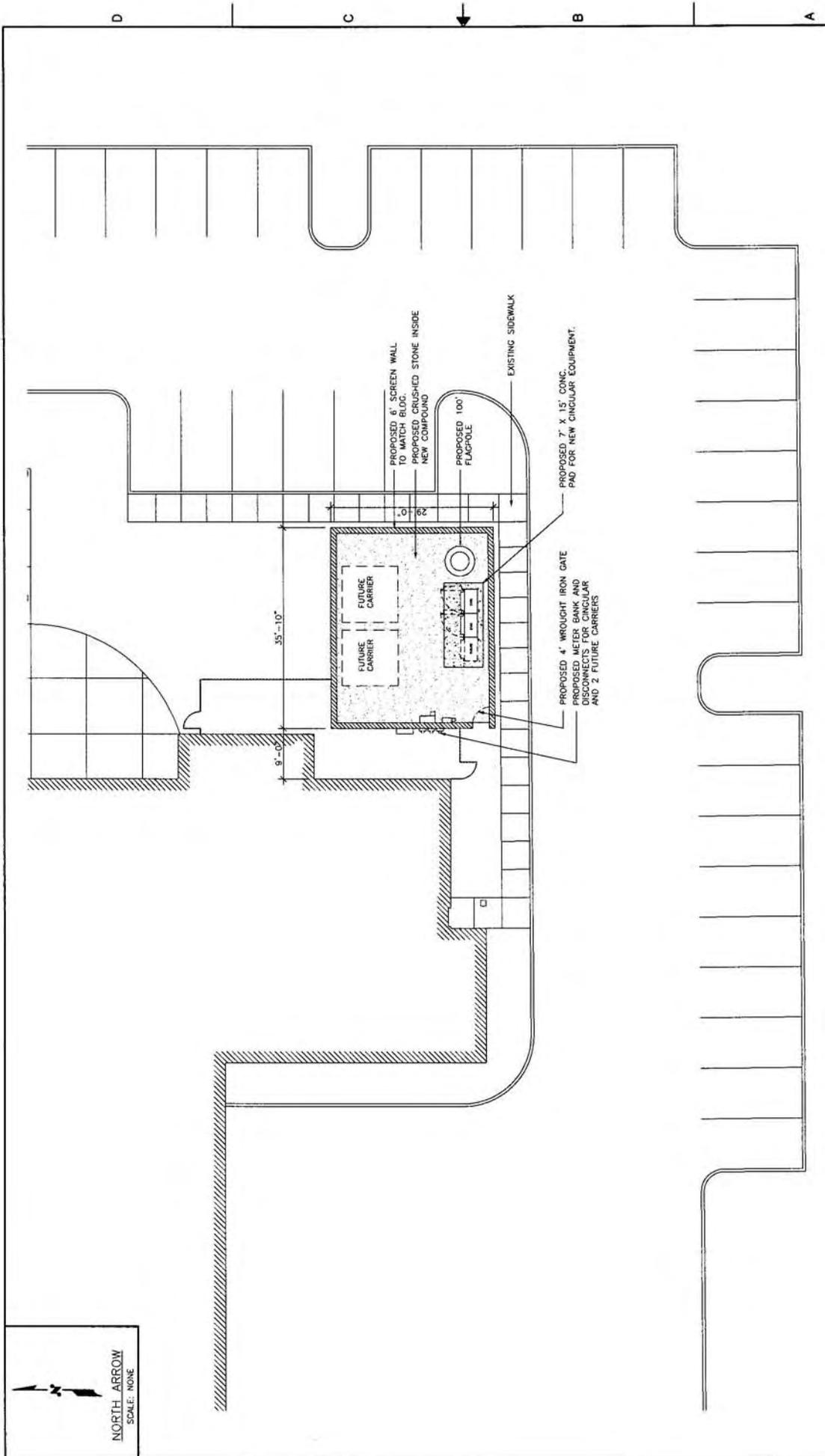
Evette Whitehead
Notary Public, State of Texas

Appendix "A"
Site Plan



NORTH ARROW
SCALE: NONE

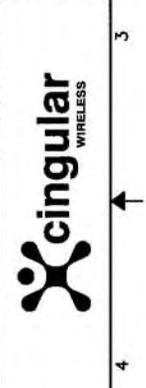
<p>JAH ARCHITECTS 1001 S. FRENCH BLVD. 402 DFW, TX 75225 DALLAS, TEXAS 75225 PHONE: 972.382.2582 FAX: 972.382.2451 JRH PROJ#6218-B</p>		<p>ROWLETT / MILLER ROAD DAL-4420 3800 MILLER ROAD ROWLETT, TEXAS 75030</p>				<p>CINGULAR WIRELESS</p> <table border="1"> <tr> <td>DATE</td> <td>6/29/05</td> <td>LEASE EXHIBIT</td> <td>MES</td> <td>MES</td> <td>INR</td> </tr> <tr> <td>BY</td> <td></td> <td></td> <td>BT</td> <td>CHK</td> <td>RP/CD</td> </tr> <tr> <td>SCALE</td> <td>AS SHOWN</td> <td>DESIGNED BY:</td> <td>MES</td> <td>DRAWN BY:</td> <td>MES</td> </tr> </table>		DATE	6/29/05	LEASE EXHIBIT	MES	MES	INR	BY			BT	CHK	RP/CD	SCALE	AS SHOWN	DESIGNED BY:	MES	DRAWN BY:	MES
DATE	6/29/05	LEASE EXHIBIT	MES	MES	INR																				
BY			BT	CHK	RP/CD																				
SCALE	AS SHOWN	DESIGNED BY:	MES	DRAWN BY:	MES																				
				<p>LEASE EXHIBIT JOB NO. 24782 SITE NO. DAL-4420 DRAWING NUMBER 241782-DAL-4420-LE 0</p>		<p>22 x 34 0' SIZE</p>																			



NORTH ARROW
SCALE: NONE

CINGULAR WIRELESS			
LEASE EXHIBIT			
JOB NO.	24752		
DWG. NO.	DAL-4420		
ISSUE NO.	24752-DAL-4420-LE 0		
DATE	07/26/05		
DESIGNED BY	MES		
CHECKED BY	JRH		
DATE	07/26/05		
SCALE	AS SHOWN		
REVISIONS			
NO.	DATE	BY	DESCRIPTION
1			
2			

CINGULAR WIRELESS	
ROWLETT / MILLER ROAD	
DAL-4420	
3800 MILLER ROAD	
ROWLETT, TEXAS 75030	
JRH PROJECT#6218-B	



3
4
5
6

JRH ARCHITECTS
1111 W. WILSON ROAD, SUITE 100
DALLAS, TEXAS 75207
PHONE 972.357.8532 FAX 972.352.3391

Appendix "B"
Rent Abatement

In consideration for constructing a suitable support structure as described in Section 12. Communication Tower of the Agreement, LICENSEE's rent shall be abated in an amount equal to ½ of the monthly Rent Payment (\$1250.00) and applied to LICENSEE's mutually agreed upon expenses of One Hundred Fifty Thousand Dollars (\$150,000) "Capital Expenditures" until they have been fully recouped. Should CITY enter into a co-location agreement with another wireless carrier, the CITY shall notify LICENSEE in writing and LICENSEE's Rent Payment shall be fully abated starting the month after the date of the commencement of the agreement between CITY and co-locator and applied to LICENSEE's Capital Expenditures. Upon the completion of LICENSEE's recoupment of the Capital Expenditures, LICENSEE shall begin paying rent at the then current Rental Rate due as described in Section 4. Payment Terms and Conditions.

ABATEMENT SCHEDULE

MONTH	ABATEMENT	BALANCE
0	0	\$150,000.00
1	1250	\$148,750.00
2	1250	\$147,500.00
3	1250	\$146,250.00
4	1250	\$145,000.00
5	1250	\$143,750.00
6	1250	\$142,500.00
7	1250	\$141,250.00
8	1250	\$140,000.00
9	1250	\$138,750.00
10	1250	\$137,500.00
11	1250	\$136,250.00
12	1250	\$135,000.00
13	1250	\$133,750.00
14	1250	\$132,500.00
15	1250	\$131,250.00
16	1250	\$130,000.00
17	1250	\$128,750.00
18	1250	\$127,500.00
19	1250	\$126,250.00
20	1250	\$125,000.00
21	1250	\$123,750.00
22	1250	\$122,500.00
23	1250	\$121,250.00
24	1250	\$120,000.00

25	1250	\$118,750.00
26	1250	\$117,500.00
27	1250	\$116,250.00
28	1250	\$115,000.00
29	1250	\$113,750.00
30	1250	\$112,500.00
31	1250	\$111,250.00
32	1250	\$110,000.00
33	1250	\$108,750.00
34	1250	\$107,500.00
35	1250	\$106,250.00
36	1250	\$105,000.00
37	1250	\$103,750.00
38	1250	\$102,500.00
39	1250	\$101,250.00
40	1250	\$100,000.00
41	1250	\$98,750.00
42	1250	\$97,500.00
43	1250	\$96,250.00
44	1250	\$95,000.00
45	1250	\$93,750.00
46	1250	\$92,500.00
MONTH	ABATEMENT	BALANCE
47	1250	\$91,250.00
48	1250	\$90,000.00
49	1250	\$88,750.00
50	1250	\$87,500.00
51	1250	\$86,250.00
52	1250	\$85,000.00
53	1250	\$83,750.00
54	1250	\$82,500.00
55	1250	\$81,250.00
56	1250	\$80,000.00
57	1250	\$78,750.00
58	1250	\$77,500.00
59	1250	\$76,250.00
60	1250	\$75,000.00
61	1250	\$73,750.00
62	1250	\$72,500.00
63	1250	\$71,250.00
64	1250	\$70,000.00
65	1250	\$68,750.00
66	1250	\$67,500.00
67	1250	\$66,250.00
68	1250	\$65,000.00
69	1250	\$63,750.00

70	1250	\$62,500.00
71	1250	\$61,250.00
72	1250	\$60,000.00
73	1250	\$58,750.00
74	1250	\$57,500.00
75	1250	\$56,250.00
76	1250	\$55,000.00
77	1250	\$53,750.00
78	1250	\$52,500.00
79	1250	\$51,250.00
80	1250	\$50,000.00
81	1250	\$48,750.00
82	1250	\$47,500.00
83	1250	\$46,250.00
84	1250	\$45,000.00
85	1250	\$43,750.00
86	1250	\$42,500.00
87	1250	\$41,250.00
88	1250	\$40,000.00
89	1250	\$38,750.00
90	1250	\$37,500.00
91	1250	\$36,250.00
92	1250	\$35,000.00
93	1250	\$33,750.00
MONTH	ABATEMENT	BALANCE
94	1250	\$32,500.00
95	1250	\$31,250.00
96	1250	\$30,000.00
97	1250	\$28,750.00
98	1250	\$27,500.00
99	1250	\$26,250.00
100	1250	\$25,000.00
101	1250	\$23,750.00
102	1250	\$22,500.00
103	1250	\$21,250.00
104	1250	\$20,000.00
105	1250	\$18,750.00
106	1250	\$17,500.00
107	1250	\$16,250.00
108	1250	\$15,000.00
109	1250	\$13,750.00
110	1250	\$12,500.00
111	1250	\$11,250.00
112	1250	\$10,000.00
113	1250	\$8,750.00
114	1250	\$7,500.00

115	1250	\$6,250.00
116	1250	\$5,000.00
117	1250	\$3,750.00
118	1250	\$2,500.00
119	1250	\$1,250.00
120	1250	\$0.00

Appendix "C"
Insurance Requirements

LICENSEE shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension or renewal thereof, at LICENSEE'S sole expense, liability insurance and workmen's compensation insurance, and a certificate of insurance with the coverage's stipulated in this section, shall be submitted to CITY prior to the commencement of any performance under this Agreement. The required insurance must provide a minimum of \$1,000,000 single occurrence coverage for bodily injury (including death), and a minimum of \$1,000,000 single occurrence coverage for property damage. The CITY shall be named as an additional insured under said policy of insurance.



AT&T Mobility
Network Real Estate Administration
5405 Windward Parkway
Alpharetta, GA 30009

**By Certified Mail Return Receipt Requested
Receipt No. 71138257147271774552**

May 30, 2008

City of Rowlett
PO Box 99
Rowlett, TX 75030-0099

Re: NOTICE OF NEW LEGAL NOTICE ADDRESS
10042646 - NTX 1004 2646

Dear Landlord:

Our Wireless Network Real Estate Administration department is moving its office. Effective immediately, all legal notices and other correspondence relating to the cell site lease referenced above should be sent to AT&T with a copy of that letter sent to AT&T's Legal Department at the following addresses:

By U.S. Postal Service
AT&T Network Real Estate
Administration
Re: 10042646
5405 Windward Parkway
P.O. Box 1630
Alpharetta, GA 30009

By Overnight Courier
AT&T Network Real Estate
Administration
Re: 10042646
12555 Cingular Way
P.O. Box 1607
Alpharetta, GA 30009

With a copy to:

AT&T Legal Department
Attn: Network Counsel
Re: 10042646
15 East Midland Ave.
Paramus, NJ 07652

KEEP THIS LETTER WITH YOUR LEASE AGREEMENT AND OTHER IMPORTANT LEGAL DOCUMENTS

Also, as a reminder, you may contact us with regard to routine matters, but not legal notices at 1-877-231-5447 or email us at REleaseAdmin@awsmail.att.com. We look forward to a continued successful relationship with you.

For AT&T,

A handwritten signature in black ink that reads "Lisa P. Herndon".

Lisa Herndon
Director of Network Real Estate Administration



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 12/01/15

AGENDA ITEM: 7G

TITLE

Select representative for Suburban Cities to Dallas Central Appraisal District Board of Directors.

STAFF REPRESENTATIVE

Brian Funderburk, City Manager

SUMMARY

At the November 3, 2009, Council meeting, the Council approved Resolution Number RES-141-09 and on November 15, 2011, approved Resolution number RES-164-11 casting its vote for Michael Hurtt to be a member of the Dallas Central Appraisal District (DCAD) Board of Directors.

BACKGROUND INFORMATION

As an incorporated municipality in Dallas County, the City of Rowlett is entitled to cast a vote for a nominee to the Board of Directors of the Dallas Central Appraisal District. In order to cast such a vote, State law requires the City to vote by an official ballot resolution which must be done no later than December 15, 2015.

DISCUSSION

There are four individuals who have been nominated as follows:

<u>Nominee</u>	<u>Entity(s) Nominating</u>
Mr. Loren Byers	Irving
Mr. Blake Clemens	Addison, Carrollton
Mr. Steven Gorwood	Balch Springs
Mr. Michael Hurtt	Cedar Hill, DeSoto, Farmers Branch, Ovilla, Richardson, Sachse

FISCAL IMPACT

N/A

STAFF RECOMMENDATION

Staff recommends the selection of Michael Hurtt as discussed in the Work Session.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, CASTING ITS VOTE FOR THE FOURTH MEMBER OF THE BOARD OF DIRECTORS OF THE DALLAS CENTRAL APPRAISAL DISTRICT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Dallas County eligible taxing entities have expressed and approved an option which allows for representation to the Appraisal District Board of Directors (in accordance with Section 6.03 of the Texas Property Tax Code) as follows:

1. The City of Dallas shall appoint one (1) member to the Board.
2. The Dallas Independent School District shall appoint one (1) member to the Board.
3. The Dallas County Commissioners Court shall appoint one (1) member to the Board. The member appointed by the Dallas County Commissioners Court shall not be a resident of either the City of Dallas or the Dallas Independent School District.
4. Each of the incorporated cities and towns, except for the City of Dallas, shall have the right to nominate by an official resolution one (1) candidate as the fourth member of the Board of Directors. The said cities and towns shall, from the nominations received, elect by a majority vote, with each city and town being entitled to one (1) vote, the fourth member of the Board of Directors.
5. Each of the independent school districts, except for the Dallas Independent School District, shall have the right to nominate by an official resolution one (1) candidate as the fifth member of the Board of Directors. The said independent school districts shall, from the nominations received, elect by a majority vote, with each independent school district being entitled to one (1) vote, the fifth member of the Board of Directors.

The votes required for election to the Board of Directors in 4 and 5 hereof shall be by a majority of those authorized to vote in 4 and 5 respectively and not by a majority of the quorum, and

WHEREAS, the City of Rowlett does hereby cast its vote by marking the ballot below:
(Check one only)

_____ Loren Byers

_____ Blake Clemens

_____ Steven Gorwood

___X___ Michael Hurtt

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

Section 1: That the City Council of the City of Rowlett does hereby confirm its one (1) vote for the election of Michael Hurtt as the suburban cities' representative to the Board of Directors of the Dallas Central Appraisal District.

Section 2: This resolution shall become effective immediately upon its passage.

ATTACHMENT

Attachment 1 – Letter from Dallas Central Appraisal District dated October 22, 2015

Attachment 2 – Bio on Mr. Michael Hurtt



Dallas Central Appraisal District

Date: October 22, 2015

To: Todd W. Gottel, Mayor, City of Rowlett

From: W. Kenneth Nolan, Executive Director/Chief Appraiser

Re: Election of Suburban Cities' Representative to Dallas Central Appraisal District Board of Directors

In accordance with state law, the nomination process for persons to serve on the Dallas Central Appraisal District Board of Directors has been completed. By state law, your agency is required to vote by official ballot resolution, which is enclosed. **You must do so no later than December 15, 2015. If your entity chooses to abstain from voting, please notify me in writing.**

The nominees are as follows. Also included are the names of the nominating cities.

Nominee	Entity(s) Nominating
Mr. Loren Byers	Irving
Mr. Blake Clemens	Addison, Carrollton
Mr. Steven Gorwood	Balch Springs
Mr. Michael Hurtt	Cedar Hill, DeSoto, Farmers Branch, Ovilla, Richardson, Sachse

If you have questions concerning the candidates please contact the entities who nominated them.

Please act on this election process by official ballot resolution and return the ballot resolution to my office in the enclosed envelope by December 18, 2015. **The 1979 resolution adopted by the taxing units participating in Dallas Central Appraisal District, which governs board elections, requires that a candidate receive a majority of the votes in order to be elected to the Board of Directors. Therefore it is imperative that your taxing unit cast its vote before the December 15, 2015 deadline.**

We appreciate your interest in this very important process and look forward to receiving your vote.

WKN/kld

Enclosure (Official Ballot Resolution/Return Envelope)

cc: Brian Funderburk, Interim City Mgr
 Laura Hallmark, City Secretary
 Alan Guard, Director of Financial Svcs.

Michael Hurtt

Nominated by: Cedar Hill, DeSoto, Farmers Branch, Ovilla, Richardson, Sachse

Michael Hurtt came to Dallas from Casper, Wyoming in 1971. Graduated from Mortuary Science College, and has been in this area ever since. His funeral service background includes managing large volume, corporately owned funeral firms, worked and lectured for a Pierce Chemical/Mortician Supply Company; which built and supplied funeral homes and owned three mortuary science colleges across the United States.

He and his wife have owned the funeral home in DeSoto since 1988. He has served on the Texas Funeral Directors Association, president of the North Texas Funeral Directors and Dallas County Funeral Directors Association. Civic involvement has included board positions for the Dallas Zoo, North Texas Commission, Select Specialty and the Medical Center of Lancaster Hospitals, and Canterbury Episcopal School, past president of the DeSoto Chamber, DeSoto Rotary and the Best Southwest Chambers, councilman, mayor pro tem and mayor of DeSoto from 2001 to 2007 when DeSoto achieved the ALL America City designation. He was president and vice president of the DeSoto Economic Development Corporation. He serves on the advisory board for Methodist Charlton Hospital, and represents the 31 suburban cities for the Dallas County Appraisal District.



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 12/01/15

AGENDA ITEM: 7H

TITLE

Consider a resolution authorizing the City Manager to sign an amended Communication Facility License Agreement with Dallas MTA, L.P. d/b/a Verizon Wireless to lease property for the installation, housing, and operation of antenna facilities and associated equipment and cables in order to provide telecommunication services at Community Park located at 8500 Saint Andrews Lane.

STAFF REPRESENTATIVE

Marc Kurbansade, AICP, Director of Development Services

SUMMARY

On May 5, 2015, the City Council approved a resolution authorizing the City Manager to enter into an agreement with Verizon Wireless allowing them to collocate at the 56 and 66 foot levels of the Community Park Tower. Since that time Verizon has requested that an amendment be made to the agreement specifically pertaining to when the first rent payment and subsequent adjustments will occur. All other terms of the agreement will remain in full force.

BACKGROUND INFORMATION

The agreement approved on May 5, 2015, stated that the first rent payment would be due within thirty (30) days following the effective date of the agreement, and further went on to state that the rent payment would increase at the beginning of each anniversary of the effective date of the agreement. The applicant is requesting that the agreement be amended to read "commencement date" instead of "effective date".

The effective date is defined as "*the later of the dates indicated by the signatures of the parties [executing the agreement].*" Whereas the commencement date is defined as "*the earlier to occur of (i) the first day of the month following the date the building permit is issued by City to Licensee, or (ii) January 1, 2016.*"

DISCUSSION

After receiving Council approval in May 2015, Verizon Wireless did not sign the agreement, thus the "effective date" has not been triggered. Based on the definition of the "commencement date," the latest possible time that the first rent payment would be due is January 1, 2016. Taking into consideration the 30 day waiting period following the "effective date," there is virtually no difference in the two dates. To that end, City staff and the City Attorney have reviewed the proposed amendment and do not have any major concerns.

It should be noted that typically City staff does not bring an agreement forward for Council's consideration without first obtaining the leasee's signature. Since the "effective date" is defined as "*the later of the dates indicated by the signatures of the parties [executing the agreement]*" the City Manager's signature is usually what triggers the "effective date" since the lessee has already signed the agreement prior to Council consideration. However, in an effort to expedite the process, City staff allowed the subject agreement to move forward without obtaining the leasee's signature prior to approval, which is why the "effective date" has not been triggered yet. Moving forward Staff will remain firm in requiring the leasee's signature prior to requesting Council approval to prevent similar amendments to the greatest extent possible.

FINANCIAL/BUDGET IMPLICATIONS

As previously stated, no additional amendments are proposed to the agreement approved on May 5, 2015, which means that Verizon will still pay the City a monthly rent of \$3,500.00. The initial term of the collocatee agreement is for five (5) years with an option to renew the licenses for three (3) additional five (5) year terms. The rent payment will be increased by three percent (3%) annually.

RECOMMENDED ACTION

City staff recommends that the City Council approve the amended agreement as written and authorize the City Manager to execute the amended Communication Facility License Agreement with Verizon Wireless for the Community Park site.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, APPROVING AN AMENDED COMMUNICATION FACILITY LICENSE AGREEMENT BY AND BETWEEN THE CITY OF ROWLETT AND DALLAS MTA, L.P. D/B/A VERIZON WIRELESS, FOR THE INSTALLATION, HOUSING, AND OPERATION OF TWO ANTENNA FACILITIES AND ASSOCIATED EQUIPMENT AND CABLES, AND TO LEASE PROPERTY TO PROVIDE TELECOMMUNICATIONS SERVICES AT COMMUNITY PARK, LOCATED AT 8500 SAINT ANDREWS LANE; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT ON THE CITY'S BEHALF; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Rowlett desires to provide Dallas MTA, L.P. d/b/a Verizon Wireless with facilities for housing and operating certain communications equipment, as described in Exhibit "A" for the installation of telecommunication equipment at Community Park located at 8500 Saint Andrews Lane; and

WHEREAS, Dallas MTA, L.P. d/b/a Verizon Wireless is a telecommunications company duly authorized to provide certain telecommunications services and desires to lease certain property owned by City of Rowlett for the construction of an Antenna Facility and the installation and operation of Licensee's Equipment on and around the Antenna Facility; and

WHEREAS, the City of Rowlett owns the premises and facilities described below and desires to allow Dallas MTA, L.P. d/b/a Verizon Wireless to enter and utilize designated areas of the facilities and premises; and

WHEREAS, the agreement attached herein as Exhibit "A" is contingent on City staff's final approval of the construction documents.

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

Section 1: That the City Council of the City of Rowlett hereby approves an Amended Communication Facility License Agreement with Dallas MTA, L.P. d/b/a Verizon Wireless, as provided in Exhibit "A," attached hereto and incorporated herein, and authorizes the City Manager to execute the Amended Agreement on the City's behalf.

Section 2: This resolution shall become effective immediately upon its passage.

ATTACHMENT

Exhibit A – Amended Verizon Colocatee Agreement

STATE OF TEXAS §
 § **COMMUNICATIONS FACILITIES**
 § **LICENSE AGREEMENT**
 COUNTY OF DALLAS §

KNOW ALL BY THESE PRESENTS:

This non-exclusive License for Communications Facilities ("Agreement") is made by and between the City of Rowlett, Texas, a home rule municipal corporation (hereinafter referred to as the "City") and Dallas MTA, L.P. d/b/a Verizon Wireless, a Delaware limited partnership (hereinafter referred to as "Licensee"), for the use of certain premises and/or facilities according to the following terms and conditions:

WITNESSETH:

WHEREAS, City desires to provide Licensee with facilities for housing and operating certain communications equipment, including ground space as more particularly described in Exhibit "A" for the installation of a telecommunications tower and associated antennae, cables, equipment, and an equipment platform to support the associated electronic equipment and hardware, all as more particularly described in **Exhibit "A"**; and

WHEREAS, Licensee is a telecommunications company duly authorized to provide certain telecommunications services and desires to lease certain property owned by City for the construction of an Antenna Facility (defined herein) and the installation and operation of Licensee's Equipment (defined herein) on and around the Antenna Facility; and

WHEREAS, City owns the premises and facilities described below and desires to allow Licensee to enter and utilize designated areas of the facilities and premises.

NOW, THEREFORE, in consideration of the terms and conditions hereinafter set forth, the parties agree as follows:

1. Location

1.1 The City owns certain real property located at 8500 St. Andrews Lane, Rowlett, Texas 75089 (the "Property"). The premises (the "Premises") provided for Licensee's use by City are a part of the Property and are described in the Site Plan attached hereto and incorporated herein as **Exhibit "A"** (the "Site Plan"). Licensee shall have the right to install and operate upon the Premises its Equipment Compound, the Antenna Facility, telecommunication equipment and all related appurtenances attached to the Equipment Compound or the Antenna Facility and the cabling run between the Antenna Facility and the Equipment Compound. As used herein the term "Licensee's Equipment" shall mean all of Licensee's telecommunication equipment, antennas,

cabling, attachments, and all related appurtenances, (but specifically excluding the Antenna Facility), as identified on Exhibit "A". As used herein, the term "Antenna Facility" shall mean the communications tower and its foundation as more particularly described and identified on Exhibit "A". As used herein, the term "Equipment Compound" shall mean all equipment, shelters, platforms and similar structures located on the Premises and identified on Exhibit "A". As used herein, the term "Improvements" shall mean collectively the Equipment Compound, the Antenna Facility, and Licensee's Equipment, together with any related appurtenances. The license authorized under the terms of this Agreement shall be a license for the use of that portion of the Premises and the Antenna Facility designated for use by Licensee on the Site Plan and shall be exclusive with respect thereto and shall include non-exclusive easements (i) for ingress and egress between the Premises and a public thoroughfare, (ii) for placement of an underground grounding system, and (iii) for access to the appropriate source of electric and telephone facilities, in the discretion of Licensee and subject to the approval of City not to be unreasonably withheld, conditioned or delayed. The term "Effective Date" is the later of the dates indicated below by the signatures of the parties.

1.2 **Site Plan.** Performance under this Agreement shall be in material compliance with the Site Plan. If Licensee's installation, maintenance and operation of the Licensee's Equipment fail to substantially comply with the approved Site Plan, at any time, then City shall have the right to terminate this Agreement upon notice to Licensee, who has an opportunity to cure as provided under Section 5 herein. Any and all proposed material modifications to Licensee's Site Plan must be approved in writing by City before Licensee may make any changes to its Site Plan as originally approved by City. Approval of such modifications is within the sole discretion of City. When making its determination, City may consider comments from neighboring property owners.

1.3 Licensee has inspected, examined and investigated the status of the title and condition of the Premises to the extent that Licensee has deemed necessary, and Licensee understands, acknowledges and agrees that it is entering into this Agreement to acquire a leasehold interest in the Premises "AS IS," subject to the city's duty to maintain as provided in Section 8 hereof, in reliance solely upon the results of any inspection, examination and investigation of the status of title, of the condition of the Premises, of access to and from the Premises, and of the availability of utilities and utility service that Licensee has conducted and not as a result of any representation, warranty, assurance, guaranty or promise of City or any person purporting to act on behalf of City, other than those which may be expressly set forth in this Agreement.

1.4 LICENSEE UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT NEITHER CITY NOR ANY AGENT, EMPLOYEE OR OTHER PERSON ACTING ON BEHALF OF THE CITY, HAS MADE ANY, AND THE CITY EXPRESSLY DISCLAIMS EVERY, REPRESENTATION, WARRANTY (INCLUDING WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE AND HABITABILITY), ASSURANCE, GUARANTY OR PROMISE, EXPRESS OR IMPLIED, CONCERNING THE STATUS OF THE TITLE OR CONDITION OF THE PREMISES WHICH ARE NOT EXPRESSLY SET FORTH IN THIS AGREEMENT

AND THAT NO AGENT OR EMPLOYEE OF THE CITY OR OTHER PERSON HAS ANY AUTHORITY TO MAKE OR DELIVER ANY REPRESENTATION, WARRANTY, ASSURANCE, GUARANTY OR PROMISE WHICH IS NOT SET FORTH IN THIS AGREEMENT.

2. Use of Premises

2.1 **Permitted Use.** City agrees to allow installation of the Improvements, in accordance with the terms of this Agreement. Licensee's use shall be for the purpose of the installation, operation, and maintenance of Licensee's Equipment and the Equipment Compound, for the transmission, reception, and operation of a communications system and uses incidental thereto and for the construction of the Antenna Facility. Licensee understands, acknowledges and agrees that the use of the Premises by Licensee in conjunction with the terms of this Agreement is to be for the installation, operation and maintenance of communications equipment and uses ancillary thereto, in strict compliance with the Agreement and the attached Site Plan. Licensee shall not use the Premises for any other purpose whatsoever, including the storage or placement of debris, replacement improvements, or any other item, without first obtaining the prior written consent of City, which may be given or withheld for any reason or for no reason, in the City's sole, absolute and unrestricted discretion.

2.2 **Prohibited Use.** Licensee shall not use the Premises in any manner that constitutes waste or nuisance, or that violates any applicable law, ordinance or governmental regulation in any respect. Licensee shall neither do nor permit to be done anything that would violate any certificate of occupancy applicable to the Premises or would render void or uncollectible any insurance then in force with respect to the Premises, or that would in any way increase the premiums payable by City for fire, liability or any other insurance coverage on the Premises or the contents of any improvements thereon.

2.3 **Quiet Enjoyment.** So long as no Event of Default has occurred and is continuing, the City shall not disturb Licensee's possession of the Premises.

2.4 **Subletting of Premises or Improvements.** Licensee may not sublet to or license others to use the Premises. Any such attempt by Licensee shall be without effect and may at City's option result in the termination of this Agreement.

2.5 **Maintenance, Repair or Replacement of Improvements.** Licensee may update, maintain, repair, or replace the Licensee's Equipment located upon the Premises from time to time with the prior written approval of City, said approval not to be unreasonably withheld, conditioned or delayed, provided that the replacement Licensee's Equipment, together with related equipment, do not require more space than the existing Licensee's Equipment. Licensee shall submit to City, a detailed proposal for any proposed replacement Licensee's Equipment that is materially different than the existing Licensee's Equipment and any supplemental materials for City's evaluation and written approval. City agrees that such approval will not be unreasonably withheld, conditioned

or delayed. A current and accurate Site Plan must be submitted to City by Licensee and maintained on file with City for the entire term of this Agreement and all renewals thereof. Prior written approval by the City is not required for routine maintenance, replacement or upgrading of equipment, or in case of emergencies.

2.6 Licensee agrees to obtain appropriate utility service from any utility company that will provide service to the Premises (including a standby power generator for Licensee's exclusive use). The City agrees to sign such documents or easements as may be required by said utility companies to provide such service to the Premises, including the grant to Licensee or to the servicing utility company, of an easement in, over across or through the Premises as may be reasonably required by such servicing utility company to provide utility services as provided herein.

3. Term

3.1 This Agreement shall be for an initial term of five (5) years (the "Initial Term"), commencing on the Commencement Date. The Commencement Date shall be the earlier to occur of (i) the first day of the month following the date the building permit is issued by City to Licensee, or (ii) January 1, 2016. For a period not to exceed one hundred eighty (180) days following the Effective Date, Licensee shall have the right to terminate this Agreement by giving thirty (30) days written notice to City of such termination if Licensee is unable to obtain all licenses and permits or authorizations required for Licensee's use of the Premises from all applicable government and/or regulatory entities (the "Governmental Approvals") for Licensee's intended use of and improvements to the Premises.

3.2 Licensee is granted the option to renew this Agreement for three (3) additional five (5) year terms (each a "Renewal Term"), after the Initial Term expires. Unless Licensee gives written notice of its decision not to exercise the renewal option within 90 days prior to the expiration of the Initial Term or then current Renewal Term, this Agreement will automatically renew for each said Renewal Term as long as there is no continuing, uncured default by Licensee. All the terms and covenants of this Agreement apply to each Renewal Term, subject to amendment by the mutual agreement of the parties to this Agreement, in writing and signed by both parties to this Agreement. At least one (1) year prior to the end of the last Renewal Term, City will begin negotiations with Licensee to extend this Agreement. If Licensee continues to possess the Premises following the expiration of the last Renewal Term, and this Agreement has not been renewed or superseded, this Agreement (1) shall be deemed to be a holdover tenancy at will but shall not itself constitute a renewal or extension of any term, (2) shall continue from month to month under the terms and conditions set forth herein, and (3) may be terminated by either party upon at least thirty (30) days written notice to the other party. All the terms and covenants of this Agreement apply to all holdover tenancy periods. The Initial Term and applicable Renewal Terms are sometimes referred to herein as the "Lease Term."

4. Payment Terms and Conditions

4.1 (a) **Rent Payment.** In consideration for providing the Premises for use by Licensee, Licensee shall pay rent to City monthly, with the first payment being due within thirty (30) days following the Commencement Date of this Agreement. Thereafter payment shall be due on the first day of each month throughout the Initial Term and all Renewal Terms hereof and prorated for any partial Lease Term. Licensee shall pay rent to City in advance, without prior notice or demand, without any abatement, setoff, reduction, deduction, counterclaim or recoupment except as provided herein, in the amount of Three Thousand Five Hundred and no/100 Dollars (\$3,500.00) per month for the term of this Agreement ("Rent Payment"). Interest on late payments (which remain unpaid following the expiration of the notice and cure period described in Section 5.2(a)) shall accrue at the maximum rate allowed by law. If this Agreement is terminated at a time other than the last day of the calendar year of the Lease Term for any reason other than a default by Licensee, all Rent Payments shall be prorated as of the date of termination and all prepaid Rent Payments shall be refunded to Licensee.

4.2 **Rent Adjustment.** The Rent Payment shall be increased by three percent (3%) at the beginning of each anniversary of the Commencement Date of this Agreement. The dollar increase in the Rent Payment shall be determined by multiplying the Rent Payment (as previously adjusted) payable during the preceding year of this Agreement or preceding Renewal Term, as applicable, by three percent (3%).

4.3 **Holdover Rent.** The Rent Payment due during any holdover period shall be equal to two hundred percent (200%) of the Rent Payment due during the immediately preceding Initial Term or any Renewal Term.

4.4 **Payment Address.** Rent Payments shall be made payable to "City of Rowlett: 4004 Main Street, P.O. Box 99, Rowlett, TX 75030-0099 (Lease Address) and shall be remitted "City of Rowlett: Accounting Department." City shall provide Licensee written notice of any change in address for purposes of Rent Payments and Additional Rent.

4.5 **Lawful Currency.** Rent Payments shall be made according to paragraph 4.4 above in lawful money of the United States of America without any abatement, setoff, reduction, deduction, counterclaim or other recoupment. Rent Payments shall be free and clear of any business license tax or fee that is measured upon the size of the Premises. In no event will Licensee be obligated to pay any general income taxes measured upon the income of the City. In the event any federal, state, county, municipal or other governmental authority hereafter imposes or levies any such business license tax or fee, Licensee shall pay to City an amount equal to any and all amounts so imposed or levied as a component of Rent.

4.6 **Dishonored Checks.** Any dishonored check shall incur a service charge of ten percent (10%) of its face amount. Subsequent to the first dishonored check

received by City for any payment, all subsequent payments, including Rent Payments and Additional Rent, shall be made by cashier's check.

5. Termination

5.1 **Termination for Cause.** Upon the occurrence of any one or more of the events listed below (hereinafter referred to as "Event of Default"), or as provided elsewhere in this Agreement, City may, without penalty, at its option and without prejudice to any other remedy to which it may be entitled at law or equity, or otherwise under this Agreement, terminate use or occupancy under this Agreement at any time, either in whole or in part, by giving at least thirty (30) days prior written notice and opportunity to cure thereof to Licensee with the understanding that all use of the Premises being terminated shall cease upon the date specified on such notice, unless Licensee cures such Event of Default. Licensee shall not, however, be entitled to any damages, including but not limited to, lost or anticipated profits should City choose to exercise its option to terminate.

5.2 **Event of Default by Licensee.** Any of the following occurrences, conditions, or acts shall be deemed an "Event of Default" under this Agreement:

- (a) if Licensee fails to pay amounts due under this Agreement within ten (10) days of receipt of written notice that such payments are overdue (the 30-day cure period shall not apply to this Event of Default);
- (b) if Licensee fails to observe or perform its obligations under this Agreement other than as provided in Section 5.2(a) above and does not cure such failure within thirty (30) days from Licensee's receipt of written notice of breach or, if such failure cannot be cured within 30 days using reasonable efforts, then such longer period as may be necessary to complete a cure pursued with diligence and commenced within the 30 day period.

5.3 **Event of Default by City.** If City fails to observe or perform its obligations under this Agreement and does not cure such failure within thirty (30) days from City's receipt of written notice of breach or, if such failure cannot be cured within 30 days using reasonable efforts, then such longer period as may be necessary to complete a cure pursued with diligence and commenced within the 30 day period, then City shall be in default hereunder and Licensee may, without penalty, at its option and without prejudice to any other remedy, pursue any and all remedies available to it at law or in equity. Notwithstanding the foregoing to the contrary, it shall be a default under this Agreement if City fails, within ten (10) days after receipt of written notice of such breach, to perform an obligation required to be performed by City if the failure to perform such an obligation interferes with Licensee's ability to conduct its business on the Premises; provided, however, that if the nature of City's obligation is such that more than ten (10) days after such notice is reasonably required for its performance, then it

shall not be a default under this Agreement if performance is commenced within such ten (10) day period and thereafter diligently pursued to completion.

5.4 Termination by Licensee. This Agreement may be terminated by Licensee, without penalty or further liability, as follows:

(a) upon written notice, if Licensee is unable to obtain, or maintain, any required approval(s) or the issuance of a license or permit by any agency, board, court or other governmental authority necessary for the construction or operation of Licensee's Equipment as now and hereafter intended by Licensee; or if Licensee determines in its sole discretion that the cost of obtaining or retaining the same is commercially unreasonable;

(b) on sixty (60) days written notice for any reason so long as Licensee pays City a termination fee equal to six (6) months' Rent Payment at the current rate or at the current rate prorated to the end of the City's fiscal year in which the termination occurs, whichever is greater.

5.5 Removal of Improvements. If Licensee's Equipment must be removed, whether or not such removal is done pursuant to Section 6.1, Licensee shall have the right to set up a portable mounted antenna, a cell on wheels (COW), and/or some other similar temporary structure approved by City, on City premises to allow Licensee to continue to provide wireless communications service. Licensee may maintain its COW for a period of thirty (30) days past the date of removal of Licensee's Equipment. To maintain the temporary antenna, COW, or other temporary structure for a period in excess of thirty (30) days, Licensee must obtain written approval from City not to be unreasonably withheld, conditioned or delayed. If the Premises are not in such condition as to be utilized by Licensee at the end of the initial thirty (30) day period, City shall provide as many additional thirty (30) day extensions for such temporary structures as are necessary to allow Licensee to continue its operations as authorized by this Agreement.

6. City's Right of Entry Onto Premises

6.1 City and City's agents, employees or contractors may enter upon the Premises, except Licensee's secured areas, for the purpose of performing repairs and maintenance work to the Premises. The City reserves the right to perform maintenance on the Premises and Antenna Facility, both structural and cosmetic (paint), at whatever intervals as may be required to assure the integrity and longevity of the facility. If maintenance work is required, the City agrees to provide Licensee with reasonable written notice of not less than ninety (90) days prior to commencing such work to allow Licensee to remove any and all of Licensee's antennas as may be necessary provided the City makes best efforts to provide Licensee with sufficient notification of the intended work and the opportunity, at City's cost and expense, to temporarily relocate and continue to operate Licensee's Equipment, or otherwise to secure Licensee's Equipment. Licensee will be permitted to install any type of temporary facility necessary to keep its communication facility operational, including permitting Licensee to install a cell on

wheels (COW) on the Property. Further, any maintenance will be conducted by the City as diligently and expeditiously as possible. However, subject to the above, the City will not be responsible for system outages of up to thirty (30) days resulting from the City's need for unusually extensive maintenance and any inability of the City to accommodate a relocation of Licensee's antennas to keep them operational. Notwithstanding, the City will not be liable to Licensee for outages resulting from the City's maintenance of or repairs to the Premises or any Improvements, or damage, destruction or removal of the Antenna Facility, Licensee's sole remedy being an abatement of future rent and the option to terminate this Agreement.

6.2 Licensee, at its expense and exclusive use, may use any and all reasonable and appropriate means of restricting access to the Licensee's Equipment Compound, as identified in the Site Plan.

7. Access

7.1 Licensee shall have the non-exclusive right to access the aforementioned Premises at any time.

7.2 Licensee's right of access is a contractual right for the benefit of Licensee only and nothing contained in this Agreement shall be construed to constitute a dedication or an easement. However, in the event this Agreement is assigned in accordance and in compliance with Section 21.9 below, such right of access shall inure to the benefit of Licensee's assignee.

8. Damages to Property

8.1 **Damage and Restoration of Property.** Licensee shall promptly notify City of any and all damages resulting from, arising out of, or caused to, the Premises and City Property surrounding the Premises, including but not limited to structural damages, electrical damages, damages to fencing, irrigation systems or landscaping by Licensee's operations, by Licensee, its officers, agents, employees and invitees. Licensee shall be solely responsible for the costs and the repair of all such damages and such repairs and/or replacements shall be completed within twenty-five (25) calendar days and shall be completed in a manner acceptable to City. The foregoing notwithstanding, the City shall, at its cost, perform all maintenance and repairs to the Antenna Facility from and after the Effective Date in a manner that allows Licensee to operate Licensee's Equipment.

8.2 **Failure to Restore Property.** If City does not make or perform any required maintenance or repairs to the Antenna Facility, Licensee shall have the right, but not the obligation, to make such repairs and to perform such maintenance. In such event, Licensee shall be entitled to set up and operate a portable mounted antenna, a COW, and/or some other similar temporary structure approved by City, on City premises to allow Licensee to continue to provide wireless communications services during the period of time the Antenna Facility is not available due to such maintenance and repairs or lack thereof. Notwithstanding, the City will not be liable to Licensee for costs

incurred by Licensee in making repairs or performing such maintenance, Licensee's sole remedy being an abatement of future rent and the option to terminate this Agreement.

8.3 **Destruction or Condemnation.** If the Premises or Licensee's Equipment are materially damaged, abandoned, removed, destroyed, condemned or transferred in lieu of condemnation, the City or Licensee may elect to terminate without penalty or damages this Agreement as of the date of the damage, destruction, condemnation or transfer in lieu of condemnation by giving notice to the other party no more than forty-five (45) days following the date of such damage, destruction, condemnation or transfer in lieu of condemnation. If the City undertakes to rebuild the Antenna Facility, the City agrees to use its reasonable efforts to permit Licensee to place temporary transmission and reception facilities on the Property at no additional rent until such time as Licensee is able to secure a replacement transmission location or the reconstruction of Licensee's Equipment is completed.

9. Electrical, Radio and Intermodulation Interference

9.1 Licensee shall operate Licensee's Equipment in a manner that will not cause radio frequency interference to the City or other licensees of the Property in their use of any equipment or their conduct of any activity on the Property pursuant to agreements which pre-date the installation and operation of Licensee's Equipment, as long as the existing radio frequency user(s) continue to operate within their respective frequencies and in compliance with all applicable laws and regulations. Licensee's installation and operation of the Licensee's Equipment shall be in compliance with all applicable FCC requirements. This provision shall not be interpreted to require Licensee to modify or alter its Equipment to accommodate other licensees nor shall it be interpreted to allow Licensee to modify or alter its Equipment so as to prevent or impair the use of the Antenna Facility or Premises by other licensees.

9.2 Prior to installation of any Licensee's Equipment on the Premises, Licensee shall conduct bandwidth testing of Licensee's Equipment and City equipment to check bandwidth conflict between City's monitoring control system and Licensee's system. If such conflict occurs, Licensee shall take all steps necessary to resolve the conflict to the reasonable satisfaction of City. If the conflict cannot be remedied to the reasonable satisfaction of City, City may terminate this Agreement upon thirty (30) days written notice to Licensee.

9.3 Licensee shall not cause electrical, radio or intermodulation interference to City or to any other licensee who is using the Premises prior to or at the time of Licensee's installation of Licensee's Equipment, as long as the existing radio frequency user(s) continue to operate within their respective frequencies and in compliance with all applicable laws and regulations. Should such interference occur, Licensee will promptly take all steps necessary to correct such interference within ten (10) days notice of the problem and, if such interference cannot be eliminated within thirty (30) days of such notice, Licensee shall suspend operations (transmissions) at the Premises, except for brief periods for testing, while the interference problems are studied and a means to eliminate

the problem is determined. Any such method for correction of an interference problem must be acceptable to both City and Licensee. If the interference complained of cannot be eliminated, Licensee will cease its operations, remove all Licensee's Equipment from the Premises, and this Agreement shall be terminated, without further liability or obligation.

9.4 Licensee shall not cause electrical, radio or intermodulation interference to City at any time during or after installation or operation of Licensee's Equipment. Moreover, Licensee's use will not in any way adversely affect or interfere with City's signal operation or its communication system. Should such interference occur, Licensee will promptly take all steps necessary to correct such interference within ten (10) days notice of the problem and, if such interference cannot be eliminated within thirty (30) days of such notice, Licensee shall suspend operations (transmissions) at the Premises, except for brief periods for testing, while the interference problems are studied and a means to eliminate the problem is found. Any such method for correction of an interference problem must be acceptable to both City and Licensee. If the interference complained of cannot be eliminated, Licensee will cease its operations, remove all Licensee's Equipment from the Premises, and this Agreement shall be terminated without further liability or obligation.

9.5 City will not grant a license to any other party for the use of City's Property or Antenna Facility without including in that license a provision stating that the party's use will not in any way adversely affect or interfere with Licensee's signal operation or its communication system. Furthermore, license agreements with third parties will state that prior to installation of improvements, such third parties shall be required to conduct bandwidth testing of its equipment and the equipment of Licensee to check bandwidth conflict between third-party equipment and Licensee's Equipment. Licensee shall have the right to terminate this Agreement upon ten (10) days written notice to City if another user of the Property, Premises or the Antenna Facility causes significant interference with Licensee's operations, and such interference is not corrected within thirty (30) days following the notice to such third party user causing the interference. In the event that Licensee experiences interference caused by a third-party licensee, Licensee agrees that it shall seek recourse solely from such third party. No compensation shall be due from City for damages, including, but not limited to, lost or anticipated profits.

9.6 Licensee shall have the sole burden of, and be responsible for all costs associated with, alleging and proving that another user of the Property, Premises or the Antenna Facility is causing significant interference, as well as for otherwise enforcing Licensee's rights under this Agreement. City shall not be responsible for the costs associated with the resolution of any dispute between users of the Premises, or enforcement of any of Licensee's rights under this Agreement.

9.7 Upon report to Licensee, and all other third parties with communications equipment on the Property, of interference with any City-owned/operated radio emergency system installed prior to the Effective Date, Licensee shall, within six (6)

hours after such notification, perform an assessment of the source of the interference. In the event such interference results from Licensee's operations, Licensee agrees, within twelve (12) hours of first notification, to propose a plan of action to eliminate the interference. City and Licensee agree to provide a technician or other qualified representative to assist in testing, formulating and coordination of a plan for resolution.

9.8 If such interference results from Licensee's operations, Licensee must correct the interference within twenty-four (24) hours of City's original notification to Licensee or shall discontinue all use of Licensee's Equipment upon the Premises. Licensee's Equipment cannot be reactivated until Licensee can demonstrate that the cause of the interference has been eliminated.

9.9 Each party agrees to provide the other with a telephone number through which that party can contact a representative of the other on a 24-hour per day, 7 days a week basis for the purpose of implementing the requirements of this paragraph.

10. Condition of Premises

10.1 City shall maintain the Premises and, following the Effective Date, the City shall maintain the Antenna Facility, in compliance with all applicable statutes, ordinances, regulations and rules required for City uses of the Premises and surrounding Property, and in a manner which will not interfere with Licensee's reasonable use of the Premises. Upon expiration, cancellation, or termination of this Agreement, Licensee will have the right to remove Licensee's Equipment and all equipment and personal property located within the Equipment Compound, but not the Antenna Facility, from the Premises at Licensee's cost and expense. Title to all remaining improvements, including the Antenna Facility, shall belong to City. Except as set forth above, Licensee shall surrender the Premises in substantially the same condition as received, reasonable wear and tear excepted.

10.2 Licensee shall have sole responsibility for the maintenance, repair, and security of the Equipment Compound and its fixtures other than the Antenna Facility, and shall keep same in good repair and condition during the Lease Term, all Renewal Terms and holdover tenancies of this Agreement.

10.3 Licensee shall keep the Premises free of debris and anything reasonably determined to be of a dangerous, noxious, or offensive nature or which would create a hazard or undue vibration, heat, noise, or interference.

10.4 In the event City or any other licensee undertakes painting, construction, or other alterations on the Premises, Licensee shall take reasonable measures at Licensee's cost to cover all of Licensee's Equipment and protect such from paint and debris fallout which may occur during the painting, construction, or alteration process. City shall not be responsible for any damages or costs incurred by Licensee due to the actions or omissions of any third-party licensees upon the Premises. City shall provide

thirty (30) business days written notice to all licensees upon the Premises prior to City undertaking such painting, construction, or other alterations.

10.5 By taking possession of the Premises, Licensee accepts the Premises in the condition existing as of the Effective Date. City makes no representation or warranty with respect to the condition of the Premises and City shall not be liable for any latent or patent defect in the Premises. City agrees to notify Licensee of the existence of any latent defects of which the City has knowledge.

11. Construction, Installation and Operation

11.1 **Construction, Installation and Operation.** Licensee may, at its sole cost and expense, construct, install, operate, maintain, monitor, reconfigure and repair Licensee's Equipment.

11.2 **Marking and Lighting Requirements.** Licensee acknowledges that it shall be responsible for compliance with all tower or building marking and lighting requirements which may be required by the Federal Aviation Administration or the Federal Communication Commission in conjunction with Licensee's installation of the Antenna Facility prior to the Effective Date and maintenance of Licensee's Equipment under this Agreement, as well as any expenses, fees or fines associated with the compliance or the non-compliance of Licensee's installation or maintenance of Licensee's Equipment under this Agreement. From and after the Effective Date, City shall be responsible for all tower or building marking and lighting requirements which may be required by the Federal Aviation Administration or the Federal Communication Commission in conjunction with the maintenance of the Antenna Facility. If the Licensee does not cure a condition of noncompliance as required above within the timeframe allowed by the citing agency, City may terminate this Agreement upon seven (7) days written notice.

11.3 **Inspection and Tests.** Upon the Effective Date and for the Lease Term of this Agreement, Licensee shall have reasonable access as provided in Section 7 above to the Premises as are necessary and approved by City for the purpose of inspection and planning. Prior to the Effective Date, Licensee shall retain, or shall cause to be retained, at its sole cost and expense, certified and insured structural engineers to perform such an inspection and provide a structural report as to the structural integrity of the Antenna Facility, its maximum load capacity, and other aspects of the Premises, as appropriate. Licensee shall provide to City a copy of the report. Licensee shall not conduct construction, installation, operation, maintenance or repair of Licensee's Equipment in a manner inconsistent with the structural report.

11.4 **Payment, No Mechanics Liens.** Licensee shall make full and prompt payment of all sums necessary to pay the costs of all installation, repairs and alterations, improvements, changes and other work done by Licensee in or to the Premises. Title to the Licensee's Equipment shall be held by Licensee. City shall not be responsible for the performance of Licensee's work. Licensee shall pay or cause to be paid all costs

associated with Licensee's work. Licensee shall not suffer or permit to be enforced against any portion of the Property or Premises any (i) mechanic's, materialman's, contractor, subcontractor or other lien or claim arising from or in any way related to Licensee's work, or (ii) any other claim, mortgage, security interest, encumbrance, lien or other charge. Within thirty (30) days after Licensee has actual knowledge or notice from City of any recordation of any lien, encumbrance, judgment or similar item which affects the Property or Premises in any way, Licensee shall obtain the complete discharge and release thereof at Licensee's sole expense or expenditure (without any cost being imposed upon City or it shall bond or insure around such lien and furnish copies thereof to City.) However, Licensee shall have the right to contest, in good faith, any mechanic's or materialman's lien upon the condition that Licensee provides a bond or other form of security reasonably acceptable to City in an amount sufficient to hold City fully and completely harmless from any and all liability therefor or on account thereof.

11.5 Improvements to Premises; Removal. All Licensee's Equipment constructed, installed and operated by or on behalf of Licensee shall remain Licensee's personal property and are not fixtures, with the exception of the Antenna Facility. Licensee shall remove all Licensee's Equipment at its sole expense within thirty (30) days following the expiration or earlier termination of this Agreement, and Licensee shall repair any damage to the Premises or Property caused by such removal and fully restore the Premises or Property to substantially the same condition as existed prior to such damage at its sole cost and expense. Licensee shall provide to City in writing, by not later than the end of the prescribed thirty (30) day period, notice that all Licensee's Equipment with the exception of the Antenna Facility have been removed in accordance with this Section. Failure of Licensee to remove any or all Licensee's Equipment with the exception of the Antenna Facility from the Premises and Property within the prescribed thirty (30) days shall be construed as holdover pursuant to this Section, and all obligations and requirements, including payment of Rent Payments, shall continue to apply unless and until Licensee removes all Licensee's Equipment with the exception of the Antenna Facility and so notifies City.

11.6 Liability for Damage/Outages. Licensee shall be solely responsible for any damage caused by Licensee, its agents and/or contractors on or to the Premises or Property that causes an interruption or outage in the services, operations or utilities of another licensee, and shall indemnify and hold harmless City and its employees, agents, successors and assigns from all claims or actions for damages, including actual, incidental and consequential damages, brought by another licensee as a result of Licensee's, or its employees', contractors', agents', assigns' or licensees', willful, reckless or gross negligence, negligence, or other conduct.

12. Intentionally Deleted

13. Compliance with Laws

13.1 By Licensee. Licensee, its employees, agents, designees, contractors, subcontractors, customers, invitees and licensees, shall comply in all respects and at all

times with all local, state and federal laws, statutes, ordinances, regulations, rulings, requirements, conditions, orders, licenses, permits, covenants, restrictions, approvals and consents pertaining to Licensee's services, Licensee's construction, installation and operation of Licensee's Equipment and Licensee's use of the Premises. Without limiting the generality of the preceding sentence, Licensee shall fully and timely observe and comply with applicable laws, regulations, policies and requirements concerning health and/or public safety, including standard industry equipment safety regulations, and shall not use the Premises or operate the Licensee's Equipment in any manner which is inconsistent therewith. Licensee shall, at Licensee's sole cost and expense, promptly apply for and use its best efforts to obtain and maintain all necessary licenses, permits, approvals and consents required or necessary for the construction and operation of the Licensee's Equipment. In the event Licensee fails to obtain any required license, permit, approval or consent to construct and operate the Licensee's Equipment, through no fault of Licensee, Licensee shall have the right to terminate this Agreement in accordance with Section 5 of this Agreement.

13.2 **By City.** The City shall comply in all material respects and shall exercise commercially reasonable efforts to cause its employees, agents, designees, contractors, subcontractors, customers, invitees and licensees to comply in all material respects with all laws, ordinances, orders, rules and regulations of all governmental or judicial authorities having jurisdiction thereof, whether state, federal or local, relating to the City's ownership interest in the Premises.

14. Utility Easements and Utility Cost

14.1 Licensee shall pay directly to all public utility service companies, before delinquency, all charges for the electricity, water and other utility services that Licensee consumes in connection with the installation and operation of Licensee's Equipment and which are separately metered and charged to Licensee by any public utility service company, without any expense therefore being imposed upon City

14.2 If Licensee first obtains City's written consent, which may be given or withheld for any reason or no reason in the City's sole discretion, Licensee shall have the right to obtain electricity and other public utility services from the existing outlets available at the Premises. Absent such consent, Licensee shall obtain separate public utility services from any company that will provide such services to the Premises (which services may include an approved gasoline-powered standby power generator located on the Premises for Licensee's exclusive use). Gasoline-powered generators may be used by Licensee from time to time for emergency purposes. This authorization does not and shall not be interpreted to authorize Licensee to violate any applicable noise, emission or environmental standards, ordinances or regulations.

14.3 Licensee shall not permit any charges for public utility services to accumulate or become a lien on the Property. If Licensee fails to pay any such charge required to be paid by Licensee pursuant to this Section, City may, but shall not be required to, pay such charge on Licensee's behalf. If City pays any such charge on behalf

of Licensee or incurs any cost with respect to any grant of any public utility service easement for the benefit of Licensee pursuant to this Section, Licensee shall reimburse and pay to City an amount equal to all such charges so paid and all such easement costs so incurred, immediately upon demand as Additional Rent.

14.4 **Additional Utility/Power Equipment.** In the event that Licensee is required to or otherwise decides to install, operate and use additional equipment to provide electricity or other utility services required for the operations of Licensee's Equipment, such installation, operation and use shall comply in all respects with the terms and conditions set forth in this Agreement.

15. Taxes

15.1 Licensee agrees to timely reimburse City for all governmental taxes, fees and charges that are assessed against City, if any, that City demonstrates are attributable to Licensee's Equipment on or about the Premises, except for the Antenna Facility and related appurtenances; provided, however, City shall use its best efforts to provide prior notification of any taxes for which Licensee is to be charged, so Licensee will have the opportunity to appear before the taxing authority and contest any assessment.

15.2 If Licensee fails to pay any such taxes, fees, tax-related penalties, interest, or costs, or other charges for which Licensee is obligated, City may, but shall not be required to, pay such on Licensee's behalf. If City pays any such taxes, penalties, interest, costs or charges on behalf of Licensee pursuant to the preceding sentence, Licensee shall reimburse and pay to City an amount equal to any such amounts so paid, plus an administrative fee of ten percent (10%) of the amount paid, immediately upon demand as Additional Rent.

16. Liability and Indemnification

16.1 Licensee shall at all times comply with all laws and ordinances and all rules and regulations of municipal, state and federal government authorities relating to the installation, maintenance, height, location, use, operation, and removal of the Licensee's Equipment except for the Antenna Facility and related appurtenances, authorized herein, and shall fully release, defend, indemnify and hold harmless City, its officers, officials, agents, servants or employees against any and all claims, damages, lawsuits, losses, costs, or expenses which may be sustained or incurred by City, its officers, officials, agents, servants to the extent caused by Licensee's installation, operation, or removal of such Licensee's Equipment except for the Antenna Facility and related appurtenances.

16.2 Licensee undertakes and assumes for its officers, agents, employees, servants, affiliates, contractors and subcontractors, all risk of dangerous conditions, if any on or about the Premises, and Licensee hereby agrees to release, defend, indemnify and hold harmless City, its officers, officials, agents, servants and employees against and from any claim asserted or liability imposed upon City, its officers, officials, agents,

servants, and employees for personal injury or property damage to any person to the extent caused by Licensee's installation, operation, maintenance, condition or use of the Premises or Licensee's Equipment or Licensee's failure to comply with any federal, state, or local statute, ordinance or regulation; save and except where such claim or liability arises out of negligence or intentional acts or omissions of City, its officers, officials, agents, servants, or employees, in whole or in part.

16.3 Licensee represents and warrants that to its actual knowledge, its use of the Premises herein will not generate any hazardous substance, and it will not store or dispose on the Premises nor transport to or over the Premises any hazardous substance except to the extent used in the normal course of business. Provided, however, that Licensee may store acid storage batteries and a diesel or propane generator on the Premises as necessary for use in the event of a power outage. Licensee further agrees to release, defend, indemnify, and hold City, its officers, officials, agents, servants and employees, harmless from and against any damage, loss, or expense or liability to the extent caused by the generating, transporting, storage or disposal of such hazardous substances by Licensee on the Premises including all attorneys' fees, costs and penalties incurred as a result thereof. "Hazardous substance" shall be interpreted broadly to mean any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, hazardous or toxic or radioactive substance, or other similar term by any federal, state or local environmental law, regulation or rule presently in effect or promulgated in the future, as such laws regulations or rules may be amended from time to time; and it shall be interpreted to include, but not be limited to, any substance which after release into the environment will or may reasonably be anticipated to cause sickness, death, or disease, including diesel and propane fuel.

17. Insurance

17.1 Licensee shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension or renewal thereof, at Licensee's sole expense, insurance coverage as described herein, and a certificate of insurance shall be submitted to and reasonably approved by City prior to the Effective Date of this Agreement. Licensee must provide worker's compensation insurance in accordance with State law and Commercial General Liability insurance of \$1,000,000 combined single limit per occurrence for bodily injury (including death) and property damage, said coverage to include those found in the Comprehensive General Liability Broad Form endorsement with no standard coverages removed by exclusions.

17.2 In the event that Licensee uses third-party contractors or subcontractors to provide services or to perform work upon the Premises, Licensee shall require that such contractors or subcontractors (i) obtain and maintain substantially the same insurance as required by Licensee and (ii) provide separate certificates of insurance or such other documentation as is reasonably required by City to evidence that each such third party obtains and maintains insurance coverage consistent with the insurance requirements of this Agreement and the Contractor Agreement throughout the term of its contract with Licensee.

18. Notice

18.1 Any notice or demand required or desired to be given to any party pursuant to this Agreement shall be in writing, shall be delivered to the address set forth below and shall be deemed validly served, given, delivered or made only if (i) personally delivered (including delivery by a commercially-recognized courier which provides service between the point-of-origin and the point-of-destination); or (ii) sent by United States mail, certified or registered, postage prepaid, return receipt requested, or by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender. Service by United States mail shall be deemed made on the date actually received.

to *City*: City of Rowlett
Attn: City Manager
P.O. Box 99
Rowlett, Texas 75030-0099

with copy to: David M. Berman
Nichols, Jackson, Dillard,
Hager & Smith, LLP
1800 Lincoln Plaza
500 N. Akard Street
Dallas, Texas 75201

to *Licensee*: Dallas MTA, L.P. d/b/a Verizon Wireless
180 Washington Valley Road
Bedminster, New Jersey 07921
Attention: Network Real Estate

City or Licensee may from time to time designate any other address for this purpose by written notice to the other party.

19. Remedies

19.1 Licensee's failure to timely remit payments due hereunder within fifteen (15) days of its due date shall be a breach of this Agreement for which Licensee shall be given ten (10) days from receipt of written notice from City that such payment is overdue to cure. If Licensee fails to make payment as required; if Licensee abandons or vacates

the Premises; or if Licensee becomes insolvent or has filed for bankruptcy and the Bankruptcy case is not dismissed within ninety (90) days of the filing date, City shall have the right, at its sole option, in addition to and not exclusive of any other remedy City may have hereunder or by operation of law, with five (5) business days' demand or notice and opportunity to cure, to re-enter the Premises and remove the Licensee's Equipment. Upon such occurrence, City may declare this Agreement and license granted herein terminated, in which event Licensee shall immediately pay City a sum of money equal to the total of the amount of Rental Payment and Additional Rent accrued through the date of termination.

19.2 No re-entry and taking of possession of the Premises by City shall be construed as an election on City's part to terminate this Agreement, regardless of the extent of renovations and alterations by City, unless a written notice of such intention is given to Licensee by City.

20. Force Majeure

20.1 Notwithstanding any other provision in this Agreement to the contrary, neither party to this Agreement will have any liability to the other with respect to its failure to perform its obligations under this Agreement, if such failure is due to any of the following events (each a "Force Majeure" event): (i) fire, flood, earthquake, law or government regulation; or (ii) any other cause beyond the reasonable control of such party to this Agreement. In any such case, time for performance under this Agreement and the term hereof, to the extent affected by any of the foregoing, shall be correspondingly extended; provided, however, that if such condition shall continue in effect for more than 180 days, the party to this Agreement that is not the failure to perform party shall have the right to terminate this Agreement upon thirty (30) days notice.

21. Miscellaneous Provisions

21.1 **Modifications.** Licensee's operations and all City approved modifications to the Premises must at all times comply with the terms of this Agreement, all applicable federal, state and local laws and ordinances and all amendments thereto.

21.2 **Entire Agreement.** This Agreement, together with all exhibits attached hereto and incorporated herein constitutes the entire agreement between the parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written agreement between the parties that in any manner relates to the subject matter of this Agreement.

21.3 **Capacity.** Both Licensee and City represent that they have full capacity and authority to grant all rights and assume all obligations they have granted and assumed under this Agreement.

21.4 **Governing Law.** The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the parties, shall be governed by the laws of the State of Texas, and exclusive venue for any action concerning this Agreement shall be in the state courts of appropriate jurisdiction of Dallas County, Texas.

21.5 **Amendment.** This Agreement may only be amended by mutual written agreement signed by the parties hereto.

21.6 **Legal Construction; Severability.** In the event that any one or more of the provisions contained in the Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect the other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

21.7 **Nonwaiver.** No right or remedy granted herein or reserved to the parties is exclusive of any right or remedy herein by law or equity provided or permitted; but each shall be cumulative of every right or remedy given hereunder. No covenant or condition of this Agreement may be waived without consent of the parties. It is further agreed that one (1) or more instances of forbearance by either party in the exercise of its rights herein shall in no way constitute a waiver thereof.

21.8 **Independent Contractor.** Licensee covenants and agrees that Licensee is an independent contractor and not an officer, agent, partner, joint venturer, servant or employee of City; that Licensee shall have exclusive control of and exclusive right to control the details of the work performed hereunder and all persons performing same, and shall be responsible for the acts and omissions of its officers, agents, employees, contractors, subcontractors and consultants; that the doctrine of respondeat superior shall not apply as between City and Licensee, its officers, agents, employees, contractors, subcontractors and consultants, and nothing herein shall be construed as creating a partnership or joint enterprise between City and Licensee.

21.9 **Successors and Assigns.**

- (a) City and Licensee each bind themselves, their successors, executors, administrators and assigns to the other party to this Agreement. Neither City nor Licensee will assign, sublet, subcontract or transfer any interest in this Agreement without the written consent of the other party. No assignment, delegation of duties or subcontract under this Agreement will be effective without the written consent of City. Licensee shall not assign, sublet, subcontract, transfer or allow the use of any interest in the Premises or any use of Licensee's Equipment, including but not limited to equipment, lines, channels or frequencies, on the Premises without the prior written consent of City. City's consent may be conditioned upon Licensee successfully obtaining contracts from such third parties wherein those parties agree to directly compensate City for all benefits incurred by the use of the Premises.

- (b) Notwithstanding any provisions of this Agreement to the contrary, Licensee may assign this Agreement to any parent, subsidiary or Affiliate. As used herein "Affiliate" shall mean any entity which is at least fifty-one percent (51%) controlled by Licensee or having control over Licensee, or under common control, directly or indirectly, with Licensee, provided such assignee has first received FCC or state regulatory agency approvals, acquires Licensee's radio communications business and assumes all obligations of Licensee under this Agreement. Notwithstanding any assignment permitted under this Section or otherwise under this Agreement, Licensee shall remain absolutely and unconditionally primarily liable to pay and perform each and all of the obligations set forth in this Agreement prior to said assignment and shall be relieved of all future performance, liability and obligations after said assignment.
- (c) If City shall, at any time, relinquish its ownership or otherwise dispose of the Premises, City shall be automatically released from all obligations under and pursuant to this Agreement that accrue after such disposition. If the Premises are so disposed of, Licensee shall not disavow any of Licensee's obligations pursuant to this Agreement but shall attorn to the purchaser or transferee thereof of City's obligations under this Agreement.

21.10 Applicable Laws. This Agreement is entered into subject to the charter and ordinances of City as they may be amended from time to time, and is subject to and is to be construed, governed and enforced under all applicable federal and Texas state laws.

21.11 Contract Interpretation. Both parties have participated fully in the review and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply to the interpretation of this Agreement.

21.12 Rental Documentation. City hereby agrees to provide to Licensee certain documentation (the "Rental Documentation") evidencing City's interest in, and right to receive payments under, this Agreement, consisting of documentation evidencing City's good and sufficient title to and/or interest in the Property.. Licensee shall have no obligation to make any rental payments to any assignee(s), transferee(s) or other successor(s) in interest of City until Rental Documentation has been supplied to Licensee as provided herein.

21.13 Right of First Refusal. If City elects, during the Term to grant to a third party by easement or other legal instrument an interest in and to that portion of the Antenna Facility and/or Property occupied by Licensee, or a larger portion thereof, for the purpose of operating and maintaining communications facilities or the management thereof, with or without an assignment of this Agreement to such third party, Licensee shall have the right of first refusal to meet any bona fide offer of sale or transfer on the

same terms and conditions of such offer. If Licensee fails to meet such bona fide offer within thirty (30) days after written notice thereof from City, City may sell or grant the easement or interest in the Property or portion thereof to such third person in accordance with the terms and conditions of such third party offer.

SIGNATURE PAGE TO FOLLOW

EXECUTED on the _____ day of _____, 2015.

LICENSEE:

Dallas MTA, L.P. d/b/a Verizon Wireless

By: Verizon Wireless Texas, LLC, its General Partner

By: _____

Aparna Khurjekar
Area Vice President Network

CITY OF ROWLETT, TEXAS

By: _____

Brian Funderburk
City Manager
4000 Main Street
P.O. Box 99
Rowlett, TX 75030-0099

APPROVED AS TO FORM:

David M. Berman, City Attorney

ACKNOWLEDGMENT

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

The foregoing instrument was acknowledged before me this _____ day of _____, 2015, by Aparna Khurjekar, Area Vice President Network, of Verizon Wireless Texas, LLC, General Partner of Dallas MTA, L.P. d/b/a Verizon Wireless, on behalf of said partnership. She is personally known to me.

(AFFIX NOTARIAL SEAL)

(OFFICIAL NOTARY SIGNATURE)
NOTARY PUBLIC — STATE OF NORTH
CAROLINA

My commission expires:

(PRINTED, TYPED OR STAMPED NAME OF
NOTARY)

ACKNOWLEDGMENT

STATE OF TEXAS §

§

COUNTY OF DALLAS §

This instrument was acknowledged before me on the _____ day of _____, 2014, by Brian Funderburk, City Manager of the City of Rowlett, Texas, a home-rule municipal corporation, on behalf of said corporation.

Notary Public in and for
The State of Texas

Exhibit "A"

Site Plan



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 12/01/15

AGENDA ITEM: 8A

TITLE

Consider adoption of an ordinance authorizing the issuance and sale of City of Rowlett, Texas Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2015, approving the official statement, providing an effective date and enacting other provisions relating to the subject.

STAFF REPRESENTATIVE

Kim Galvin, Director of Financial Services

SUMMARY

This bond issue will fund the public radio system upgrade to ensure compliance with Federal Law, mandating that Police and Fire Departments become Phase II/P25 compliant. Important dates in the estimated timeline for this bond issue include:

December 1, 2015 – Pricing

December 1, 2015 – City Council considers Ordinance authorizing issuance of CO's

December 31, 2015 – Certificates Closing & Delivery of Funds to the City

This Ordinance will provide authorization for the issuance and sale of the Certificates of Obligation.

BACKGROUND INFORMATION

The Rowlett Public Safety Departments have been a user of the Garland Public Radio System for the past twenty (20) years. In 2013, the City of Rowlett was notified by the City of Garland that the public safety radio system would be coming to its end of life in December, 2016. At that time, Garland requested that Rowlett remain a user of the public safety radio system, and after reviewing our options, it was decided that it would be in the best interest of Rowlett to remain as a user with Garland. Garland also advised Rowlett that the City of Mesquite would become a partner with Garland on this project to help reduce overall costs and to improve the infrastructure of the system.

On February 19, 2014, City Manager, Brian Funderburk, signed a Letter of Intent to confirm the desire to work with the cities of Garland and Mesquite to identify and/or create the mechanism for the procurement of the radio system.

On March 11, 2014, Public Safety Staff discussed the public safety radio system with Council in a work session. In this meeting Staff presented preliminary equipment needs along with the estimated cost of the total project to Council.

Work began on the project to identify all cities that would be participating along with a needs assessment study conducted by RCC Consultants to identify equipment needs and any additional radio towers. This study took approximately twelve months. Garland and Mesquite are partners and owners of the public safety radio system while Rowlett and Sachse are users of the system.

In September, 2014, discussions began with two vendors, Motorola and Harris Corporation, for pricing of the new system. Both vendors gave presentations which outlined what their systems would provide and the estimated cost. In the first quarter of calendar year 2015, Motorola was chosen as the vendor of the new public safety radio system.

On September 15, 2015, Council authorized the execution of an interlocal agreement with the City of Garland to continue hosting the public radio system utilized by Rowlett, thus providing an opportunity to reduce overall costs and to improve the infrastructure of the system used by all participating agencies.

On October 20, 2015, Council authorized the publication of the notice of intent to issue Certificates of Obligation, in an amount not to exceed \$3.135 million, on October 22 and 29, 2015.

DISCUSSION

These bonds will provide funding necessary for upgrading the public radio system utilized by Rowlett and hosted by the City of Garland.

FINANCIAL/BUDGET IMPLICATIONS

Funds are available to cover project expenditures on a temporary basis. This Notice of Intent will provide for the reimbursement of expenditures as well as fund the remaining costs of the project.

As discussed earlier this year, the City of Rowlett will issue 15-year Certificates of Obligation (CO's) to provide the funding on the Public Safety Radio System. The annual payment, depending upon the interest rate at the time of issuance, is expected to fall between \$240,000 and \$245,000 per year. This takes into account the interface charges and the EOC dispatch consoles that were not included in the previous Garland proposal. The mistake was discovered during our review, and the charges are now included in the cost chart below. Based on the current schedule, the CO's will be issued in December with a projected closing date of December 31, 2015.

The projected costs are depicted as follows:

Initial Rowlett System Costs

Implementation Item	Total Cost
Remote Simulcast Site 8 (Table 13.2.4G) - <u>Schrade Road</u>	\$1,430,131
Ring <u>Schrade Road</u> (Fire Station 2) to Rowlett RD and SFP Modules	\$134,462
Spur <u>Schrade Road</u> (Fire Station 2) to Rowlett Dispatch	\$140,793
Rowlett Dispatch Consoles	\$317,450
EOC Dispatch Consoles	\$151,000
Rowlett Dispatch Logging Recorder – Upgrade / Replacement	\$135,357
Rowlett Fire Station Alerting	\$142,858
Additional FSA Scope	\$135,128
Fire Station Sound System Cost Estimate (Table 13.2.14D) - Rowlett	\$24,651
Interoperability & Mutual Aid Equipment in Rowlett	\$20,666
Rowlett User Radios	\$763,947
Systems integration, Freight, Performance Bond	\$231,312
ICS CAD Interface	\$65,325
System Incentives and Warranty Credit	(\$1,011,152)
Total	\$2,681,928

Estimated Payment / Implementation Schedule

Milestone	Anticipated Date	Percentage On Infrastructure	Percentage On User Radio Equipment	Infrastructure Equipment Cost Due	User Radio Equipment Cost Due
Contract Execution	Month 1	5%		\$85,083	
Design Review Complete	Month 3	5%		\$85,083	
Subscriber Radios Ship	Month 3		80%		\$534,763
Successful Completion Of Factory Staging	Month 6	15%		\$255,246	
Delivery of Equipment	Month 6				
Infrastructure Installed*	Month 10	50%		\$916,155	
Successful Completion of Acceptance Testing	Month 15	15%		\$406,249	
Final System Acceptance	Month 17	10%	20%	\$170,165	\$229,184
Total by Category		100%	100%	\$1,917,981	\$763,947
				System Total	\$2,681,928

The estimated costs to maintain our radio system over the next 15 years are in the chart below. This is just an estimate and includes equipment, maintenance agreements, and service costs. There will be no maintenance costs the first two years, because the equipment will be covered by the manufacturer's warranty.

	Years (1-5)	Years (6-10)	Years (10-15)	Total
Annual payments for 15-year COs (funded thru Debt Service Fund)	\$1,225,000	\$1,225,000	\$1,225,000	\$3,675,000
System Maintenance - starts in year 3 (funded thru General Fund)	\$541,760	\$961,442	\$1,015,450	
Less amount currently paid to City of Garland for system maintenance	<u>(220,765)</u>	<u>(220,765)</u>	<u>(220,765)</u>	\$1,856,357
Subtotal system maintenance	\$320,995	\$740,677	\$794,685	
Total	\$1,545,995	\$1,965,677	\$2,019,685	\$5,531,357
*System maintenance is estimated beyond year 10.				

In a previous meeting with Council on February 11, 2014, staff discussed possible acquisition costs if we were to go it alone. At that time, because of the necessary radio towers and associated equipment, staff estimated that a new radio system could cost as much as \$9-\$12 million. This estimate was made, in part, because the cities of Garland and Mesquite budgeted \$24 million and \$15 million respectively. During this meeting, staff also indicated that the acquisition cost for Rowlett would be about \$4.0 million. In the end, Rowlett's acquisition costs will be about \$2.7 million plus issuance costs. Staff wants to acknowledge the work of Garland and Mesquite to negotiate the final price as this represents a great solution to a regional problem.

RECOMMENDED ACTION

Staff recommends that Council adopt the Ordinance providing issuance and sale of the Texas Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2015, approving the official statement, providing an effective date and enacting other provisions relating to the subject.

ORDINANCE

See Exhibit A – Proposed Ordinance

The final ordinance will be available after pricing on December 1, 2015, and will be provided by bond counsel.

ATTACHMENT

Exhibit B – Preliminary Official Statement

The Final Official Statement will be available after pricing on December 1, 2015, and will be provided by the financial advisor.

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS §
DALLAS AND ROCKWALL COUNTIES §
CITY OF ROWLETT §

We, the undersigned officers of the City of Rowlett (the "City"), hereby certify as follows:

1. The City Council of said City convened in a regular meeting on December 1, 2015, at the designated meeting place, and the roll was called of the duly constituted officers and members of said City Council, to wit:

- Todd Gottel, Mayor
- Michael Gallops, Mayor Pro Tem
- Tammy Dana-Bashian, Deputy Mayor Pro Tem
- Robert van Bloemendaal, Council Member
- Carl Pankratz, Council Member
- Debby Bobbitt, Council Member
- Rick Sheffield, Council Member

and all of said persons were present except _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF ROWLETT, TEXAS, COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2015; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID CERTIFICATES; APPROVING AN OFFICIAL STATEMENT; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

was duly introduced for the consideration of said City Council. It was then duly moved and seconded that said Ordinance be adopted and, after due discussion, said motion, carrying with it the adoption of said Ordinance, prevailed and carried with all members present voting "AYE" except the following:

NAY: ____

ABSTAIN: ____

2. That a true, full and correct copy of the aforesaid Ordinance adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Ordinance has been duly recorded in said City Council's minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said Meeting pertaining to the adoption of said Ordinance; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said City Council as indicated therein; that each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Ordinance would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose, and that said Meeting was open to the public and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

3. That the Mayor of said City has approved and hereby approves the aforesaid Ordinance; that the Mayor and the City Secretary of said City have duly signed said Ordinance; and that the Mayor and the City Secretary of said City hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Ordinance for all purposes.

SIGNED AND SEALED ON DECEMBER 1, 2015.

City Secretary

Mayor

{SEAL}

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF ROWLETT, TEXAS, COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2015; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID CERTIFICATES; APPROVING AN OFFICIAL STATEMENT; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the City Council of the City of Rowlett, Texas, deems it advisable to issue Certificates of Obligation in the amount of \$3,035,000 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, Local Government Code; and Chapter 1502 Texas Government Code; and

WHEREAS, the City Council has heretofore passed a resolution authorizing and directing the City Secretary to give notice of intention to issue Certificates of Obligation, and said notice has been duly published in a newspaper of general circulation in said City on October 22, 2015 and October 29, 2015, said newspaper being a "newspaper" as defined in Section 2051.044, Texas Government Code; and

WHEREAS, the City received no petition from the qualified electors of the City protesting the issuance of such Certificates of Obligation; and

WHEREAS, it is considered to be to the best interest of the City that said interest-bearing Certificates of Obligation be issued; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Texas Government Code, Chapter 551; Now, Therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS:

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE CERTIFICATES. 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. The certificates of the City of Rowlett, Texas (the "City" or "Issuer") are hereby authorized to be issued and delivered in the aggregate principal amount of \$3,035,000 for paying all or a portion of the Issuer's contractual obligations incurred in connection with: (i) the design, construction, engineering and equipping of improvements to the City's public safety radio system and (ii) paying legal, fiscal, engineering and architectural fees in connection with these projects and to pay costs of issuance of the Certificates (collectively, the "Project").

Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES AND INTEREST RATES OF CERTIFICATES; REDEMPTION PROVISIONS.

(a) Each certificate issued pursuant to this Ordinance shall be designated: "CITY OF ROWLETT, TEXAS, COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2015," and initially there shall be issued, sold, and delivered hereunder one fully registered certificate, without interest coupons, dated December 1, 2015, in the principal amount stated above and in the denominations hereinafter stated, numbered T-1, with certificates issued in replacement thereof being in the denominations and principal amounts hereinafter stated and numbered consecutively

from R-1 upward, 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"), and said certificates shall mature and be payable serially on the dates and in the principal amounts, respectively, and shall bear interest from the Issuance Date set forth in the FORM OF CERTIFICATE set forth in **Exhibit A** of this Ordinance to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the following schedule:

Maturity Date (February 15)	Principal Amount	Interest Rate
2016	\$,000	
2017	,000	
2018	,000	
2019	,000	
2020	,000	
2021	,000	
2022	,000	
2023	,000	
2024	,000	
2025	,000	
2026	,000	
2027	,000	
2028	,000	
2029	,000	
2030	,000	

The term "Certificates" as used in this Ordinance shall mean and include collectively the certificates initially issued and delivered pursuant to this Ordinance and all substitute certificates exchanged therefor, as well as all other substitute certificates and replacement certificates issued pursuant hereto, and the term "Certificate" shall mean any of the Certificates.

(b) The Certificates shall be subject to redemption prior to maturity as set forth in the FORM OF CERTIFICATE attached hereto as **Exhibit A**.

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 U.S. Bank National Association, 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 Agreement in the form presented at the meeting at which this Ordinance is adopted is hereby approved. 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.

(b) Except as provided in Section 3(d) 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 and registered by the Comptroller of Public Accounts.

(c) 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.

(d) 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 be redeemed prior to their scheduled maturities, (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. The Certificate initially issued and delivered pursuant to this Ordinance 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.

(e) 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 one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 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.

(f) 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 Certificate of Paying Agent/Registrar 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 Certificate of Paying Agent/Registrar on all of the Certificates. In lieu of the executed Certificate of Paying Agent/Registrar 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 of Public Accounts of the State of Texas or by his duly authorized agent, which certificate shall be evidence that the Initial Certificate has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the Issuer, and has been registered by the Comptroller.

(g) Book-Entry Only System. The Certificates issued in exchange for the Certificate initially issued to the Purchaser specified herein 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 (f) 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 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 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.

(h) 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 representations letter of the Issuer 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.

(i) 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 representations letter of the Issuer to DTC.

(j) Cancellation of Initial Certificate. On the closing date, one 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 or Mayor Pro Tem and City Secretary of the Issuer, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, 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 the Depository Trust Company 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.

(k) Conditional Notice of Redemption. With respect to any optional redemption of the Certificates, unless certain prerequisites to such redemption required by this Ordinance have been met and money sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the Issuer, 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 Issuer will not redeem such Certificates, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that such Certificates have not been redeemed.

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 Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Certificates initially issued and delivered pursuant to this Ordinance, shall be substantially in the form provided in **Exhibit A**, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance.

Section 5. INTEREST AND SINKING FUND; SURPLUS REVENUES.

(a) A special "Interest and Sinking Fund" is hereby created and shall be established and maintained by the Issuer at an official depository bank of said Issuer. Said Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of said Issuer, and shall be used only for paying the interest on and principal of said Certificates. All amounts received from the sale of the Certificates as accrued interest shall be deposited upon receipt to the Interest and Sinking Fund, and all ad valorem taxes levied and collected for and on account of said Certificates shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Certificates are outstanding and unpaid, the governing body of said Issuer shall compute and ascertain a rate and amount of ad valorem tax that will be sufficient to raise and produce the money required to pay the interest on said Certificates as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Certificates as such principal matures (but never less than 2% of the original amount of said Certificates as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of said Issuer, with full allowances being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in said Issuer, for each year while any of said Certificates are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Certificates, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

(b) The Certificates are additionally secured by revenues of the Issuer's waterworks and sewer system, in the amount of \$1,000, 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) that are secured by a lien on all or any part of the net revenues of the Issuer's waterworks and sewer system, constituting "Surplus Revenues". 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 Section 5(a), if Surplus Revenues or other lawfully available moneys of the Issuer are actually on deposit or budgeted to be on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to this Section may be reduced to the extent and by the amount of the Surplus Revenues or other lawfully available funds then on deposit in the Interest and Sinking Fund.

(c) Article 1208, 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 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) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the 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 or the pledge of Surplus Revenues as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Certificates that is made in conjunction with the payment arrangements specified in subsection 6(a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Certificates for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Certificates immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Certificates and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Certificates may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection 6(a)(i) or (ii). All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Certificates, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Certificates.

(d) Until all Defeased Certificates shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates the

same as if they had not been defeased, and the 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 and Mayor Pro Tem of the Issuer are hereby authorized to have control of the Certificates initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Certificates said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificates, 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 payment of the insurance premium is hereby approved and the Certificates may bear an appropriate legend as provided by the insurer.

(b) The obligation of the 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 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 or Mayor Pro Tem, and the Mayor or Mayor Pro Tem are 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 Obligation described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Certificates (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 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) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings);

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Certificates) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Certificates have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(9) to assure that the proceeds of the Certificates will be used solely for new money projects.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(8), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the certificateholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. For purposes of the foregoing covenants (a)(1) and (a)(2), 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 U.S. 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, Mayor Pro Tem, City Manager, Assistant City Manager, Chief Financial Officer and City Secretary, individually or jointly, 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 Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the construction and acquisition of the Project on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed. The foregoing notwithstanding, the Issuer shall not expend proceeds of the sale of the Certificates or investment earnings thereon 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, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the status, for federal income tax purposes, of the Certificates or the interest thereon. 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 Project. The Issuer covenants that the Project 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 purpose 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 a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 10. SALE OF CERTIFICATES AND APPROVAL OF OFFICIAL STATEMENT; FURTHER PROCEDURES.

(a) The Certificates are hereby sold and shall be delivered to _____ (the "Purchaser") for the purchase price of \$_____, representing the aggregate principal amount of the Certificates, plus a net reoffering premium of \$_____, less the Purchaser's discount of \$_____. The Certificates shall initially be registered in the name of the Purchaser or its designee. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable.

(b) It is hereby officially found, determined and declared that the Certificates have been sold at public sale to the bidder offering the lowest interest cost, after receiving sealed bids pursuant to an Official Notice of such and Bidding Instructions. It is further officially found, determined and declared that the Certificates have been offered pursuant to a Preliminary Official Statement prepared and distributed in connection with the sale of the Certificates. Said Preliminary Official Statement, the Official Statement, and any addenda, supplement or amendment thereto, have been and are hereby approved by the governing body of the Issuer, and its use in the offer and sale of the Certificates is hereby approved. It is further officially found, determined and declared that the statements and representations contained in said Official Statement are true and correct in all material respects, to the best knowledge and belief of the Council.

(c) The Mayor and Mayor Pro Tem, the City Manager, Assistant City Manager, Chief Financial Officer and City Secretary, individually or jointly, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer such documents, certificates and instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Letter of Representations, the Certificates, the sale of the Certificates 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 shall be used along with other Certificate proceeds for the Project; 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.

(a) The Issuer hereby creates and establishes and shall maintain on the books of the Issuer a separate fund to be entitled the "Series 2015 Certificate of Obligation Construction Fund" (the "Construction Fund") for use by the Issuer for payment of all lawful costs associated with the Project as hereinbefore provided. Proceeds of the Certificates in the amount of \$_____ (representing the par amount of the Certificates plus premium in the amount of \$_____) shall be deposited into the Construction Fund, other than amounts paid at closing for issuance costs. Upon payment of all such Project costs, any moneys remaining on deposit in said Fund shall be transferred to the Interest and Sinking Fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in Section 5 of this Ordinance.

(b) The Issuer may place proceeds of the Certificates (including investment earnings thereon) and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the 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:

"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 certain updated financial information and operating data pertaining to the Issuer, being the following: (i) the Issuer's annual financial audit report; and (ii) the information found in Tables 1 through 6 and 8 through 15 in the Official Statement. The Issuer will update and provide the information in the numbered tables within six months after the end of each fiscal year ending in and after 2015 and, if not submitted as part of such annual financial information, the Issuer will provide its audited financial statements when and if available, and in any event, within 12 months after the end of each fiscal year ending in and after 2015. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the Issuer will 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 statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix B to the Official Statement or such other accounting principles as the Issuer may be required to employ from time to time pursuant to State law or regulation

(ii) Any financial information so to be provided shall be (i) prepared in accordance with the accounting principles described in the financial statements of the Issuer appended to the Official Statement, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided.

(iii) 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 that is available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Event Notices. 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:

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 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 status of the Certificates, or other material events affecting the tax status of the Certificates;
7. Modifications to rights of Certificateholders, if material;
8. Certificate calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Certificates, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of an obligated person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer 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 Issuer, 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 Issuer);

13. 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, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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 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) Should the Rule be amended to obligate the Issuer to make filings with or provide notices to entities other than the MSRB, the Issuer hereby agrees to undertake such obligation with respect to the Certificates in accordance with the Rule as amended. 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. 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. 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.

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 51% 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, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Certificates so as to:

- (1) Make any change in the maturity of any of the outstanding Certificates;
- (2) Reduce the rate of interest borne by any of the outstanding Certificates;

- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Certificates;
- (4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Certificates or any of them or impose any condition with respect to such payment; or
- (5) Change the minimum percentage of the principal amount of any series of Certificates necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Ordinance under subsection (b) of 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 51% 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 51% in aggregate principal amount of the affected Certificates then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

(g) For the purposes of establishing ownership of the Certificates, the 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 City, the failure to perform which materially, adversely affects the rights of the registered

owners of the Certificates, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the City.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City for the purpose of protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Certificates then outstanding.

(c) Remedies Not Exclusive.

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Certificate authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the City or the City Council.

Section 16. APPLICATION OF PREMIUM FROM SALE OF CERTIFICATES.

The Certificates have an aggregate premium of \$_____ which shall be allocated as follows:

- (i) the amount of \$_____ shall be applied to pay costs of issuance of the Certificates;
- (ii) the amount of \$_____ shall be deposited into the Interest and Sinking Fund;
- (iii) the amount of \$_____ shall be applied to pay the Purchaser's discount; and
- (v) the amount of \$_____ shall be deposited to the Construction Fund.

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.

Section 19. 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 sufficient to pay such debt service, and such amount shall be used for no other purpose.

EXHIBIT A

FORM OF CERTIFICATES.

(a) The form of the Certificates, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached 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.

NO. R-__	UNITED STATES OF AMERICA STATE OF TEXAS CITY OF ROWLETT, TEXAS COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATE OF OBLIGATION, SERIES 2015	PRINCIPAL AMOUNT \$_____
----------	--	--------------------------------

Interest Rate	Issuance Date	Maturity Date	CUSIP No.
_____%	December 31, 2015	February 15, 20__	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE specified above, the City of Rowlett, in Dallas and Rockwall Counties, 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 Issuance Date above at the Interest Rate per annum specified above. Interest is payable on February 15, 2016 and semiannually on each August 15 and February 15 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate shall be paid to the registered owner hereof upon presentation and surrender of this Certificate at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of U.S. Bank National Association, Dallas, Texas, which is the "Paying Agent/Registrar" for this Certificate. The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by

the Paying Agent/Registrar on, and payable solely from, funds of the 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 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 December 1, 2015, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$3,035,000 for paying all or a portion of the Issuer's contractual obligations to be incurred in connection with (i) the design, construction, engineering and equipping of improvements to the City's public safety radio system and (ii) paying legal, fiscal, engineering and architectural fees in connection with these projects and to pay costs of issuance of the Certificates (collectively, the "Project").

ON FEBRUARY 15, 2025, or 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.

AT LEAST THIRTY days prior to the date fixed for any redemption of Certificates or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid to the registered owner of each Certificate to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Certificate. By

the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Certificates or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate shall be redeemed, a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Certificate Ordinance.

IF AT THE TIME OF MAILING OF NOTICE OF 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 must 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, and such notice 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.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered certificates, without interest coupons, in the principal denomination of any integral multiple of \$5,000. As provided in the Certificate Ordinance, this Certificate may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered certificates, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Certificate Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the 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; 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 pledge of the Surplus Revenues of the Issuer's waterworks and sewer system, in the amount of \$1,000, remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) that are payable from all or part of said Surplus Revenues of the Issuer's waterworks and sewer system, all as provided in the Certificate Ordinance.

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 (or in the Mayor's absence, of the Mayor Pro Tem) of the Issuer 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)
City Secretary

(signature)
Mayor

(SEAL)

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Certificate is not accompanied by an executed Registration
Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Certificate has been issued under the provisions of the Certificate Ordinance described in the text of this Certificate; and that this Certificate has been issued in conversion or replacement of, or in exchange for, a certificate, certificates, or a portion of a certificate or certificates of a series that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____.

U.S. BANK NATIONAL ASSOCIATION,
Dallas, Texas
Paying Agent/Registrar

By: _____
Authorized Representative

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto:

Please insert Social Security or Taxpayer Identification Number of Transferee

Please print or type name and address, including zip code of Transferee

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints:
_____, attorney, to register the transfer of the within Certificate on
the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Certificate in every particular, without alteration or enlargement or any change whatsoever.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that this Certificate has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and that this Certificate has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this _____.

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(b) Initial Certificate Insertions.

(i) The initial Certificate shall be in the form set forth 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 ROWLETT, TEXAS, in Dallas and Rockwall Counties, 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"), the Principal Amounts below on the Maturity Dates below and bearing interest at the per annum Interest Rates set forth in the following schedule:

Maturity Date (February 15)	Principal Amount	Interest Rate
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		

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 Issuance Date above, at the respective Interest Rate per annum specified above. Interest is payable on February 15, 2016 and semiannually on each August 15 and February 15 thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full."

C. The Initial Certificate shall be numbered "T-1."



(See "Continuing Disclosure of Information" herein)

PRELIMINARY OFFICIAL STATEMENT

Dated _____, 2015

Ratings:
Moody's: Applied for
S&P: Applied for
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 existing law, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on corporations.

THE CERTIFICATES WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

\$3,035,000*
CITY OF ROWLETT, TEXAS
(Dallas and Rockwall Counties)
COMBINATION TAX AND LIMITED SURPLUS REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2015

Dated Date: December 1, 2015

Due: February 15, as shown on page 2

Interest to accrue from Date of Delivery

PAYMENT TERMS. . . Interest on the \$3,035,000* City of Rowlett Texas, Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2015 (the "Certificates"), will accrue from the Date of Delivery (defined below), will be payable February 15 and August 15 of each year, commencing February 15, 2016, 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 CERTIFICATES - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is U.S. Bank National Association, Dallas, Texas (see "THE CERTIFICATES - 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, as amended, and constitute direct obligations of the City of Rowlett, Texas (the "City"), payable from a combination of (i) the levy and collection of a direct and continuing ad valorem tax on all taxable property in the City, within the limits prescribed by law and (ii) a pledge of the Surplus Revenues (defined herein) of the City's Waterworks and Sewer System (the "System"), as provided in the ordinance authorizing the issuance of the Certificates (the "Ordinance") (see "THE CERTIFICATES - Authority for Issuance").

PURPOSE. . . Proceeds from the sale of the Certificates will be used for (i) the design, construction, engineering and equipping of improvements to the City's public safety radio system and (ii) paying legal, fiscal, engineering and architectural fees in connection with these projects and to pay costs of issuance of the Certificates.

CUSIP PREFIX: 779699
MATURITY SCHEDULE & 9 DIGIT CUSIP
See Schedule on Page 2

LEGALITY. . . The Certificates are offered for delivery when, as and if issued and received by the Initial Purchaser of the Certificates and 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, "Form of Bond Counsel's Opinion").

DELIVERY. . . It is expected that the Certificates will be available for delivery through DTC on December 31, 2015 (the "Date of Delivery").

BIDS DUE DECEMBER 1, 2015, AT 10:00 A.M., CST

* Preliminary, subject to change. The City reserves the right to adjust the principal amounts of the Certificates shown on the Maturity Schedule on page 2.

CUSIP Prefix: 779699⁽¹⁾

MATURITY SCHEDULE*

15-Feb Maturity	Principal Amount	Interest Rate	Initial Yield	CUSIP Suffix
2016	\$ 200,000			
2017	175,000			
2018	180,000			
2019	180,000			
2020	185,000			
2021	185,000			
2022	190,000			
2023	195,000			
2024	200,000			
2025	205,000			
2026	215,000			
2027	220,000			
2028	225,000			
2029	235,000			
2030	245,000			

(Interest to accrue from the Date of Delivery)

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard and Poor's Financial Services LLC on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the City nor the Financial Advisor shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

OPTIONAL REDEMPTION. . . The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 2026, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE CERTIFICATES – Optional Redemption").

MANDATORY SINKING FUND REDEMPTION . . . In the event any of the Certificates are structured as "term" Certificates at the option of the Initial Purchaser, such term Certificates will be subject to mandatory sinking fund redemption in accordance with the applicable provisions of the Ordinance, which provisions will be included in the final Official Statement.

* Preliminary, subject to change. The City reserves the right to adjust the principal amounts of the Certificates shown on the Maturity Schedule above.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, as amended and in effect on the date hereof, this document constitutes a Preliminary Official Statement of the City with respect to the Certificates that has been “deemed final” by the City as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

This Preliminary Official Statement, which includes the cover page 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 Preliminary Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Preliminary Official Statement does not constitute an offer to sell Certificates in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction.

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 promise or guarantee of the Financial Advisor. This Preliminary Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

THE CERTIFICATES ARE EXEMPT FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE CERTIFICATES IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THE CERTIFICATES HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

NEITHER THE CITY, ITS FINANCIAL ADVISOR, NOR THE INITIAL PURCHASER MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS PRELIMINARY OFFICIAL STATEMENT REGARDING DTC OR ITS BOOK-ENTRY-ONLY SYSTEM.

IN CONNECTION WITH THE OFFERING OF THE CERTIFICATES, THE INITIAL PURCHASER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE INFORMATION AND EXPRESSIONS OF OPINION CONTAINED HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS PRELIMINARY 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. SEE “CONTINUING DISCLOSURE OF INFORMATION” FOR A DESCRIPTION OF THE CITY’S UNDERTAKING TO PROVIDE CERTAIN INFORMATION ON A CONTINUING BASIS.

THIS PRELIMINARY 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.

TABLE OF CONTENTS

OFFICIAL STATEMENT SUMMARY	4	TAX MATTERS	35
CITY OFFICIALS, STAFF AND CONSULTANTS.....	6	CONTINUING DISCLOSURE OF INFORMATION.....	37
ELECTED OFFICIALS	6	OTHER INFORMATION	38
SELECTED ADMINISTRATIVE STAFF.....	6	RATINGS	38
CONSULTANTS AND ADVISORS.....	6	LITIGATION	38
INTRODUCTION.....	7	REGISTRATION AND QUALIFICATION OF CERTIFICATES FOR	
THE CERTIFICATES	7	SALE	38
TAX INFORMATION.....	13	LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC	
TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL		FUNDS IN TEXAS	38
OBLIGATION DEBT.....	18	LEGAL MATTERS	39
TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY	19	AUTHENTICITY OF FINANCIAL DATA AND OTHER	
TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT		INFORMATION	39
HISTORY	20	FINANCIAL ADVISOR.....	39
TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY ..	20	INITIAL PURCHASER OF THE CERTIFICATES.....	39
TABLE 5 - TEN LARGEST TAXPAYERS.....	20	CERTIFICATION AS TO OFFICIAL STATEMENT.....	40
TABLE 6 - TAX ADEQUACY ⁽¹⁾	21	FORWARD-LOOKING STATEMENTS DISCLAIMER	40
TABLE 7 - ESTIMATED OVERLAPPING DEBT	21	MISCELLANEOUS	40
DEBT INFORMATION	22	APPENDICES	
TABLE 8 - PRO-FORMA GENERAL OBLIGATION DEBT		GENERAL INFORMATION REGARDING THE CITY	A
SERVICE REQUIREMENTS.....	22	EXCERPTS FROM THE CITY’S ANNUAL FINANCIAL REPORT	B
TABLE 9 - INTEREST AND SINKING FUND BUDGET		FORM OF BOND COUNSEL’S OPINION.....	C
PROJECTION.....	23		
TABLE 10 – COMPUTATION OF SELF-SUPPORTING DEBT....	23		
TABLE 11 - AUTHORIZED BUT UNISSUED GENERAL			
OBLIGATION BONDS	23		
TABLE 12 – OTHER OBLIGATIONS	24		
FINANCIAL INFORMATION.....	30		
TABLE 13 - GENERAL FUND REVENUES AND EXPENDITURE			
HISTORY	30		
TABLE 13A – CHANGE IN NET ASSETS	31		
TABLE 14 - MUNICIPAL SALES TAX HISTORY	32		
TABLE 15 - CURRENT INVESTMENTS	34		

The cover page hereof, this page, the Appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.

OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Certificates to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

- THE CITY**..... The City of Rowlett, Texas (the “City”), is a political subdivision and home-rule municipal corporation of the State of Texas (the “State”), located in Dallas and Rockwall Counties, Texas. The City covers approximately 19 square miles (see “INTRODUCTION - Description of the City”).
- THE CERTIFICATES** The \$3,035,000* City of Rowlett, Texas, Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2015 are issued as serial certificates maturing on February 15 in each of the years 2016 through 2030 (see “THE CERTIFICATES - Description of the Certificates”).
- PAYMENT OF INTEREST** Interest on the Certificates accrues from the Date of Delivery, and is payable February 15, 2016, and each August 15 and February 15 thereafter until maturity or prior redemption (see “THE CERTIFICATES - Description of the Certificates”).
- AUTHORITY FOR ISSUANCE**..... The Certificates are authorized and issued pursuant to the constitution and general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and an Ordinance passed by the City Council of the City (the “Ordinance”) (see “THE CERTIFICATES - Authority for Issuance”).
- SECURITY FOR THE CERTIFICATES** The Certificates are direct obligations of the City payable from the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the City, as provided in the Ordinance authorizing the Certificates. In addition, the Certificates are payable from a pledge of the Surplus Revenues of the City’s Waterworks and Sewer System (the “System”) (see “THE CERTIFICATES - Security and Source of Payment”).
- NOT QUALIFIED TAX-EXEMPT OBLIGATIONS** The City **will not** designate the Certificates as “Qualified Tax-Exempt Obligations” for financial institutions.
- REDEMPTION** The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 2026, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE CERTIFICATES - Optional Redemption”).
- In the event any of the Certificates are structured as “term” Certificates, such term Certificates will be subject to mandatory sinking fund redemption in accordance with the applicable provisions of the Ordinance, which provisions will be included in the final Official Statement.
- TAX EXEMPTION**..... In the opinion of Bond Counsel, the interest on the Certificates will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under the caption “TAX MATTERS” herein, including the alternative minimum tax on corporations.
- USE OF PROCEEDS** Proceeds from the sale of the Certificates will be used for (i) the design, construction, engineering and equipping of improvements to the City’s public safety radio system and (ii) paying legal, fiscal, engineering and architectural fees in connection with these projects and to pay costs of issuance of the Certificates.
- RATINGS** The presently outstanding tax supported debt of the City is rated “Aa2” by Moody’s Investors Service, Inc. (“Moody’s”) and “AA” by Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”), without regard to credit enhancement. Application has been made to Moody’s and S&P for contract ratings on the Certificates (see “OTHER INFORMATION - Ratings”).

* Preliminary, subject to change. The City reserves the right to adjust the principal amounts of the Certificates shown on the Maturity Schedule on page 2.

BOOK-ENTRY-ONLY

SYSTEM The definitive Certificates 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 Certificates may be acquired in denominations of \$5,000 or integral multiples thereof. 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 CERTIFICATES - Book-Entry-Only System”).

PAYMENT RECORD The City has never defaulted in payment of its bonded indebtedness.

SELECTED FINANCIAL INFORMATION

Fiscal Year Ended 30-Sep	Estimated City Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Per Capita Taxable Assessed Valuation	General Obligation (G.O.) Tax Debt ⁽³⁾	Per Capita G. O. Tax Debt	Ratio G.O. Tax Debt to Taxable Assessed Valuation	% of Total Tax Collections
2012	56,310	\$ 3,171,899,616	\$ 56,329	\$ 87,500,000	\$ 1,554	2.76%	98.75%
2013	56,310	3,124,841,950	55,494	81,585,000	1,449	2.61%	100.09%
2014	58,476	3,116,498,883	53,295	74,265,000	1,270	2.38%	100.50%
2015	58,476	3,274,028,998	55,989	75,880,000	1,298	2.32%	99.49% ⁽⁴⁾
2016	60,002	3,601,259,253	60,019	71,360,000 ⁽⁵⁾	1,189 ⁽⁵⁾	1.98% ⁽⁵⁾	N/A

- (1) Source: North Central Texas Council of Governments.
- (2) As reported by the Dallas and Rockwall Central Appraisal Districts on the City’s annual State Property Tax Reports; subject to change during the ensuing year.
- (3) Includes self-supporting debt.
- (4) Unaudited.
- (5) Projected. Includes the Certificates. Preliminary, subject to change.

GENERAL FUND CONSOLIDATED STATEMENT SUMMARY

	Fiscal Year Ended September 30,				
	2015 ⁽¹⁾	2014	2013	2012	2011
Beginning Fund Balance	\$ 7,777,808	\$ 7,175,829	\$ 7,482,083	\$ 8,943,944	\$ 8,059,462 ⁽²⁾
Total Revenue	33,768,171	30,445,027	29,311,887	28,382,277	30,111,754
Total Expenditures	33,802,323	32,512,353	30,942,025	30,849,243	31,035,702
Net Transfers	616,376	2,669,305	1,323,884	1,005,105	1,808,430
Net Funds Available	582,224	601,979	(306,254)	(1,461,861)	884,482
Ending Fund Balance	<u>\$ 8,360,032</u>	<u>\$ 7,777,808</u>	<u>\$ 7,175,829</u>	<u>\$ 7,482,083</u>	<u>\$ 8,943,944</u>

- (1) Unaudited.
- (2) Restated.

For additional information regarding the City, please contact:

Brian Funderburk City Manager City of Rowlett, Texas 4000 Main Street Rowlett, Texas 75088 (972) 412-6100	or	W. Boyd London, Jr. Marti Shew First Southwest Company, LLC 325 N. St. Paul Suite 800 Dallas, Texas 75201 (214) 953-4000
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CITY OFFICIALS, STAFF AND CONSULTANTS

ELECTED OFFICIALS

<u>City Council</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Occupation</u>
Todd W. Gottel Mayor	7 Years	May 2016	Owner, Consulting Company
Michael Gallops Mayor Pro Tem	4 Years	May 2016	Social Worker
Tammy Dana-Bashian Deputy Mayor Pro Tem	1 Year	May 2016	Certified Public Accountant
Robbert van Bloemendaal Councilmember	1 Year	May 2017	Business Development Manager
Carl Pankratz Councilmember	3 Years	May 2017	Attorney
Debby Bobbitt Councilmember	1 Year	May 2016	Retired / Chaplain
Rick Sheffield Councilmember	1 Year	May 2017	Realtor

SELECTED ADMINISTRATIVE STAFF

<u>Name</u>	<u>Position</u>	<u>Length of Service With City</u>	<u>Total Governmental Service</u>
Brian Funderburk	City Manager	11 Years	29 Years
Kim Galvin	Chief Financial Officer	Newly Hired	12 Years
Wendy Badgett	Assistant Director of Finance	3 Years	12 Years
Laura Hallmark	City Secretary	2 Years	9 Years
Stacey Chadwick	Deputy City Secretary	11 Years	11 Years

CONSULTANTS AND ADVISORS

Auditors Weaver and Tidwell LLP
Dallas, Texas

Bond Counsel McCall, Parkhurst & Horton L.L.P.
Dallas, Texas

Financial Advisor..... First Southwest Company, LLC
Dallas, Texas

PRELIMINARY OFFICIAL STATEMENT

RELATING TO

\$3,035,000*

CITY OF ROWLETT, TEXAS COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2015

INTRODUCTION

This Preliminary Official Statement, which includes the Appendices hereto, provides certain information regarding the issuance of \$3,035,000* City of Rowlett, Texas, Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2015 (the "Certificates"). Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Ordinance (defined herein) except as otherwise indicated herein.

There follows in this Preliminary Official Statement descriptions of the Certificates 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, First Southwest Company, LLC, Dallas, Texas.

DESCRIPTION OF THE CITY. . . The City is a political subdivision and home-rule municipal corporation of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City was incorporated on September 4, 1952, and first adopted its Home Rule Charter on December 6, 1979, and last amended it on November 4, 2008. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six Council members. The term of office is three years with the terms of the Mayor and three of the Council members' terms expiring in odd-numbered years and the other terms of the three Council members expiring in even-numbered years. The City Manager is the chief administrative officer for the City. Some of the services that the City provides are: public safety (police and fire protection), highways and streets, water and sanitary sewer utilities, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. The 2010 Census population for the City was 56,199, while the estimated projected 2016 population is 60,002. The City covers approximately 19 square miles. For additional information relating to the City, see "Appendix A - General Information Regarding the City."

THE CERTIFICATES

DESCRIPTION OF THE CERTIFICATES. . . The Certificates are dated December 1, 2015 (the "Dated Date"). The Certificates mature on February 15 in each of the years and in the amounts shown on page 2 hereof. Interest on the Certificates will accrue from the Date of Delivery, 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, 2016, until maturity or prior redemption. The definitive Certificates 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 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 CERTIFICATES - Book-Entry-Only System" herein.

AUTHORITY FOR ISSUANCE. . . The Certificates are being authorized and issued pursuant to the Constitution and general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and the Ordinance passed by the City Council of the City.

SECURITY AND SOURCE OF PAYMENT. . . All taxable property within the City is subject to a continuing direct annual ad valorem tax levied by the City, within the limits prescribed by law, sufficient to provide for the payment of principal of and interest on the Certificates. Additionally, the Certificates are payable from and secured by a pledge of revenues of the City's waterworks and sewer 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 City's revenue obligations (now or hereafter outstanding) which are payable from all or any part of the net revenues of the City's waterworks and sewer system, constituting "Surplus Revenues". The Ordinance provides that at the time the City levies ad valorem taxes each year, it shall levy an amount sufficient to pay the debt service of the Certificates, provided that in determining the tax rate to be levied, it may take into account the amount of Surplus Revenues then on deposit in the Interest and Sinking Fund created by the Ordinance and the amount of Surplus Revenues appropriated and to be set aside for the payment of the debt service requirements on the Certificates coming due before the collection date for ad valorem taxes in the next following year.

* Preliminary, subject to change. The City reserves the right to adjust the principal amounts of the Certificates shown on the Maturity Schedule on page 2.

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 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 a maximum tax rate of \$1.25 per \$100 taxable assessed valuation.

OPTIONAL REDEMPTION. . . The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 2026, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all the Certificates of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Certificates are in Book-Entry-Only form) shall determine by lot the Certificates, or portions thereof, within such maturity to be redeemed. If a 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 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.

MANDATORY SINKING FUND REDEMPTION . . . In the event any of the Certificates are structured as “term” Certificates, such term Certificates will be subject to mandatory sinking fund redemption in accordance with the applicable provisions of the Ordinance, which provisions will be included in the final Official Statement.

NOTICE OF REDEMPTION. . . Not less than 30 days prior to a redemption date for the Certificates, 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 Certificates 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. NOTICE HAVING BEEN SO GIVEN, THE CERTIFICATES CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY CERTIFICATE OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH CERTIFICATE OR PORTION THEREOF SHALL CEASE TO ACCRUE, PROVIDED THAT MONIES FOR THE PAYMENT OF THE REDEMPTION PRICE AND THE INTEREST ACCRUED ON THE PRINCIPAL AMOUNT TO BE REDEEMED TO THE DATE OF REDEMPTION ARE HELD FOR THE PURPOSE OF SUCH PAYMENT BY THE PAYING AGENT/REGISTRAR.

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

DEFEASANCE. . . The Ordinance provides for the defeasance of the Certificates when the payment of the principal and premium, if any, on the Certificates, plus interest on the Certificates to the due date thereof is provided by irrevocably depositing with the Paying Agent/Registrar or another authorized escrow agent, in trust (1) money sufficient to make such payment and/or (2) Defeasance Securities to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Certificates, 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 Certificates, 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 Defeasance Securities. The City has additionally reserved the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Defeasance Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance. The Ordinance provides that “Defeasance Securities” means any securities and obligations now or hereafter authorized by State law that are eligible to discharge obligations such as the Certificates. Current State law permits defeasance with the following types of securities: (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) 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 City authorizes the defeasance, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (c) 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 City 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 the current 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 Certificates. Because the Ordinance does 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 for defeasance purposes or that for any other Defeasance Security will be maintained at any particular rating category.

Upon such deposit as described above, such Certificates shall no longer be regarded to be outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Certificates have been made as described above, all rights of the City to initiate proceedings to call the Certificates for redemption or take any other action amending the terms of the Certificates are extinguished; provided, however, that the right to call the Certificates 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 Certificates for redemption; (ii) gives notice of the reservation of that right to the owners of the Certificates immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

AMENDMENTS. . . In the Ordinance, the City has reserved the right to amend the Ordinance without the consent of any holder of the Certificates 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.

The Ordinance further provides that the holders of the Certificates aggregating in principal amount a majority of the outstanding Certificates will have the right from time to time to approve any amendment not described above to the 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 Certificates, no amendment may be made for the purpose of: (i) making any change in the maturity of any of the outstanding Certificates; (ii) reducing the rate of interest borne by any of the outstanding Certificates; (iii) reducing the amount of the principal of, or redemption premium, if any, payable on any outstanding Certificates; (iv) modifying the terms of payment of principal or of interest or redemption premium on outstanding Certificates, or imposing any condition with respect to such payment; or (v) changing the minimum percentage of the principal amount of the Certificates necessary for consent to such amendment. Reference is made to the Ordinance for further provisions relating to the amendment thereof.

BOOK-ENTRY-ONLY SYSTEM. . . *This section describes how ownership of the Certificates is to be transferred and how the principal of and interest on the Certificates are to be paid to and credited by DTC while the Certificates 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 Certificates, 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 Certificates), 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 Certificates. The Certificates 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 Certificates, in the aggregate principal amount of each such maturity, 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.

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC’s records. The ownership interest of each actual purchaser of each Certificate (“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 Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates 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 Certificates 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 Certificates; DTC’s records reflect only the identity of the Direct Participant to whose account such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect 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 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners may wish to ascertain that the nominee holding the Certificates 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 Certificates 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 maturity to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Certificates 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 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of 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 of redemption proceeds and principal and interest to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC is the responsibility of the City or the Paying Agent/Registrar, 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 Certificates 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, 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) with respect to the Certificates. In that event, the Certificates will be printed and delivered.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Use of Certain Terms in Other Sections of this Official Statement. . . In reading this Official Statement it should be understood that while the Certificates 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 Certificates, 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 Ordinance 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 Purchaser.

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 with respect the Certificates, printed Certificates will be issued to the holders and the Certificates will be subject to transfer, exchange and registration provisions as set forth in the Ordinance and summarized under "THE CERTIFICATES - Transfer, Exchange and Registration" below.

PAYING AGENT/REGISTRAR. . . The initial Paying Agent/Registrar for the Certificates is U.S. Bank National Association, Dallas, Texas. In the Ordinance, 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 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 Certificates. Upon any change in the Paying Agent/Registrar for the Certificates, the City agrees to promptly cause a written notice thereof to be sent to each registered owner of the Certificates affected by the changes by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

TRANSFER, EXCHANGE AND REGISTRATION. . . In the event the Book-Entry-Only System should be discontinued with respect to the Certificates, printed Certificates will be issued to the registered owners of the Certificates and thereafter such printed Certificates may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender 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. Certificates may be assigned by the execution of an assignment form on the respective Certificates or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Certificates will be delivered by the Paying Agent/Registrar, in lieu of the Certificates 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 Certificates issued in an exchange or transfer of Certificates 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 Certificates 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 Certificates 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 Certificates surrendered for exchange or transfer. See "Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Certificates. Neither the City nor the Paying Agent/Registrar will be required to make any transfer, conversion, or exchange of a Certificate (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.

PAYMENT PROVISIONS. . . Interest on the Certificates shall be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (hereinafter defined), and such interest shall be paid (i) by check sent by United States mail, first class postage prepaid to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of, the registered owner. Principal of the Certificates will be paid to the registered owner at the stated maturity or earlier redemption of a Certificate upon presentation to the designated payment/transfer office of the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Certificates, all payments will be made as described under "Book-Entry-Only System" herein. If the date for the payment of the principal or of interest on the Certificates shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

RECORD DATE FOR INTEREST PAYMENT. . . The record date ("Record Date") for the interest payable on the Certificates on any interest payment date means the close of business on the last business day of the preceding month.

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 holder of a 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.

REPLACEMENT CERTIFICATES. . . If any Certificate is mutilated, destroyed, stolen or lost, a new Certificate in the same principal amount as the Certificate so mutilated, destroyed, stolen or lost will be issued. In the case of a mutilated Certificate, such new Certificate will be delivered only upon surrender and cancellation of such mutilated Certificate. In the case of any Certificate issued in lieu of and substitution for a Certificate which has been destroyed, stolen or lost, such new Certificate will be delivered only (a) upon filing with the Paying Agent/Registrar a certificate to the effect that such Certificate has been destroyed, stolen or lost and proof of ownership thereof, and (b) upon furnishing the Paying Agent/Registrar with indemnity satisfactory to hold the City and the Paying Agent/Registrar harmless. The person requesting the authentication and delivery of a new Certificate must pay such expenses as the Paying Agent/Registrar may incur in connection therewith.

CERTIFICATEHOLDERS' REMEDIES. . . The Ordinance defines "Event of Default" as the failure to make payment for the Certificates when the same becomes due and payable or the default in the performance or observance of any other covenant, agreement or obligation of the City under the Ordinance, the failure to perform which materially, adversely affects the rights of the registered owners, including, but not limited to, their prospect or ability to be paid principal or any interest, and the continuation thereof for a period of 60 days after notice of such default is given by any registered owner to the City. The Ordinance further provides that upon the occurrence of an Event of Default, the registered owners may seek a writ of mandamus to compel City officials to carry out their legally imposed duties with respect to the Certificates if there is no other available remedy at law to compel performance of the Certificates or Ordinance and the City's obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles, and thus rests within the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Certificates in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Ordinance does not provide for the appointment of a trustee to represent the interest of the Certificateholders upon any failure of the City to perform in accordance with the terms of the Ordinance, 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.3rd 325 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas legislature has effectively waived the City's sovereign immunity from a suit for money damages, Certificateholders may not be able to bring such a suit against the City for breach of the Certificates or Ordinance covenants. 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 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 Certificateholders 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 opinion of Bond Counsel will note that all opinions relative to the enforceability of the Ordinance and the Certificates are qualified with respect to the customary rights of debtors relative to their creditors, including principles of governmental immunity, and by general principles of equity which permit the exercise of judicial discretion.

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SOURCES AND USES OF CERTIFICATE PROCEEDS. . . Proceeds from the sale of the Certificates are expected to be expended approximately as follows:

Sources:	
Par Amount	\$ -
Reoffering Premium	
TOTAL SOURCES	<u><u>\$ -</u></u>
Uses:	
Deposit to Project Fund	\$ -
Costs of Issuance	
Underwriters' Discount	
TOTAL USES	<u><u>\$ -</u></u>

TAX INFORMATION

AD VALOREM TAX LAW. . . The appraisal of property within the City is the responsibility of the Dallas and Rockwall Central Appraisal Districts (jointly, 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 Title I of the Texas Tax Code (the "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 property's market value in the most recent tax year in which the market value was determined by the Appraisal District 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 the preceding tax year, plus (c) the market value of all new improvements to the property. The value placed upon property within 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. Senate Joint Resolution 1 ("Senate Joint Resolution 1"), passed during the 84th Texas Legislature, proposes a constitutional amendment increasing the mandatory homestead exemption for school districts from \$15,000 to \$25,000 and requiring that the tax limitation for taxpayers who are age 65 and older or disabled be reduced to reflect the additional exemption. While Senate Joint Resolution 1 is not directly applicable to municipalities and counties, Senate Bill 1, which was also passed by the 84th Legislature, provides that if Senate Joint Resolution 1 is approved by the voters on November 3, 2015, then the governing body of a school district, municipality, or county is prohibited from reducing the amount of or repealing an optional homestead exemption that was in place for the 2014 tax year (fiscal year 2015) for a period running through December 31, 2019. If Senate Joint Resolution 1 is not approved by voters on November 3, 2015, no such prohibition will be in effect.

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.

State law and Section 2, Article VIII, mandate an additional property tax exemption for disabled veterans or the surviving spouse (for so long as the spouse remains unmarried) or children (under 18 years of age) 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; provided, however, that a disabled veteran who receives from the United States Department of Veterans Affairs or its successor 100% disability compensation due to a service-connected disability and a rating of 100% 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.

Under Article VIII and State law, the governing body of a county, municipality or junior college district, may freeze the total amount of ad valorem taxes levied on the residence homestead of a disabled person or persons 65 years of age or older to the amount of taxes 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, such freeze on ad valorem taxes 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. If improvements (other than repairs or improvements required to comply with governmental requirements) are made to the property, the value of the improvements is taxed at the then current tax rate, and the total amount of taxes imposed is increased to reflect the new improvements with the new amount of taxes then serving as the ceiling on taxes for the following years. Once established, the tax rate limitation may not be repealed or rescinded.

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. 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 an exemption from taxation for "goods-in-transit," which are defined as (i) personal property acquired or imported into the State and transported to another location inside or outside the State, (ii) stored under a contract for bailment in public warehouses not in any way owned or controlled by the owner of the stored goods, and (iii) transported to another location inside or outside the State within 175 days of the date the property was acquired or imported into the State. 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.

Pursuant to changes enacted during the 2011 Texas Legislative Special Session, all taxing units, including those that have previously taken official action to tax goods-in-transit, may not tax goods-in-transit in the 2012 tax year or thereafter, unless the governing body of the taxing unit holds a public hearing and takes action on or after October 1, 2011, to provide for the taxation of the goods-in-transit. After holding a public hearing, a taxing unit may take official action prior to January 1 of the first tax year in which the governing body proposes to tax goods-in-transit. After taking such official action, the goods-in-transit remain

subject to taxation by the taxing unit until the governing body of the taxing unit rescinds or repeals its previous action to tax goods-in-transit. If, however, a taxing unit took official action prior to October 1, 2011 to tax goods-in-transit and pledged the taxes imposed on the goods-in-transit for the payment of a debt, taxes may continue to be imposed on goods-in-transit until the debt is discharged, if cessation of the imposition of the tax would impair the obligation of the contract by which the debt was created.

A city may utilize tax increment financing ("TIF"), pursuant to the Tax Increment Financing Act, Texas Tax Code, Chapter 311, as amended, to encourage development and redevelopment within a designated reinvestment zone. Taxes collected from increases in valuation above the base value (the "captured appraised value") by each taxing unit that levies ad valorem taxes on real property in the reinvestment zone may be used to pay costs of infrastructure or other public improvements in the reinvestment zone and to supplement or act as a catalyst for private development in the defined area of the reinvestment zone. The tax increment base value for a taxing unit is the total appraised value of all real property taxable by the taxing unit and located in the reinvestment zone as of January 1 of the year in which the city created the reinvestment zone. Each taxing unit can choose to dedicate all, any portion or none of its taxes collected from the captured appraised value to the costs of improvements in the reinvestment zone. The amount of a taxing unit's tax increment for a year is the amount of property taxes levied by the taxing unit for that year on the captured appraised value of real property taxable by the taxing unit and located in the reinvestment zone, multiplied by the taxing unit's percentage level of participation. 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.

Cities are 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 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.

EFFECTIVE TAX RATE AND ROLLBACK TAX RATE. . . By each September 1 or as soon thereafter as practicable, the City Council adopts a tax rate per \$100 taxable value for the current year. The City Council is required to adopt the annual tax rate for the City before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the City. If the City Council does not adopt a tax rate by such required date the tax rate for that tax year is the lower of the effective tax rate calculated for that tax year or the tax rate adopted by the City for the preceding tax year. The tax rate consists of two components: (1) a rate for funding of maintenance and operation expenditures, and (2) a rate for debt service.

Under the Property Tax Code, the City must annually calculate and publicize its "effective tax rate" and "rollback tax rate". Under current law, a tax rate cannot be adopted by the City Council that exceeds the lower of the rollback tax rate or of the effective tax rate until two public hearings are held on the proposed tax rate following a notice of such public hearings (including the requirement that notice be posted on the City's website if the City owns, operates or controls an internet website and public notice be given by television if the City has free access to a television channel) and the City Council has otherwise complied with the legal requirements for the adoption of such tax rate. If the adopted tax rate exceeds the rollback tax rate the qualified voters of the City by petition may require that an election be held to determine whether or not to reduce the tax rate adopted for the current year to the rollback tax rate.

"Effective tax rate" means the rate that will produce last year's total tax levy (adjusted) from this year's total taxable values (adjusted). "Adjusted" means lost values are not included in the calculation of last year's taxes and new values are not included in this year's taxable values.

"Rollback tax rate" means the rate that will produce last year's maintenance and operation tax levy (adjusted) from this year's values (adjusted) multiplied by 1.08 plus a rate that will produce this year's debt service from this year's values (unadjusted) divided by the anticipated tax collection rate.

The Property Tax Code provides that certain cities and counties in the State may submit a proposition to the voters to authorize an additional one-half cent sales tax on retail sales of taxable items. If the additional tax is levied, the effective tax rate and the rollback tax rate calculations are required to be offset by the revenue that will be generated by the sales tax in the current year.

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 which uses an average of the daily price of oil and gas for the prior year. 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 accrue interest as long as the tax remains unpaid, regardless of whether a judgment of the delinquent tax has been rendered. The purpose of imposing such interest penalty 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.

CITY APPLICATION OF TAX CODE. . . The City currently grants an exemption to the market value of the residence homestead of persons 65 years of age or older of \$30,000; the disabled are also granted an exemption of \$50,000. These exemptions were revised for the 2015 Ad Valorem Tax Roll.

The City has granted an additional exemption of 1% of the market value of residence homesteads; minimum exemption of \$5,000. If the constitutional amendment proposed by Senate Joint Resolution 1 is approved by voters at the State-wide election on November 3, 2015, the City will be prohibited from reducing the amount of or repealing this optional homestead exemption prior to December 31, 2019.

See Table 1 for a listing of the amounts of the exemptions described above.

Ad valorem taxes are levied by the City against the value of residence homesteads for the payment of debt.

The City does not tax nonbusiness personal property.

Dallas County collects taxes for the City.

The City does not permit split payments, and discounts are not allowed.

The City does not tax freeport property.

The City does not collect the additional one-half cent sales tax for reduction of ad valorem taxes.

The City has established a freeze on the taxes on residence homesteads of persons 65 years of age or who are disabled, as may be done on a local option basis.

The City has adopted a tax abatement policy, which provides for abatements of 10-100%, depending upon a number of criteria, including economic impact to the City and total value of the project. The City currently has four tax abatement agreements as listed:

Primo's: 50% of the increase in property taxes attributable to improvements, not to exceed \$5,604 per year for a duration of 4 years upon completion of construction. Completion of construction has not been met as yet; it is anticipated that the 4 year period will commence in 2016.

Realty Advisors Corp/Terra Lago Project: 57% of property taxes, not to exceed \$2,129,450 over the 10 year duration to commence once Realty Advisors has incurred initial costs of forty million dollars, which is anticipated to occur by December 31, 2017.

Integral Development, LLC and Catalyst Urban Development, LLC: 100% of property taxes for a duration of 15 years commencing in 2017.

Bayside Land Partners, LLC: This project is included in the Tax Increment Reinvestment Zone Number Two, and as such, 50% of the property tax increment generated from this project is abated over the next 20 years as outlined in the adopted project and financing plan.

The City will, on a case-by-case basis, give consideration to providing incentives as stimulation for economic development in the City.

ECONOMIC DEVELOPMENT INITIATIVES

TAX INCREMENT FINANCING . . . A city may utilize tax increment financing, pursuant to the Tax Increment Financing Act, Texas Tax Code, Chapter 311, as amended, to encourage development and redevelopment within a designated reinvestment zone. Taxes collected from increases in valuation above the base value (the “captured appraised value”) by each taxing unit that levies ad valorem taxes on real property in the reinvestment zone may be used to pay costs of infrastructure or other public improvements in the reinvestment zone and to supplement or act as a catalyst for private development in the defined area of the reinvestment zone. The tax increment base value for a taxing unit is the total appraised value of all real property taxable by the taxing unit and located in the reinvestment zone as of January 1 of the year in which the city created the reinvestment zone. Each taxing unit can choose to dedicate all, any portion or none of its taxes collected from the captured appraised value to the costs of improvements in the reinvestment zone. The amount of a taxing unit’s tax increment for a year is the amount of property taxes levied by the taxing unit for that year on the captured appraised value of real property taxable by the taxing unit and located in the reinvestment zone, multiplied by the taxing unit’s percentage level of participation.

Pursuant to an ordinance adopted December 17, 2002, as amended April 15, 2003, the City established Tax Increment Financing Reinvestment Zone Number One, City of Rowlett, Texas (the “Zone”). The Zone contains approximately 1737 acres of land, comprised of a predominately undeveloped area in the northeastern portion of the City adjacent to a planned extension of IH 190 (the “Technology Research Sub Area”), then extending south along the planned route of IH 190 and encompassing the central and downtown area of the City (the “Downtown Sub Area”) and areas adjacent to Lake Ray Hubbard (the “Entertainment Waterfront Sub Area”). The preliminary project plan for the Zone includes infrastructure improvements consisting of water and sewer improvements, street improvements, parks and emergency services facilities, with a potential cost of \$71 million over twenty years. Such projects are expected to be undertaken as development occurs and the captured appraised value in the Zone increases. On July 5, 2005, the final project and financing plans for the Zone were adopted, and once adopted may be amended from time to time. The City cannot predict or make any representation as to the growth in taxable values in the Zone or the amount of project costs, and related debt financing, that will be undertaken. The City’s tax increment base value for the Zone is \$28,131,036. As development in the Zone has not begun, the increases of the taxable value of property in the Zone have been minimal. The City expects to contribute 0% of the tax increments collected by the City into the Zone fund to be used for Zone projects. On July 7, 2015, the City Council adopted an ordinance dissolving and terminating the Zone effective July 7, 2015.

Pursuant to an ordinance adopted April 7, 2015, the City established Tax Increment Reinvestment Zone Number Two, City of Rowlett, Texas (“Zone #2”). Zone #2 contains approximately 290 acres of land, comprised of a predominately undeveloped area in the southeastern portion of the City adjacent to Interstate 30 (the former “Elgin B. Robertson property”). The final project and financing plan for Zone #2 includes infrastructure improvements consisting of water and sewer improvements, street improvements, parks and public realm improvements, with a potential cost of \$56 million over twenty years. Such projects are expected to be undertaken as development occurs and the captured appraised value in Zone #2 increases. The City cannot predict or make any representation as to the growth in taxable values in Zone #2 or the amount of project costs, and related debt financing, that will be undertaken. The City’s tax increment base value for Zone #2 is \$0. As development in Zone #2 has not begun, the increases of the taxable value of property in Zone #2 have been minimal. The City expects to contribute 50% of the tax increments collected by the City into Zone #2 fund to be used for Zone #2 projects. Such tax revenues will be available to reimburse the developer for project costs.

ECONOMIC DEVELOPMENT PROGRAMS. . . The City is 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 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 may contract with the federal government, the State of Texas, another political subdivision, a nonprofit organization or any other entity, including private entities, for the administration of such a program.

PUBLIC IMPROVEMENT DISTRICTS . . . The City created the Bayside Public Improvement district effective September 15, 2015. The District contains approximately 317 acres of land, comprised of a predominately undeveloped area in the southeastern portion of the City adjacent to Interstate 30 (the former “Elgin B. Robertson property”). The draft Service and Assessment Plan for the District includes infrastructure improvements consisting of water and sewer improvements, street improvements, parks and public realm improvements, with a potential cost of \$22 million over thirty years for the initial project area. It is anticipated that future project areas may be included within the District.

MUNICIPAL MANAGEMENT DISTRICTS . . . The City created three municipal management districts effective June 17, 2011. The three separate management districts are: Pecan Grove, Downtown and Waterfront Entertainment.

TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2015/16 Market Valuation Established by the Appraisal Districts		\$	3,906,778,447
Less Exemptions/Reductions at 100% Market Value			
Residence Homestead Exemptions	\$	71,194,873	
Freeport		1,780,967	
Over 65 and Disabled		123,865,749	
Productivity Loss		32,499,792	
Capped Value Loss		57,170,677	
Disabled Veterans		18,038,808	
Pollution Control		21,345	
Prorated Exempt Property		946,983	305,519,194
Adjustments			-
2015/16 Net Taxable Assessed Valuation		\$	<u>3,601,259,253</u>
City Funded Debt Payable From Ad Valorem Taxes (as of 9/30/15)			
Outstanding General Obligation Debt	\$	75,880,000	
The Certificates ⁽¹⁾		3,035,000	\$ 78,915,000
Less: Self-Supporting Debt ⁽²⁾ (as of 9/30/15)			
Golf Course General Obligation Debt	\$	3,655,000	
Drainage General Obligation Debt		3,195,000	
Water and Sewer General Obligation Debt		11,146,539	\$ 17,996,539
Net General Obligation Debt Payable from Ad Valorem Taxes		\$	60,918,461
General Obligation Interest and Sinking Fund Balance (as of 9/30/15) ⁽³⁾		\$	1,099,000
Ratio Net Funded Debt Payable from Ad Valorem Taxes to Taxable Assessed Valuation			1.69%

2016 Estimated Population - 60,002

Per Capita Taxable Assessed Valuation - \$60,019

Per Capita Funded Debt Payable from Ad Valorem Taxes - \$1,315

Per Capita Net Funded Debt Payable from Ad Valorem Taxes - \$1,015

(1) Preliminary, subject to change.

(2) General obligation debt, in the amounts shown, for which repayment is provided from revenues of the City’s municipal golf course, drainage system and waterworks and sewer system. However, if the golf course, drainage system or waterworks and sewer system revenues are not sufficient to provide for the payment of such obligations, the City will be required to levy and collect ad valorem taxes sufficient to provide for the payment of the principal and interest on such obligations. See “Table 10 – Computation of Self-Supporting Debt” and “Table 8 – Pro Forma General Obligation Debt Service Requirements.”

(3) Unaudited.

TABLE 1(a) - ADDITIONAL DEBT LIABILITIES

See “Table 12 – Other Obligations” for a description of the City’s capital lease liabilities.

Please refer to “Pension Fund”, page 26 for a complete description of the City’s liability. Additional information with regard to the City’s pension liability is also available via the TMRS website at www.tmrs.org.

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2016		2015		2014	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 3,171,966,597	81.19%	\$ 2,910,936,663	77.92%	\$ 2,776,114,428	80.81%
Real, Residential, Multi-Family	22,569,860	0.58%	22,538,920	0.60%	20,679,110	0.60%
Real, Vacant Lots/Tracts	70,411,870	1.80%	99,547,620	2.66%	63,291,730	1.84%
Real, Acreage (Land Only)	32,823,220	0.84%	25,640,680	0.69%	26,045,370	0.76%
Real, Farm and Ranch Improvements	2,473,310	0.06%	8,434,100	0.23%	6,335,170	0.18%
Real, Commercial	408,030,770	10.44%	474,877,566	12.71%	359,909,758	10.48%
Real, Industrial	2,595,070	0.07%	2,549,070	0.07%	2,306,790	0.07%
Real and Tangible Personal, Utilities	60,781,840	1.56%	63,272,730	1.69%	57,261,170	1.67%
Tangible Personal, Commercial	111,531,140	2.85%	109,418,310	2.93%	107,507,490	3.13%
Tangible Personal, Industrial	14,230,010	0.36%	14,276,100	0.38%	12,173,900	0.35%
Tangible Personal, Mobile Homes	606,610	0.02%	597,110	0.02%	604,810	0.02%
Real Property, Inventory	8,137,250	0.21%	2,922,520	0.08%	2,274,230	0.07%
Special Inventory	620,900	0.02%	704,690	0.02%	773,270	0.02%
Total Appraised Value Before Exemptions	\$ 3,906,778,447	100.00%	\$ 3,735,716,079	100.00%	\$ 3,435,277,226	100.00%
Less: Total Exemptions/Reductions	305,519,194		460,303,423		317,718,866	
Adjustments	-		(1,383,658)		(1,059,477)	
Taxable Assessed Value	\$ 3,601,259,253		\$ 3,274,028,998		\$ 3,116,498,883	

Category	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2013		2012	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 2,784,037,976	80.38%	\$ 2,822,680,742	81.48%
Real, Residential, Multi-Family	18,719,390	0.54%	17,924,720	0.52%
Real, Vacant Lots/Tracts	91,562,910	2.64%	62,703,390	1.81%
Real, Acreage (Land Only)	27,301,450	0.79%	28,341,770	0.82%
Real, Farm and Ranch Improvements	5,496,520	0.16%	5,804,030	0.17%
Real, Commercial	355,545,651	10.27%	347,285,477	10.03%
Real, Industrial	2,191,720	0.06%	2,187,840	0.06%
Real and Tangible Personal, Utilities	55,322,470	1.60%	56,921,770	1.64%
Tangible Personal, Commercial	109,178,900	3.15%	106,086,540	3.06%
Tangible Personal, Industrial	12,014,170	0.35%	12,242,230	0.35%
Tangible Personal, Mobile Homes	634,090	0.02%	651,730	0.02%
Real Property, Inventory	891,000	0.03%	515,400	0.01%
Special Inventory	688,790	0.02%	705,250	0.02%
Total Appraised Value Before Exemptions	\$ 3,463,585,037	100.00%	\$ 3,464,050,889	100.00%
Less: Total Exemptions/Reductions	306,039,379		291,724,383	
Adjustments	(32,703,708)		(426,890)	
Taxable Assessed Value	\$ 3,124,841,950		\$ 3,171,899,616	

NOTE: Valuations shown are certified taxable assessed values reported by the Appraisal District. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9/30	Estimated City Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Per Capita Taxable Assessed Valuation	Funded Tax Debt ⁽³⁾	Ratio Funded Tax Debt to Taxable Assessed Valuation	Funded Debt Per Capita
2012	56,310	\$ 3,171,899,616	\$ 56,329	\$ 87,500,000	2.76%	\$ 1,554
2013	56,310	3,124,841,950	55,494	81,585,000	2.61%	1,449
2014	58,476	3,116,498,883	53,295	74,265,000	2.38%	1,270
2015	58,476	3,274,028,998	55,989	75,880,000	2.32%	1,298
2016	60,002	3,601,259,253	60,019	71,360,000 ⁽⁴⁾	1.98% ⁽⁴⁾	1,189 ⁽⁴⁾

- (1) Source: North Central Texas Council of Governments.
- (2) As reported by the Appraisal District on the City's annual State Property Tax Reports; subject to change during the ensuing year.
- (3) Includes self-supporting debt.
- (4) Includes the Certificates. Preliminary, subject to change.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rates	General Fund	Interest and Sinking Fund	Tax Levy	% of Current Collections	% of Total Collections
2012	\$ 0.747173	\$ 0.490833	\$ 0.256340	\$ 23,605,280	98.86%	98.75%
2013	0.747173	0.492673	0.254500	23,111,624	99.10%	100.09%
2014	0.747133	0.504733	0.242400	23,072,444	99.27%	100.50%
2015	0.787173	0.549770	0.237403	25,568,039	98.28% ⁽¹⁾	99.49% ⁽¹⁾
2016	0.787173	0.577919	0.209254	28,348,140	In process of collections	

- (1) Unaudited.

TABLE 5 - TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	2015/16 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Lake Pointe Medical Center	Medical Center	\$ 35,902,070	1.00%
Oncor Electric Delivery	Electric Utility	21,771,050	0.60%
Wal-Mart Stores Texas LLC	Retail	22,536,150	0.63%
Verizon	Telephone Utility	14,370,500	0.40%
NSHE TX Bay City LLC	Medical Office Building	10,850,000	0.30%
Gemini Rowlett Crossing LP	Recreation Building	10,769,920	0.30%
Target Corporation	Retail	9,575,000	0.27%
Lake Pointe NH Realty LTD	Commercial	7,763,560	0.22%
Atmos Energy Mid Tex	Natural Gas	7,525,020	0.21%
Lakeview Parkview	Apartments	7,200,000	0.20%
		<u>\$ 148,263,270</u>	<u>4.12%</u>

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 (however, see "THE CERTIFICATES - Tax Rate Limitation").

TABLE 6 - TAX ADEQUACY⁽¹⁾

2016 Net Principal and Interest Requirements.....	\$ 8,351,392
\$0.2367 Tax Rate at 98% Collection Produces	\$ 8,353,697
Average Net Principal and Interest Requirements (2016-2035).....	\$ 3,181,579
\$0.0902 Tax Rate at 98% Collection Produces	\$ 3,183,369
Maximum Net Principal and Interest Requirements, 2016.....	\$ 8,351,392
\$0.2367 Tax Rate at 98% Collection Produces	\$ 8,353,697

(1) Includes the Certificates; excludes self-supporting debt. Preliminary, subject to change. See “Table 10 – Computation of Self-Supporting Debt.”

TABLE 7 - ESTIMATED OVERLAPPING 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 of the 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.

<u>Taxing Jurisdiction</u>	<u>2015/16 Taxable Assessed Valuation</u>	<u>2015/16 Tax Rate</u>	<u>Total Tax Supported Debt As of 9/30/15</u>	<u>Estimated % Applicable</u>	<u>Overlapping Tax Supported Debt as 9/30/2015</u>
City of Rowlett	\$ 3,601,259,253	\$ 0.7872	\$ 60,918,461 ⁽¹⁾	100.00%	\$ 60,918,461
Dallas County	188,190,199,007	0.2431	84,725,000	1.39%	1,177,678
Dallas County Community					
College District	197,279,330,872	0.1237	321,510,000	1.39%	4,468,989
Dallas County Hospital District	188,977,365,634	0.2860	728,005,000	1.39%	10,119,270
Dallas County Schools	188,190,199,007	0.0100	60,215,000	1.39%	836,989
Garland ISD	14,899,335,787	1.3533	501,756,118	18.84%	94,530,853
Rockwall County	8,490,881,201	0.3959	100,580,960	6.00%	6,034,858
Rockwall ISD	7,072,658,664	1.4400	326,241,461	7.12%	23,228,392
Total Direct and Overlapping Funded Debt.....					\$ 201,315,488
Ratio of Direct and Overlapping Funded Debt to Taxable Assessed Valuation.....					5.59%

(1) Includes the Certificates; excludes self-supporting debt. Preliminary, subject to change.

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DEBT INFORMATION

TABLE 8 - PRO-FORMA GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ended	Outstanding Debt Service ⁽¹⁾			The Certificates ⁽²⁾			Less:	Net	% of
	Principal	Interest	Total	Principal	Interest	Total	Self- Supporting Obligations ⁽³⁾	Debt Service	Principal Retired
2016	\$ 7,355,000	\$ 3,011,144	\$ 10,366,144	\$ 200,000	\$ 45,262	\$ 245,262	\$ 2,260,013	\$ 8,351,392	
2017	7,580,000	2,772,340	10,352,340	175,000	71,329	246,329	2,257,618	8,341,051	
2018	7,510,000	2,483,775	9,993,775	180,000	69,329	249,329	2,268,596	7,974,507	
2019	7,030,000	2,182,930	9,212,930	180,000	66,791	246,791	2,088,325	7,371,396	
2020	6,960,000	1,892,977	8,852,977	185,000	63,703	248,703	2,080,838	7,020,842	47.34%
2021	6,915,000	1,598,728	8,513,728	185,000	60,086	245,086	2,076,562	6,682,252	
2022	6,735,000	1,291,349	8,026,349	190,000	55,968	245,968	1,932,261	6,340,055	
2023	6,055,000	1,006,293	7,061,293	195,000	51,326	246,326	1,929,317	5,378,301	
2024	5,525,000	757,890	6,282,890	200,000	46,209	246,209	1,933,195	4,595,903	
2025	3,660,000	564,501	4,224,501	205,000	40,638	245,638	631,727	3,838,412	85.18%
2026	2,245,000	436,159	2,681,159	215,000	34,512	249,512	632,767	2,297,903	
2027	790,000	364,859	1,154,859	220,000	27,833	247,833	252,239	1,150,452	
2028	815,000	332,603	1,147,603	225,000	20,689	245,689	247,859	1,145,432	
2029	855,000	299,134	1,154,134	235,000	12,922	247,922	254,611	1,147,444	
2030	880,000	260,603	1,140,603	245,000	4,422	249,422	243,353	1,146,672	93.70%
2031	920,000	216,928	1,136,928	-	-	-	241,553	895,375	
2032	740,000	176,915	916,915	-	-	-	244,540	672,375	
2033	770,000	140,603	910,603	-	-	-	242,103	668,500	
2034	810,000	102,703	912,703	-	-	-	244,453	668,250	
2035	850,000	62,753	912,753	-	-	-	241,378	671,375	98.88%
2036	205,000	38,090	243,090	-	-	-	243,090	-	
2037	215,000	29,378	244,378	-	-	-	244,378	-	
2038	225,000	20,240	245,240	-	-	-	245,240	-	
2039	235,000	10,340	245,340	-	-	-	245,340	-	100.00%
	<u>\$ 75,880,000</u>	<u>\$ 20,053,230</u>	<u>\$ 95,933,230</u>	<u>\$ 3,035,000</u>	<u>\$ 671,016</u>	<u>\$ 3,706,016</u>	<u>\$ 23,281,355</u>	<u>\$ 76,357,891</u>	

(1) "Outstanding Debt" does not include lease/purchase obligations.

(2) Average life of the Certificates: 7.520 years. Interest is calculated at an average rate for purposes of illustration. Preliminary, subject to change.

(3) General obligation debt for which repayment is provided from revenues of the City's municipal golf course, drainage system and waterworks and sewer system. However, if the golf course, drainage system or waterworks and sewer system revenues are not sufficient to provide for the payment of such obligations, the City will be required to levy and collect ad valorem taxes sufficient to provide for the payment of the principal and interest on such obligations. See "Table 10 – Computation of Self-Supporting Debt."

TABLE 9 - INTEREST AND SINKING FUND BUDGET PROJECTION⁽¹⁾

Estimated Net General Purpose Debt Service Requirements, Fiscal Year Ending 9/30/16		\$ 8,351,392
Debt Service Fund Balance, 9/30/15 (unaudited)	\$ 1,099,000	
2015/16 Budgeted Interest and Sinking Fund Tax Revenues	7,506,895	
Budgeted Interest Income	<u>5,130</u>	<u>\$ 8,611,025</u>
Estimated Ending Fund Balance, 9/30/16		<u><u>\$ 259,633</u></u>

(1) Includes the Certificates; preliminary, subject to change. Excludes "self-supporting debt." See "Table 10-Computation of Self-Supporting Debt" and "Table 7 – Pro Forma General Obligation Debt Service Requirements."

TABLE 10 – COMPUTATION OF SELF-SUPPORTING DEBT

Revenue Available for Debt Service from Golf Course System, Fiscal Year Ended 9/30/15 ⁽¹⁾	\$ 247,005
Less: Revenue Bond Requirements for period	<u>-</u>
Balance Available for Other Purposes	\$ 247,005
Golf System General Obligation Bond Requirements for period ending 9/30/16	<u>244,990</u>
Balance	\$ 2,015
Percentage of Golf System General Obligation Bonds Self-Supporting	100.00%
Revenue Available for Debt Service from Water and Sewer System, Fiscal Year Ended 9/30/15 ⁽¹⁾	\$ 6,334,371
Less: Revenue Bond Requirements for period	<u>2,969,905</u>
Balance Available for Other Purposes	\$ 3,364,466
Water and Sewer System General Obligation Bond Requirements for period ending 9/30/16	<u>1,638,991</u>
Balance	\$ 1,725,475
Percentage of Water and Sewer System General Obligation Bonds Self-Supporting	100.00%
Revenue Available for Debt Service from Drainage System, Fiscal Year Ended 9/30/15 ⁽¹⁾	\$ 399,958
Less: Drainage Bond Requirements for period	<u>-</u>
Balance Available for Other Purposes	\$ 399,958
Drainage System General Obligation Bond Requirements for period ending 9/30/15	<u>376,033</u>
Balance	\$ 23,925
Percentage of Drainage System General Obligation Bonds Self-Supporting	100.00%

(1) Unaudited.

TABLE 11 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

Date	Purpose	Amount Authorized	Amount Heretofore Issued	Unissued Balance
05/09/15	Streets	\$ 18,932,340	\$ 7,015,000	\$ 11,917,340
05/09/15	Parks & Recreation	4,206,110	1,957,500	2,248,610
05/09/15	Public Safety	<u>2,631,050</u>	<u>985,000</u>	<u>1,646,050</u>
	Total	<u>\$ 25,769,500</u>	<u>\$ 9,957,500</u>	<u>\$ 15,812,000</u>

ANTICIPATED ISSUANCE OF ADDITIONAL GENERAL OBLIGATION DEBT. . . The City anticipates issuing approximately \$4,750,000 of additional general obligation debt in the next 12 months.

The City is in discussion with a developer on the possibility of creating a public improvement district (“PID”) to finance public improvements within the PID. If bonds are issued, they will not be general obligations of the City. The bonds will be backed solely by an assessment on real property located within the district, subordinate to any levy and collection of property taxes within the PID.

TABLE 12 – OTHER OBLIGATIONS

Conduit Debt

On August 1, 2006, the City, along with three other cities and Rockwall County, approved an agreement with the Rockwall County Emergency Services Corporation (RESC) to construct a firearms training facility in an aggregate principal amount not to exceed \$2,925,000. Under the terms of the agreement, each jurisdiction’s debt service liability, as well as an operations component, would be based proportionately upon the number of Authorized Personnel (i.e. active certified peace officers) as of April 1st of the preceding fiscal year. On August 23, 2006, the RESC issued \$2,700,000 in contract revenue bonds with a ten year maturity. Based on Rowlett’s Authorized Personnel count as of April 1, 2006, the City’s initial anticipated annual payments under the agreement ranges from \$104,676 to \$106,272 but may vary from year to year under the terms of the agreement. On June 28, 2011, the RESC refunded the original 2006 bonds and issued additional contract revenue bonds totaling \$415,000 for necessary structural improvements.

During the current year the City paid \$120,744 as its annual obligation under this agreement. The City will continue to share in the debt service and operating expenses of the facility based on the City’s authorized personnel count. As of September 30, 2015, the outstanding balance was \$400,000. The City has no obligation for this debt beyond the resources provided by this agreement.

Capital Lease

On June 26, 2015, the City entered into an agreement with Whitney Bank to purchase three Maintenance Trucks. The agreement is for an approximate 86 month term based on delivery of equipment and expires on August 22, 2021. Payments are \$110,546.45 annually and carry an effective interest rate of 1.632%.

On May 1, 2015, the City entered into an agreement with Clayton Holdings, LLC to purchase a Gasboy Fuel Management System. The agreement is for an approximate 74 month term based on delivery of equipment and expires on July 10, 2021. Payments are \$15,339.89 annually and carry an effective interest rate of 1.79%.

On May 1, 2015, the City entered into an agreement with Clayton Holdings, LLC to purchase a Fire Protective Clothing/Bunker Gear. The agreement is for an approximate 50 month term based on delivery of equipment and expires on July 10, 2019. Payments are \$49,706.02 annually and carry an effective interest rate of 1.57%.

On May 5, 2015, the City entered into an agreement with Clayton Holdings, LLC to purchase Water Meters. The agreement is for an approximate 50 month term based on delivery of equipment and expires on July 10, 2019. Payments are \$54,670.09 annually and carry an effective interest rate of 1.56%.

On April 17, 2015, the City entered into an agreement with U.S. Bancorp to purchase Fire Trucks. The agreement is for an approximate 127 month term based on delivery of equipment and expires on November 1, 2024. Payments are \$198,830.77 annually and carry an effective interest rate of 2.01%.

The City previously entered into an agreement with Suntrust Leasing Corporation to purchase an Enterprise Resource Planning System. The agreement is for an approximate 75 month term based on delivery of equipment and expires on August 15, 2020. Payments are \$126,326.74 annually and carry an effective interest rate of 1.82%.

The City previously entered into an agreement with Suntrust Leasing Corporation to purchase Water Meters. The agreement is for an approximate 50 month term based on delivery of equipment and expires on October 15, 2018. Payments are \$89,035.22 annually and carry an effective interest rate of 1.38%.

The City previously entered into an agreement with Pinnacle Public Finance, Inc. to purchase two Type I Dodge 4500 ambulances. The agreement is for an approximate 48 month term based on delivery of equipment and expires on October 31, 2018. Payments are \$75,429.75 annually and carry an effective interest rate of 2%.

The City previously entered into an agreement with Pinnacle Public Finance, Inc. to purchase a Kronos Time Keeping System & Munis Payroll System. The agreement is for an approximate 48 month term based on delivery of equipment and expires on October 31, 2018. Payments are \$76,350.25 annually and carry an effective interest rate of 2.00%.

The City previously entered into an agreement with Pinnacle Public Finance, Inc. to purchase a Scott Self-Contained Breathing Apparatus. The agreement is for an approximate 108 month term based on delivery of equipment and expires on October 31, 2023. Payments are \$44,683.45 annually and carry an effective interest rate of 2.63%.

The City previously entered into an agreement with Clayton Holdings to purchase a diesel chassis with crane. The agreement is for an approximate 72 month term based on delivery of equipment and expires on December 17, 2018. Payments are \$22,824 annually and carry an effective interest rate of 1.61%.

The City previously entered into an agreement with US Bancorp to purchase water meters. The agreement is for an approximate 36 month term based on delivery of the equipment and expires December 21, 2014. Payments are \$74,200 the first year, and \$99,057 for the remaining two years, and carry an effective interest rate of 1.36%.

The City previously entered into an agreement with US Bancorp to purchase pipe bursting equipment. The agreement is for an approximate 48 month term based on delivery of the equipment and expires August 22, 2017. Payments are \$52,893 annually and carry an effective interest rate of 1.51%.

The City previously entered into an agreement with Key Government Finance to purchase IT Equipment. The agreement is for an approximate 48 month term based on delivery of the equipment and expires on July 1, 2017. Payments are \$127,039 and carry an effective interest rate of 0%.

The City previously entered into an agreement with BB&T to purchase servers, software, and equipment. The agreement is for an approximate 48 month term based on delivery of the equipment and expires September 15, 2017. Payments are \$102,124 annually and carry an effective interest rate of 1.46%.

The City previously entered into an agreement with BB&T to purchase a diesel chassis. The agreement is for an approximate 57 month term based on delivery of the equipment and expires on October 15, 2016. Payments are \$28,602 annually and carry an effective interest rate of 1.75%.

The City previously entered into an agreement with Capital One to purchase police and fire software. The agreement is for a nine year term based on delivery of the equipment and expires on September 30, 2020. Payments are \$80,085 annually and carry an effective interest rate of 2.58%.

The City previously entered into an agreement with BB&T to purchase a jet truck. The agreement is for a six year term based on delivery of the equipment and expires on November 30, 2016. Payments are \$38,227 annually and carry an effective interest rate of 2.34%.

The City previously entered into an agreement with BB&T to purchase 911 police equipment. The agreement is for a six and a half year term based on delivery of the equipment and expires on August 31, 2017. Payments are \$29,952 annually and carry an effective interest rate of 2.93%.

The City previously entered into an agreement with BB&T to purchase roller, loader, dump trucks. The agreement is for a six year term based on delivery of equipment and expires on November 30, 2016. Payments are \$43,009 annually and carry an effective interest rate of 2.34%.

The City previously entered into an agreement with SunTrust Equipment Finance & Leasing Corp. to purchase two fire trucks. The agreement is for an approximate 110 month term based in delivery of the equipment and expires on October 31, 2019. Payments are \$99,888 annually and carry an effective interest rate of 2.77%.

The City previously entered into an agreement with SunTrust Equipment Finance & Leasing Corp. totaling \$494,515 to purchase a fire rescue engine. The agreement is for a nine year term based on delivery of the equipment and expires on October 15, 2015. Payments are \$60,671 annually and carry an effective interest rate of 4.17%.

The City previously entered into an agreement with SunTrust Equipment Finance & Leasing Corp. in 2005 totaling \$5,183,559 to replace its water meter system and for various facility improvements. The agreement is for a fifteen year term expiring on July 10, 2020. Payments are made quarterly, ranging from \$108,000 to \$128,000 and carries an effective interest rate of 3.99%. Responsibility for repaying the debt is split between the General Fund and Water and Sewer Fund at 9.5 % and 90.5% respectively.

The assets acquired through capital leases are as follows:

Asset:	Water & Sewer	Governmental Activities	Total
Motor vehicles	\$ 152,373	\$ 2,028,435	\$ 2,180,808
Machinery & equipment	6,318,101	2,490,962	8,809,063
Less: Accumulated Depreciation	(3,570,093)	(2,059,410)	(5,629,503)
Total	\$ 2,900,381	\$ 2,459,987	\$ 5,360,368

Pursuant to the terms of the capital lease agreements, the following schedule represents the net present value of these minimum lease payments as of September 30:

Year Ending September 30	Water & Sewer	Governmental Activities	Total
2016	\$ 818,531	\$ 1,181,755	\$ 2,000,286
2017	818,531	1,121,085	1,939,616
2018	705,907	811,863	1,517,770
2019	705,907	811,079	1,516,986
2020	539,377	610,377	1,149,754
2021-2025	110,546	1,188,227	1,298,773
Total minimum lease payments	\$ 3,698,799	\$ 5,724,386	\$ 9,423,185
Less: amount representing interest	(279,522)	(425,172)	(704,694)
Present Value of minimum lease payments	\$ 3,419,277	\$ 5,299,214	\$ 8,718,491

PENSION FUND

Plan Description – The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS. TMRS issues a publicly available comprehensive annual report that includes financial statements and required supplementary information (RSI for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained from TMRS' website at www.TMRS.com.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	Plan Year 2014	Plan Year 2015
Employee deposit rate	7.0%	7.0%
Matching ration (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity Increase (to retirees)	50% of CPI repeating	50% of CPI repeating

Contributions – Under the State law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable rate for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity increases.

The City contributes to the TMRS plan at an actuarial determined rate. Both the Employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (i.e. December 31, 2012 valuation is effective for rates beginning January 2014).

The annual pension cost and the net pension obligation/(asset) are as follows:

Annual Required Contribution	\$ 2,852,497
Interest on Net Pension Obligation	107,197
Adjustment to the ARC	<u>(92,147)</u>
Annual Pension cost	\$ 2,867,547
Contributions Made	<u>(2,852,497)</u>
Increase (Decrease in net Pension Obligation)	\$ 15,050
Net Pension Obligation/(Asset), beginning of year	<u>1,531,391</u>
Net Pension Obligation/(Asset), end of year	<u><u>1,546,441</u></u>

Fiscal Year Ending	Pension Cost (APC)	Annual Contribution Made	% of APC Contributed	Net Pension Obligation
9/30/2013	\$ 2,648,693	\$ 2,636,868	99.55%	\$ 1,520,663
9/30/2014	2,669,611	2,658,883	99.60%	1,531,391
9/30/2015	2,867,547	2,852,497	99.48%	1,546,442

The required contributions rates for fiscal year 2015 were determined as part of the December 31, 2012 and 2013 actuarial valuations.

Additional information as of the latest actuarial valuation, December 31, 2014 also follows:

Actuarial Valuation Date	<u>12/31/2012</u>	<u>12/31/2013</u>	<u>12/31/2014</u>
Actuarial cost method	Projected Unit Credit	Entry Age Normal	Entry Age Normal
Amortization method	Level percent of Payroll	Level percent of Payroll	Level percent of Payroll
GASB 25 Equivalent Single Amortization Period	25.2 years; closed period	27.0 years; closed period	26.0 years; closed period
Amortization Period for new Gaines/Losses	30 years	30 years	30 years
Asset valuation method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market; 15% soft corridor
Actuarial Assumptions:			
Investment rate of return*	7.0%	7.0%	7.0%
Projected salary increases*	Varies by age and service	Varies by age and service	3.5%-12.00% including inflation
*Includes inflation at	3.0%	3.0%	3.0%
Cost-of-living adjustment	1.5%	1.5%	1.5%

The Funded status as of December 31, 2014, the most recent actuarial valuation date, is as follows:

Schedule of Funding Information

Actuarial Valuation Date	<u>12/31/2012</u>	<u>12/31/2013</u>	<u>12/31/2014</u>
Actuarial value of assets	\$ 75,124,003	\$ 81,968,291	\$ 89,408,352
Actuarial accrued liability (AAL)	84,408,558	94,388,644	100,250,911
Percent funded	89.0%	86.8%	89.2%
Unfunded (overfunded) actuarial accrued liability (UAAL)	9,284,555	12,420,353	10,842,559
Annual covered payroll	18,881,691	18,851,637	19,984,712
UAAL as a percent of covered payroll	49.2%	65.9%	54.3%

Other Post-Employment Benefits

POST-RETIREMENT HEALTH CARE BENEFITS

The City offers its retired employees health insurance benefits through a single-employer defined benefit OPEB plan, under City policy. The benefit plan was established by the City in 2002 and last amended in 2005. No separate pension plan report is issued. This plan is administered by the City and no separate audited financial statements are available.

Retired employees who have satisfied the retirement requirement as defined by the Texas Municipal Retirement System (TMRS) are eligible to participate. The City has elected the retirement requirement as any age with 20 years of service or 5 years of service for age 60 and above. Retirees under 65 retiring under the TMRS system are eligible to receive premium payments of individual (not dependent) health insurance benefits for a period of time equal to one month for every full year of service with the City. Employees are eligible immediately upon retirement and the eligibility only runs from the retirement date. Active employees will begin to contribute 25% of the premium toward retiree health care benefits beginning in October 2015. The City pays the employee-only premium for medical coverage, based on the City's Core Medical Plan Option. Retired employees are required to pay 100% of any additional premium expense for health benefits purchased upon retirement.

Spouse and eligible dependents are eligible to continue to purchase health benefits per Chapter 175 provisions. The City does not pay any portion of spouse or dependent medical coverage.

Annual OPEB Cost and Net OPEB Obligation - The City's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The City implemented the provisions of GASB 45 for the fiscal year ending September 30, 2009, as required by GASB. The City's annual OPEB cost for the current year and the related information is listed below:

Annual Required Contribution (ARC)	\$ 402,494
Interest on Net OPEB Obligation	50,573
Adjustment to the ARC	<u>(46,855)</u>
Annual OPEB Cost	\$ 406,212
Employer contribution	<u>(165,789)</u>
Increase in Net OPEB Obligation	\$ 240,423
Net OPEB Obligation, beginning of year	<u>1,123,845</u>
Net OPEB Obligation, ending of year	<u><u>\$ 1,364,268</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the prior three years (4.5% discount rate, and level percent of pay amortization) follow:

<u>Fiscal Year Ended</u>	<u>OPEB Cost</u>	<u>Employer Contribution</u>	<u>Percentage Contribution</u>	<u>OPEB Obligation</u>
9/30/2013	\$ 394,436	\$ 217,602	55.17%	\$ 1,123,845
9/30/2014	406,212	165,789	40.81%	1,364,268
9/30/2015	419,082	117,076	27.94%	1,666,274

Funding Status and Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL)	Unfunded (AAL) (UAAL)	Funded Ratio	Covered Payroll
12/31/2011	\$ -	\$ 2,820,447	\$ 2,820,447	0.00%	\$ 18,883,385
12/31/2011	-	2,820,447	2,820,447	0.00%	18,821,603
12/31/2013	-	3,432,848	3,432,848	0.00%	19,564,830

Actuarial Methods and Assumptions - Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the type of benefit provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Valuation Date	December 31, 2011	December 31, 2013
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll
Remaining Amortization Period	30 Years; Open	30 Years; Open
Asset Valuation Method	Market Value	Market Value
Actuarial Assumptions:		
Investment Rate of Return	4.5%	4.5%
Payroll Growth Rate	3.0%	3.0%
Projected Salary Increases	3.0%	3.0%
General Inflation Rate	3.0%	3.0%

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FINANCIAL INFORMATION

TABLE 13 - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Year Ended September 30,				
	2015 ⁽¹⁾	2014	2013	2012	2011
Revenues:					
Ad Valorem Taxes	\$ 17,966,242	\$ 15,763,186	\$ 15,348,420	\$ 15,444,428	\$ 15,847,989
Franchise Taxes	3,131,056	3,017,032	2,895,572	3,000,282	3,211,302
Municipal Sales Taxes	5,938,590	5,717,857	5,443,952	4,942,192	5,826,069
Permits and Fees	946,534	649,638	466,153	402,062	388,258
Charge for Services	2,785,813	2,612,512	2,644,415	2,291,101	2,748,494
Municipal Court	867,228	1,097,151	963,059	882,377	1,216,533
Intergovernmental	224,099	220,129	205,579	211,918	218,950
Interest Income	15,484	28,761	20,058	24,535	51,069
Miscellaneous	1,893,125	1,338,761	1,324,679	1,183,382	603,090
Total Revenues	\$ 33,768,171	\$ 30,445,027	\$ 29,311,887	\$ 28,382,277	\$ 30,111,754
Expenditures:					
General Government	\$ 3,312,887	\$ 3,203,660	\$ 2,448,346	\$ 2,800,377	\$ 4,152,690
Public Works	19,620,839	2,895,087	2,874,972	2,829,349	2,652,139
Public Safety	2,688,930	18,884,392	17,902,071	18,164,372	17,939,924
Culture & Recreation	4,387,042	4,332,503	4,282,981	4,168,618	3,929,002
Development	1,578,437	1,227,382	1,128,814	840,833	672,775
Debt Service	1,198,262	794,354	728,888	556,947	537,575
Capital Outlay	1,015,926	1,174,975	1,575,953	1,488,747	1,151,597
Total Expenditures	\$ 33,802,323	\$ 32,512,353	\$ 30,942,025	\$ 30,849,243	\$ 31,035,702
Excess (Deficiency) of Revenues					
Over Expenditures	\$ (34,152)	\$ (2,067,326)	\$ (1,630,138)	\$ (2,466,966)	\$ (923,948)
Capital Lease	79,583	1,959,204	1,130,985	351,152	1,202,602
Operating Transfers In (Out)	536,792	710,101	192,899	652,453	605,828
Proceeds from Sale of Assets	-	-	-	1,500	-
Net Increase (Decrease)	582,224	601,979	(306,254)	(1,461,861)	884,482
Beginning Fund Balance	7,777,808	7,175,829	7,482,083	8,943,944	8,059,462
Ending Fund Balance	\$ 8,360,032	\$ 7,777,808	\$ 7,175,829	\$ 7,482,083	\$ 8,943,944

(1) Unaudited.

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TABLE 13A – CHANGE IN NET ASSETS

	Fiscal Year Ended September 30,				
	2014	2013	2012	2011	2010
<u>Revenues:</u>					
Program Revenues:					
Charges for Services	\$ 5,331,793	\$ 5,309,333	\$ 5,103,405	\$ 5,767,891	\$ 6,091,542
Operating Grants and Contributions	418,983	817,022	901,055	963,803	484,634
Capital Grants and Contributions	3,878,487	6,735,636	6,748,657	2,687,884	1,532,660
General Revenues:					
Property Taxes	23,307,395	23,290,763	23,805,465	23,967,737	24,611,698
Sales Taxes	5,652,848	5,386,679	4,894,006	5,767,527	6,228,228
Other Taxes	130,138	112,300	48,186	124,748	98,052
Other	3,126,943	3,010,969	3,127,383	3,214,049	2,767,064
Investments & Miscellaneous	1,639,246	1,503,007	1,325,485	337,232	906,716
Total Revenues	<u>\$ 43,485,833</u>	<u>\$ 46,165,709</u>	<u>\$ 45,953,642</u>	<u>\$ 42,830,871</u>	<u>\$ 42,720,594</u>
<u>Expenses:</u>					
General Government	\$ 3,743,246	\$ 3,079,438	\$ 4,274,638	\$ 5,043,354	\$ 4,812,456
Public Safety	20,994,087	19,791,298	20,456,358	20,077,172	20,243,476
Public Works	12,040,271	11,690,444	13,472,469	12,320,408	12,747,289
Culture and Recreation	5,152,775	5,100,405	4,975,355	4,796,472	5,138,905
Development	1,230,969	1,183,670	881,385	726,014	844,980
Interest on Long-Term Debt	3,407,157	2,848,832	2,888,071	3,445,261	3,562,170
Total Expenses	<u>\$ 46,568,505</u>	<u>\$ 43,694,087</u>	<u>\$ 46,948,276</u>	<u>\$ 46,408,681</u>	<u>\$ 47,349,276</u>
Increase in Net Assets Before Transfers	(3,082,672)	2,471,622	(994,634)	(3,577,810)	(4,628,682)
Transfers	4,366,169	4,448,300	3,916,368	4,999,142	4,625,155
Decrease/Increase in Net Assets	1,283,497	6,919,922	2,921,734	1,421,332	(3,527)
Net Assets, October 1	53,470,523	46,550,601	43,628,867	42,207,535	42,211,062
Prior Period Adjustment	-	-	-	-	-
Net Assets, September 30	<u>\$ 54,754,020</u>	<u>\$ 53,470,523</u>	<u>\$ 46,550,601</u>	<u>\$ 43,628,867</u>	<u>\$ 42,207,535</u>

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TABLE 14 - MUNICIPAL SALES TAX HISTORY

The City has adopted the Municipal Sales and Use Tax Act, V.T.C.S., Tax Code, Chapter 321, as amended, 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 Certificates.** 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.

FYE 9/30	Total Collected	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
2011	\$ 5,767,527	24.09%	\$ 0.1791	\$ 102.57
2012	4,894,006	20.73%	0.1543	86.91
2013	5,386,679	23.31%	0.1724	95.66
2014	5,652,848	24.50%	0.1814	96.67
2015	5,390,400 ⁽¹⁾	21.08%	0.1646	92.18

(1) Collections through October 2015.

FINANCIAL POLICIES

Basis of Accounting . . . The City's accounting records of the governmental fund revenues and expenditures are recognized on the modified accrual basis. Revenues are recognized in the accounting period in which they are available and measurable. Expenditures are recognized in the accounting period in which the fund liability occurred, if measurable, except for unmatured interest on general long-term debt.

Proprietary Fund revenues and expenses are recognized on the full accrual basis. Revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recognized in the accounting period in which they are incurred.

Fund Balances . . . Fund balances will be maintained in an amount adequate to assure that any legal requirements are met and that adequate funds are available to meet cash flow requirements. It is the City's intention to maintain in the General Fund 13%, and Water and Sewer Fund 20% of the next year's budgeted expenditures. Cash balances are to be monitored yearly during budgeting preparation.

Enterprise Fund transfers to the General Fund . . . The City has adopted a financial policy whereby annual transfers are made from the enterprise funds (generally, the water and sewer departments) to the General Fund. The transfers consist of:

General and Administrative: A set fee is transferred to the General Fund for services of general overhead, such as administration, finance, personnel, data processing and legal counsel.

Franchise Payment in Lieu of Tax: A rate of 5% of gross sales is transferred to the General Fund, consistent with the rates charged to private utilities operating within the City.

Payment in Lieu of Property Tax: An amount based on book value and the existing tax rate is transferred to the General Fund to equate to property taxes lost due to municipal ownership.

Use of Bond Proceeds . . . The City's policy is to use bond proceeds for capital expenditures only. Such revenues are never to be used to fund normal City operations.

Budgetary Procedures . . . The City's Home Rule Charter establishes the fiscal year as the twelve-month period beginning each October 1. Each year, by the middle of June, the departments submit to the City Manager a budget of estimated expenditures for the ensuing fiscal year. After review by the Finance Department and the City Manager a budget of estimated revenues and expenditures is submitted to the City Council. Subsequently, the City Council will hold work sessions to discuss and amend the budget to coincide with their direction of the City. Various public hearings may be held to comply with state statutes. The City Council will adopt a budget prior to October 1. If the Council fails to adopt a budget then the budget proposed by the City Manager is deemed to have been adopted.

INVESTMENTS

The City invests its investable funds in investments authorized by Texas law, including particularly V.T.C.A., Texas Government Code, Chapter 2256, as amended (the "PFIA"), in accordance with investment policies approved by the City Council. Both state law and the City's investment policies are subject to change.

LEGAL INVESTMENTS. . . Under current State law, the City is authorized to invest in: (1) obligations of the United States or its agencies and instrumentalities, (2) direct obligations of the State or its agencies and instrumentalities, (3) collateralized mortgage obligations directly 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 of and interest on 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 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) certificates of deposit meeting the requirements of the Texas Public Funds Investment Act (Chapter 2256, Texas Government Code) that are issued by or through an institution that either has its main office or a branch in the State, and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for City deposits, (8) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1), and are placed through a primary government securities dealer or a financial institution doing business in the State, (9) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) 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 (6) above, clauses (11) through (13) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City and held in the City’s name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) 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 (iv) the agreement to lend securities has a term of one year or less, (10) certain bankers’ acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least “A-1” or “P-1” or the equivalent by at least one nationally recognized credit rating agency, (11) commercial paper with a stated maturity of 270 days or less that is rated at least “A-1” or “P-1” or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (12) no-load money market mutual funds registered with the Securities and Exchange Commission that have a dollar-weighted average stated maturity of 90 days or less and include in their investment objectives the maintenance of a stable net asset value of \$1 for each share, (13) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, invest exclusively in obligations described in this paragraph and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of no less than “AAA” or its equivalent. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described below.

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. The City is 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.

Under State 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) market ability of each investment, (5) diversification of the portfolio, and (6) yield. The City is required to designate one or more officers or employees as investment officers to be responsible for the investment of its funds. In the administration of the duties of an investment officer, the person so designated shall exercise the judgment and care, under prevailing circumstances that a prudent person would exercise in the management of the person’s own affairs. Unless authorized by law, a person may not deposit, withdraw, or manage in any other manner the funds of the City.

Under State 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 for the period. The report must: (1) describe the investment position of the City, (2) be prepared jointly and signed by each investment officer, (3) contain a summary of each pooled fund group that states: the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) state the book value and market value of each separately listed asset at the end of the reporting period, (5) state the maturity date of each separately invested asset, (6) state the account or pooled fund group for which each individual investment was acquired, and (7) state the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) State law. If the City invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of Certificates of deposit, or money market accounts or similar accounts, the reports prepared by the investment officers shall be reviewed at least annually by an independent auditor, and the result of the review shall be reported to the City Council. No person may invest City funds without express written authority from the City Council.

Under Texas law, the City is additionally required to: (1) annually review its adopted policies and strategies and adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and record any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance, or resolution; (2) require any investment officers with personal business relationships or family relationships 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, (3) 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 activities 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 City's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement attesting to these requirements; (4) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the City's investment policy, (5) 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, (6) restrict the investment in mutual funds in the aggregate to no more than 80% of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, and further restrict the investment in no-load mutual funds of any portion of bond proceeds, reserves and funds held for debt service and to no more than 15% of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (7) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements (8) provide specific investment training for the Treasurer, the chief financial officer (if not the Treasurer) and the investment officer and (9) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

The City’s current investment policy is in compliance with the State law requirements described above.

TABLE 15 - CURRENT INVESTMENTS

As of April 30, 2015, the City’s investable general funds were invested in the following categories:

Description	Book Value	% of Investment	Market Value	% of Investment
Commercial Paper	\$ 2,197,493	6.18%	\$ 2,197,621	6.18%
U.S. Treasury Bond/Note	7,093,316	19.96%	7,124,617	20.02%
Bond/Note	6,494,679	18.28%	6,506,172	18.29%
TexPool	19,751,579	55.58%	19,751,579	55.51%
Total	<u>\$ 35,537,067</u>	<u>100.00%</u>	<u>\$ 35,579,989</u>	<u>100.00%</u>

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TAX MATTERS

OPINION . . . On the date of initial delivery of the Certificates, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, 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 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 Certificates”, 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 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 - Form of Bond Counsel’s Opinion.

In rendering its opinion, Bond Counsel will rely upon (a) certain information and representations of the City, including information and representations contained in the City’s federal tax certificate, and (b) covenants of the City contained in the documents authorizing the Certificates relating to certain matters, including arbitrage and the use of the proceeds of the Certificates and the property financed therewith. Failure of the City to comply with these representations or covenants could cause the interest on the Certificates to become includable in gross income retroactively to the date of issuance of the Certificates.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Certificates in order for interest on the Certificates 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 Certificates to be included in gross income retroactively to the date of issuance of the Certificates. The opinions of Bond Counsel are rendered in reliance upon the compliance by the City with such requirements, and Bond Counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Certificates.

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. 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 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 Certificates.

A ruling was not sought from the Internal Revenue Service by the City with respect to the Certificates or the property financed with proceeds of the Certificates. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Certificates, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an Internal Revenue Service audit is commenced, under current procedures the Internal Revenue Service is likely to treat the City as the taxpayer and the Certificateholders 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 Certificates may be less than the maturity amount thereof or one or more periods for the payment of interest on the Certificates may not be equal to the accrual period or be in excess of one year (the “Original Issue Discount Certificates”). In such event, the difference between (i) the “stated redemption price at maturity” of each Original Issue Discount Certificate, and (ii) the initial offering price to the public of such Original Issue Discount Certificate would constitute original issue discount. The “stated redemption price at maturity” means the sum of all payments to be made on the Certificates 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 Certificate 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 Certificate 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 the discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Certificate prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Certificate 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 Certificate was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Certificate 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 Certificates 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 Certificate 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 Certificate.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Certificates 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 Certificate should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Certificates 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 Certificates.

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 Certificates. This discussion is based on Existing Law, which is 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 earned income credit, certain S corporations with accumulated earnings and profits and excess passive investment income, foreign corporations subject to the branch profits tax 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 CERTIFICATES.

Interest on the Certificates will be includable as an adjustment for “adjusted current earnings” to calculate the alternative minimum tax imposed on corporations by section 55 of the Code.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Certificates, 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 Certificates, 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 Certificates” to the extent such gain does not exceed the accrued market discount of such Certificates, although for this purpose, a de minimis amount of market discount is ignored. A “market discount Certificate” is one which is acquired by the holder at a purchase price which is less than the stated redemption price or, in the case of a Certificate 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 Certificate 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 Certificates 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.

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 Certificates under federal or state law, and could affect the market price or marketability of the Certificates. Any of the foregoing could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any of the foregoing becoming effective cannot be predicted. Prospective purchasers of the Certificates should consult their own tax advisors regarding the foregoing matters.

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CONTINUING DISCLOSURE OF INFORMATION

In the Ordinance, the City has made the following agreement for the benefit of the registered and beneficial owners of the Certificates. The City is required to observe the agreement for so long as it remains obligated to advance funds to pay the Certificates. Under the agreement, the City will be obligated to provide certain updated financial information and operating data annually and timely notice of specified events to the Municipal Securities Rulemaking Board (“MSRB”). This information will be publicly available on the MSRB’s Electronic Municipal Market Access System (“EMMA”) at <http://emma.msrb.org/>.

ANNUAL REPORTS. . . The City will provide certain updated financial information and operating data to the MSRB on an annual basis. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in this Official Statement under Tables numbered 1 through 6 and 8 through 15 (the “Annual Operating Report”). The City will update and provide this information within six months after the end of each fiscal year ending in and after 2015. The City will additionally provide audited financial statements of the City (the “Financial Statements”) and such Financial Statements will be provided when and if available, but in any event within 12 months after the end of each fiscal year ending in or after 2015. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City will 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 statements becomes available. Any such Financial Statements will be prepared in accordance with the accounting principles described in Appendix B or such other accounting principles as the City may be required to employ from time to time pursuant to State law or regulation. The City may provide updated information in full text or may incorporate by reference documents available on EMMA or filed with the U.S. Securities and Exchange Commission (the “SEC”).

The City’s current fiscal year end is September 30. Accordingly, the Annual Operating Report must be provided by March 31 in each year, and the Financial Statements must be provided by September 30 of each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB of the change.

EVENT NOTICES . . . The City will also provide to the MSRB notices of certain events on a timely basis no later than 10 business days after the event. The City will provide notice of any of the following events with respect to the Certificates: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates; (7) modifications to rights of holders of the Certificates, if material; (8) Certificate calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Certificates, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the City; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of any trustee, if material. (Neither the Certificates nor the Ordinance makes any provision for a bond trustee, debt service reserves or credit enhancement.)

LIMITATIONS AND AMENDMENTS . . . The City has agreed to update information and to provide notices of material 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 Certificates 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 Certificates may seek a writ of mandamus to compel the City to comply with its agreement.

The City may amend its continuing disclosure agreement 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 Certificates 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 Certificates 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 registered and beneficial owners of the Certificates. The City may also amend or repeal the provisions of its 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 Certificates in the primary offering of the Certificates. 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 has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

The City, by way of an administrative error, failed to provide funds to U.S. Bank Corporate Trust Services (the “paying agent”), to pay the coupon due February 15, 2012 for the City of Rowlett, Texas Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2006. The City was timely with the wiring of funds for their remaining February 15, 2012 debt service requirements.

The City wired funds to the paying agent on February 16, 2012 to satisfy the obligation. The City additionally filed a Notice of Material Event, dated February 16, 2012, with the MSRB describing the late payment. The City has examined its administrative procedures and made the necessary changes to remedy future oversights.

OTHER INFORMATION

RATINGS

The presently outstanding tax supported debt of the City is rated “Aa2” by Moody’s and “AA” by S&P, without regard to credit enhancement. Applications have been made to Moody’s and S&P for contract ratings on the Certificates. An explanation of the significance of such ratings may be obtained from the companies furnishing the ratings. The ratings reflect only the view of such companies 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 of such 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 Certificates.

LITIGATION

It is the opinion of the City Attorney and City Staff that there is no pending litigation against the City that would have a material adverse financial impact upon the City or its operations.

REGISTRATION AND QUALIFICATION OF CERTIFICATES FOR SALE

The sale of the Certificates 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 Certificates have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Certificates been qualified under the securities acts of any jurisdiction. The City assumes no responsibility for qualification of the Certificates under the securities laws of any jurisdiction in which the Certificates may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Certificates 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

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Certificates 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. With respect to investment in the Certificates by municipalities or other political subdivisions or public agencies of the State, the Texas Public Funds Investment Act requires that the Certificates be assigned a rating of at least “A” or its equivalent as to investment quality by a national rating agency. See “OTHER INFORMATION - Ratings” herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Certificates are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Certificates are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Certificates are legal investments for various institutions in those states.

LEGAL MATTERS

The City will furnish to the Initial Purchaser a complete transcript of proceedings had incident to the authorization and issuance of the Certificates, including the unqualified approving legal opinion of the Attorney General of Texas approving the Certificates and to the effect that the Certificates are valid and legally binding obligations of the City, and based upon examination of such transcript of proceedings, the approving legal opinion of Bond Counsel, to like effect, and to the effect that the interest on 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, including the alternative minimum tax on corporations. 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 Certificates, or which would affect the provision made for their payment or security, or in any manner questioning the validity of the Certificates will also be furnished. Though it may represent the Financial Advisor and purchasers of bonds, such as the Initial Purchaser from time to time in matters unrelated to the issuance of the Certificates, Bond Counsel has been engaged by and only represents the City in the issuance of the Certificates. 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 herein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Certificates in the Official Statement to verify that such description conforms to the provisions of the Ordinance. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Certificates is contingent on the sale and delivery of the Certificates.

The legal opinions to be delivered concurrently with the delivery of the Certificates 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.

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

First Southwest Company, LLC is employed as Financial Advisor to the City in connection with the issuance of the Certificates. The Financial Advisor's fee for services rendered with respect to the sale of the Certificates is contingent upon the issuance and delivery of the Certificates. The Financial Advisor has agreed, in its Financial Advisory contract, not to bid for the Certificates, either independently or as a member of a syndicate organized to submit a bid for the Certificates. First Southwest Company, LLC, in its capacity as Financial Advisor, 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 Certificates, 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") to purchase the Certificates at the interest rates shown on page 2 of this Official Statement at a price of _____. The Initial Purchaser can give no assurance that any trading market will be developed for the Certificates after their sale by the City to the Initial Purchaser. The initial yields shown on page 2 of this Official Statement will be established by and are the sole responsibility of the Initial Purchaser and may subsequently be changed at the sole discretion of the Initial Purchaser. The City has no control over the determination of the initial yields and has no control over the prices at which the Certificates are sold in the secondary market.

CERTIFICATION AS TO OFFICIAL STATEMENT

At the time of payment for and delivery of the Certificates, the City will furnish the Initial Purchaser a certificate, executed by an authorized representative of the City, acting in such person’s representative capacity, to the effect that to the best of such person’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 Certificates 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 in any material respect; (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.

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.

MISCELLANEOUS

The Ordinance authorizing the issuance of the Certificates will approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorize its further use in the reoffering of the Certificates by the Initial Purchaser.

Mayor
City of Rowlett, Texas

ATTEST:

City Secretary
City of Rowlett, Texas

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

THE CITY

LOCATION

The City of Rowlett is a retail center located in northeast Dallas County just north of Interstate Highway 30. The City is located four miles east of Garland and 12 miles northeast of Dallas. The City is traversed by President George Bush Turnpike (Tollway), Interstate 30 and State Hwy 66 which connects Rowlett with the cities of Garland and Dallas to the west and Rockwall to the east.

The City is bordered by Lake Ray Hubbard on four sides, and is influenced by its increasing recreation and residential development. Lake Ray Hubbard, with approximately 32 miles of shoreline within Rowlett's City Limits, has become a major recreational lake due to its location in the Dallas Metropolitan Area, contributing to the City's growth.

POPULATION

The City of Rowlett's census population in 1970 was 2,243; in 1980 was 7,522; in 1990 was 23,260, and in 2000 was 44,503, increasing 48% from 1990 to 2000. The 2010 census was 56,199, a 21% increase since 2000. The current estimated 2016 population of the City is 60,002.

SERVICES

Natural gas is supplied to the citizens of Rowlett through Atmos Gas Company. Water is supplied by the North Texas Municipal Water District, with the City's primary sources of water coming from Lake Lavon and Lake Ray Hubbard. Telephone service is provided by Verizon.

The City offers the 911 emergency telephone system and employs 75 full-time sworn police officers and 13 dispatchers. The fire department employs 74 full-time firemen.

The City operates a public library, which has an arrangement with the Dallas County Public Library to further enhance materials available to the public. The library has approximately 88,774 volumes, circulating video and large print collections, newspapers, children's summer reading program and adult programming.

Rowlett offers one hospital, Lake Pointe Medical Center. The 112-bed acute care hospital provides a wide spectrum of medical services, including an emergency department with Fast Track Services, a 14-bed intensive care unit, women's services, Level II and Level III NICU, diagnostic imaging, eight operating rooms, including the da Vinci Surgical System and telemetry. With a medical staff of 450 physicians, Lake Pointe Medical Center provides a number of specialty services in conjunction with numerous other clinics and doctors located in the area.

In addition to Lake Ray Hubbard 30 parks are located within the City and two country clubs are within two miles of the City. A 50,515 square foot Rowlett Community Centre provides meeting room and banquet room accommodations as well as a fully-equipped recreational facility. The City also offers a Wet Zone Family Water Park, open through the summer months, hosting daily open swim hours, classes, programs and special events. The Golf Course, which includes a dining club, opened May 1, 2000.

TRANSPORTATION

The City has access to Interstate Highways 20, 30, 45 and 635. In addition, the President George Bush Turnpike (Tollway) opened in December, 2011. In May 2015, the City acquired Elgin B. Robertson Park from the City of Dallas. This property extends the southern border of the lake and is traversed by Interstate 30. Dallas Area Rapid Transit ("DART") serves the area with an express route system that provides non-stop service to downtown Dallas each weekday and several local routes that travel to the nearby Garland Central Transit Center for transfers to other routes in the DART system. Rail freight service is provided by the Union Pacific Railroad. All common carriers serving Dallas offer motor freight line service in the City. The City is located approximately 35 miles east of Dallas/Fort Worth International Airport.

EDUCATION

One high school, two middle schools and 10 elementary schools are located within the City. The City is generally served by Garland Independent School District, with Rockwall Independent School District providing one elementary school.

Colleges within 30 minutes of the City include Southern Methodist University, University of Dallas, University of Texas at Dallas, Amber University and Dallas County and Collin County Community Colleges.

BUILDING PERMITS

Fiscal Year Ended 9/30	Commercial		Residential	
	Number	Amount	Number	Amount
2011	3	\$ 9,944,350	22	\$ 5,279,425
2012	7	7,300,000	80	20,500,000
2013	4	3,675,000	74	20,335,000
2014	7	10,775,000	112	33,477,000
2015	13	21,502,400	170	110,324,167

PRINCIPAL EMPLOYERS

Employer	Number of Employees
Garland ISD (City schools only)	1,092
Lake Pointe Medical Center	750
Wal-mart Supercenter	420
City of Rowlett	362
DR Horton	300
Target Corporation	180
Senior Care at Lake Pointe	135
Rowlett Nursing Home	119
Walmart Neighborhood Market	90
H&S Manufacturing	73
	<u>3,521</u>

Source: City of Rowlett – Economic Development Department.

EMPLOYMENT RATES

Employment statistics for Dallas and Rockwall Counties are as follows:

	2015 Annual Average ⁽¹⁾	2014 Annual Average	2013 Annual Average	2012 Annual Average	2011 Annual Average
Dallas County					
Civilian Labor Force	1,274,285	1,268,571	1,239,411	1,224,215	1,211,522
Total Employment	1,220,529	1,200,663	1,158,493	1,137,077	1,112,798
Unemployed	53,756	67,908	80,918	87,138	98,724
Percent Unemployed	4.22%	5.35%	6.53%	7.12%	8.15%
Rockwall County					
Civilian Labor Force	43,768	43,404	42,429	41,223	40,586
Total Employment	42,146	41,469	40,014	38,678	37,711
Unemployed	1621	1,935	2415	2545	2875
Percent Unemployed	3.70%	4.46%	5.69%	6.17%	7.08%

Source: Texas Employment Commission, Austin, Texas.

(1) Averages as of August 2015.

APPENDIX B

EXCERPTS FROM THE
CITY OF ROWLETT, TEXAS
ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2014

The information contained in this Appendix consists of excerpts from the City of Rowlett, Texas Annual Financial Report for the Year Ended September 30, 2014, 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.

APPENDIX C

FORM OF BOND COUNSEL'S OPINION