

City Council Agenda

SAGINAW CITY COUNCIL NOTICE OF MEETING

Meeting and/or Executive Session Agenda

6:00 PM - Tuesday, August 18, 2020

Saginaw City Hall Council Chambers

333 West McLeroy Blvd.

In accordance with Section 551.042 of the Texas Government Code, this agenda has been posted at Saginaw City Hall, and distributed to the appropriate news media within the required time frame. All meetings of the Saginaw City Council are open to the public. Public participation and written comments are invited on all open session business items.

The Mayor and City Council request that all cell phones and pagers be turned off or set to vibrate. Members of the audience are requested to step outside to respond to a page or to conduct a phone conversation.

The City Hall is wheelchair accessible and special parking is available on the east side of the building. If special accommodations are required please contact the City Secretary a minimum of 72 hours in advance at 817-232-4640.

(1) Call to Order--Todd Flippo, Mayor

Pledge of Allegiance to the United States

Pledge of Allegiance to the State of Texas

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

(2) Invocation--Pastor Dennis Hudson, Saginaw Park Baptist Church

(3) Audience Participation--On the Video Screen

(4) Consent Agenda--All items listed with lower case letters are part of the Consent Agenda. Public hearing and review are held collectively unless opposition is presented, in which case the contested item will be heard separately.

(a) Action regarding Minutes, August 4, 2020--Janice England, City Secretary

(b) Action regarding Geotechnical Services Agreement with CMJ Engineering for Central Fire Station Design--Dolph Johnson, Asst. City Manager

(c) Action regarding Resolution No. 2020-19, Adopting TCAP's Professional Services Agreement and Gexa Energy's Commercial Electric Service Agreement for Power to be Provided on and After January 1, 2023--Dolph Johnson, Asst. City Manager

- (5) PUBLIC HEARING - Consideration and Action regarding a Recommendation from the Planning and Zoning Commission, to Amend the Zoning Ordinance (No. 2001-04) Amending the Regulations for "Private Card Club" and "Bingo Halls" (Ordinance No. 2020-16)--Rick Trice, P.E., Director of Public Works
- (6) Consideration and Action regarding Approval of a Replat for Lots 2R4-A, 2R4-B, 2R4-C, and 2R4-D, Block A, Van Zandt Place being a Replat of Lot 2R4, Block A Van Zandt Place an Addition to the City of Saginaw, Texas--Rick Trice, P.E., Director of Public Works
- (7) Consideration and Action regarding Requested Variances to Section 7.09 Drainage and Storm Sewer, Subsection C.3.i. of the Subdivision Ordinance related to detention requirements in the proposed parking lot at the Southwest Corner of Palomino Dr. and S. Saginaw Blvd. (a portion of Lot 4R, Block 16, Ranch North Unit 1)--Rick Trice, P.E., Director of Public Works
- (8) Consideration and Action regarding approval of Ordinance No. 2020-15, authorizing the issuance and sale of City of Saginaw, Texas Combination Tax and Revenue Certificates of Obligation, Series 2020; levying an annual ad valorem tax and providing for the security for and payment of said certificates; approving the official statement; providing an effective date; and enacting other provisions relating to the subject--Kim Quin, Finance Director
- (9) Consideration and Action regarding Resolution No. 2020-18, Approving the Sale of Property Described as Lot 25, Block 19, Rancho North Addition, also known as 232 Hialeah Park, Saginaw, Texas--Dolph Johnson, Asst. City Manager
- (10) Consideration and Action regarding Proposed FY2020/2021 Tax Rate and Notice of Public Hearing--Kim Quin, Finance Director

(11) Executive Session

551.071. Texas Government Code.

Consultation with Attorney. The City Council may convene in executive session to conduct a private consultation with its attorney on any legally posted agenda item, when the City Council seeks the advice of its attorney about pending or contemplated litigation, a settlement offer, or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the provisions of Chapter 551, including the following items:

(a) Any Posted Item

551.087 Texas Government Code.

Deliberation regarding Economic Development Negotiations. The City Council may convene in executive session to discuss or deliberate regarding commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay, or expand in or near the City and with which the City is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect described above, including:

(a) Potential Restaurant Relocation

(12) Adjournment--Todd Flippo, Mayor



City of Saginaw

Meeting Date: 8/18/2020

Staff Contact: Janice England
City Secretary

Agenda Items: (4)(a)

E-mail: jengland@saginawtx.org

Phone: 817-230-0327

SUBJECT:

Action regarding Minutes, August 4, 2020

BACKGROUND/DISCUSSION:

The minutes of the August 4, 2020 City Council Meeting are presented for consideration.

FINANCIAL IMPACT:

N/A

RECOMMENDATION:

Staff recommends approval.

ATTACHMENTS:

Description

Minutes 8-4-2020

**CITY OF SAGINAW
MINUTES OF CITY COUNCIL MEETING
HELD AT THE SAGINAW CITY HALL
333 WEST MCLEROY BLVD.
AUGUST 4, 2020**

Present at the meeting:

Mayor	Todd Flippo
Mayor Pro-Tem	Valerie Junkersfeld
Councilmember	Charles Beasley
Councilmember	Patrick Farr
Councilmember	Charles Tucker
Councilmember	Cindy Bighorse
Councilmember	Mary Copeland
City Attorney	Bryn Meredith
City Engineer	Andrew Simonsen, P.E.
City Manager	Gabe Reaume
Asst. City Manager	Dolph Johnson
Finance Director	Kim Quin
City Secretary	Janice England
Police Chief	Lee Howell
Fire Chief	Doug Spears
Director of Public Works	Rick Trice, P.E.
Director of Human Resources	Melanie McManus
Dir. of Comm. & Eco. Dev.	Keith Rinehart
Library Director	Ellen Ritchie
Management Analyst	Kevin Pantoja

Absent from the meeting:

None

Visitors at the meeting:

Kelly Stewart	Fred Stewart
Robert Sims	Dena Sims

(1) Call to Order

Mayor Flippo called the meeting to order at 6:00 p.m. with a quorum present.

Pledge of Allegiance to the United States

Pledge of Allegiance to the State of Texas

(2) Invocation

In the absence of Pastor Orr, Councilmember Farr gave the invocation.

(3) Audience Participation

This item was covered on the video screen.

(4) Consent Agenda

a. Action regarding Minutes, July 21, 2020

b. Action regarding Approval of the Revised Official Zoning Map

Summary: Over the past few months, staff has been working with Kimley-Horn & Associates to update the City's Official Zoning Map. The last update was approved in May 2016. During the past four years, there have been a number of zoning changes, developments and roads. The proposed updated map reflects those changes. This map was originally created and certified as the official map referred to in Ordinance No. 2002-04 as amended.

c. Action regarding Acceptance of a Water-Sewer Facility Easement from Ardent Mills, LLC

Summary: The Saginaw Boulevard 16" Waterline, Phase 2 Project includes a new water pipeline from the intersection of Palomino Drive and Saginaw Boulevard eastward across the boulevard and the Union Pacific Railroad and the Burlington Northern Santa Fe Railroad. The pipeline will be routed through the Ardent Mills, LLC property requiring a new 20 foot wide permanent easement. There is no financial impact.

d. Action regarding Approval of Audit Engagement Letter with Weaver and Tidwell for Fiscal Year 19/20

Summary: Each year the City Council must appoint a firm to perform the annual audit. Last year a two year contract with the option of three, one year extensions with Weaver and Tidwell was approved. The cost of the audit will be \$45,900 per the previously approved contract. In addition to the regular audit, a single audit must be performed. This is necessary due to the receipt of federal funding through the CARES Act. The cost of the single audit will be an additional \$5,000.

Motion was made by Councilmember Farr with a second by Mayor Pro-Tem Junkersfeld to approve the consent agenda as presented. Motion carried unanimously. 7-0-0-0

For: Mayor Flippo, Mayor Pro-Tem Junkersfeld, Councilmembers Beasley, Farr, Tucker, Bighorse, and Copeland

Against: None

Abstain: None

Absent: None

(5) Consideration and Action regarding a Development Agreement with Havener HH, LP related to Public Infrastructure Installation for Old Decatur Road adjacent to Block A, Van Zandt Addition

Motion was made by Mayor Pro-Tem Junkersfeld with a second by Councilmember Farr to approve the Development Agreement with Havener HH, LP related to Public Infrastructure for Old Decatur Road adjacent to Block A, Van Zandt Addition. Motion carried unanimously. 7-0-0-0

For: Mayor Flippo, Mayor Pro-Tem Junkersfeld, Councilmembers Beasley, Farr, Tucker, Bighorse, and Copeland

Against: None

Abstain: None

Absent: None

- (6) Consideration and Action regarding Ordinance No. 2020-14, Suspending any Payment due for any Application for a Mobile Food Unit Permit for a Period of Six Months following the Effective Date of this Ordinance

Motion was made by Mayor Pro-Tem Junkersfeld with a second by Councilmember Bighorse to approve Ordinance No. 2020-14, granting a free one month period for mobile food units; and after the end of the free month the annual permit will be \$250 for mobile food units. Motion carried unanimously. 7-0-0-0

For: Mayor Flippo, Mayor Pro-Tem Junkersfeld, Councilmembers Beasley, Farr, Tucker, Bighorse, and Copeland

Against: None

Abstain: None

Absent: None

- (7) FY20/21 Budget Workshop: General Fund and Debt Service Fund

Mayor Flippo declared the meeting recessed into workshop at 6:39 p.m.

Finance Director Quin gave a brief presentation regarding the proposed Fiscal Year 2020-2021 General Fund and Debt Service Fund. She explained that the proposed budget is based on a no new revenue tax rate of .457966. The tax rate for the Fiscal Year 2019-2020 budget was .459. After much discussion, the consensus of the Council was to post the voter approval tax rate 3.5% which is .468706.

City Manager Reaume reminded everyone of the budget workshop scheduled for Saturday, August 15th.

Mayor Flippo declared the meeting back in regular session at 7:28 p.m.

- (8) Executive Session

1 § 551.071. Texas Government Code. Consultation with Attorney. The City Council may convene in executive session to conduct a private consultation with its attorney on any legally posted agenda item, when the City Council seeks the advice of its attorney about pending or contemplated litigation, a settlement offer, or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the provisions of Chapter 551, including the following items:

- a. Any Posted Item

- (9) Adjournment

Motion was made by Councilmember Farr with a second by Mayor Pro-Tem Junkersfeld to adjourn the meeting. Motion carried unanimously. 7-0-0-0

For: Mayor Flippo, Mayor Pro-Tem Junkersfeld, Councilmembers Beasley,
Farr, Tucker, Bighorse, and Copeland

Against: None

Abstain: None

Absent: None

Mayor Flippo declared the City Council Meeting of August 4, 2020 adjourned at 7:28 p.m.

ATTEST:

APPROVED:

City Secretary Janice England

Mayor Todd Flippo



City of Saginaw

Meeting Date: 8/18/2020

Staff Contact: Dolph Johnson
Assistant City Manager

Agenda Items: (4)(b)

E-mail: djohnson@saginawtx.org

Phone: 817-230-0325

SUBJECT:

Action regarding Geotechnical Services Agreement with CMJ Engineering for Central Fire Station Design

BACKGROUND/DISCUSSION:

CMJ Engineering, Inc. has successfully provided geotechnical engineering services to the City for many projects over the last 20 years. This agreement includes the soil borings and analysis to assist the design team in determining foundation and paving designs for the new central fire station project.

FINANCIAL IMPACT:

\$8,900 which will be funded from the 2020 CO bond funds.

RECOMMENDATION:

Staff recommends approval of the agreement.

ATTACHMENTS:

Description

CMJ Proposal and Agreement

Estimate No. 20-7761 (Revised)
August 12, 2020

City of Saginaw
P.O. Box 79070
Saginaw, Texas 76179

Attn: Mr. Dolph Johnson, CPM
Assistant City Manager

**ESTIMATE FOR:
GEOTECHNICAL ENGINEERING SERVICES
SAGINAW CENTRAL FIRE STATION
NWC W. McLEROY BOULEVARD AT AMBER DRIVE
SAGINAW, TEXAS**

Dear Mr. Johnson:

INTRODUCTION

CMJ Engineering, Inc. (CMJ) is pleased to submit an estimate for providing geotechnical engineering services in conjunction with the above-referenced project. We prepared this estimate based on an email from Mr. Dolph Johnson, CPM with the City of Saginaw and on the Geotechnical Engineering Scope Requirements dated August 4, 2020 as prepared by Click Engineering submitted to this office. CMJ understands that we have been selected for this project based solely on our qualifications. Further, we understand that the City of Saginaw is negotiating scope and fee exclusively with CMJ at this time.

The project is located at the northwest corner of McLeroy Boulevard at Amber Drive in Saginaw, Texas. The project, as currently planned, consists of a single-story, steel-framed fire station with either a structurally suspended or ground-supported floor slab. Area drives and parking areas subject to fire apparatus are also planned.

For purposes of this estimate, it is assumed that all borings are accessible to truck-mounted drilling equipment. In addition, it is assumed that underground utilities at boring locations will be coordinated by CMJ.

SCOPE OF SERVICES

I. BASIC SERVICES

A. SUBSURFACE EXPLORATION

Experienced drillers and technicians will evaluate subsurface conditions with ten (10) sample borings according to the following field program:

- Fire Station Buildings – Six (6) borings drilled to depths of 25 to 30 feet, a minimum of 12 feet into unweathered gray limestone, depending on the depth encountered.
- Paving – Four (4) borings drilled to a depth of 5 feet.

The field personnel will drill the boring using truck-mounted equipment. Cohesive and non-cohesive soil samples will be obtained using 3-inch diameter Shelby tube samplers and 2-inch diameter standard split-spoon samplers, respectively. In addition, rock encountered will be evaluated by use of Texas Department of Transportation (TXDOT) cone penetration tests. A soils logger will extrude the samples in the field, check the samples for consistency with a hand penetrometer, carefully wrap them to preserve their condition, and return them to the laboratory for testing. A log of each boring will be prepared to document field activities and results.

CMJ's personnel will stake the boring locations using normal taping procedures. Approximate locations of the borings will be shown on the plan of borings. Precise surveying of boring locations and elevations is not included in the cost estimate. These services may be provided as Additional Services upon request. At the completion of drilling operations, the boreholes will be backfilled with drill cuttings and plugged at the surface by hand tamping.

B. LABORATORY SERVICES

Considering the planned facilities, anticipated soil conditions and geology, laboratory tests will be required for classification purposes, and to determine strength characteristics. The following types of tests are therefore recommended:

- moisture content and soil identification
- liquid and plastic limit determinations
- unconfined compression tests on soil
- unit weight determinations
- absorption pressure and/or one-point pressure swell tests
- soluble sulfate tests

The specific types and quantities of tests will be determined based on geologic conditions encountered in the borings.

C. ENGINEERING SERVICES

An engineering report will be prepared to present the results of the field and laboratory data together with our analyses of the results and recommendations. We will provide two copies of the report and an electronic copy. The report will address:

- general soil and ground-water conditions
- recommendations for foundation type, depth and allowable loading
- minimum penetration of piers to resist uplift (if required) and LPile parameters
- foundation construction requirements
- recommended lateral pressures for the design of below-grade walls and retaining structures
- recommendations for floor slab support, including an evaluation of the swell characteristics of the subgrade soils
- IBC seismic site classification
- earthwork recommendations
- guidelines for pavement design

Items other than those specified above, which are revealed by these studies or are necessitated by a change in project scope, may require revised field, laboratory, and engineering services. These services, if required and requested, will be performed as Additional Services. Additional Services are described in Section II.

D. COMPENSATION FOR BASIC SERVICES

It is proposed that the Basic Services described above be performed on a unit price basis, in accordance with the attached Basic Services Cost Estimate. Based on the anticipated scope and the attached Basic Services Cost Estimate, the total cost of the Basic Services should be on the order of \$8,900.

The estimated costs shown in this estimate are based on the anticipated soil conditions. The final invoice will be based on the specific quantities drilled and tested. If unanticipated conditions are encountered during drilling, we will notify you accordingly.

E. SCHEDULE FOR BASIC SERVICES

Weather permitting, we plan to initiate these studies within seven days of receipt of notice to proceed, and anticipate that one to two working days will be required to complete the

CMJ ENGINEERING, INC.

City of Saginaw
Estimate No. 20-7761 (Revised)
August 12, 2020
Page 4

subsurface exploration for the site (weather conditions permitting). You will receive the final report approximately three weeks following the completion of the field phase. We will make preliminary design data available sooner if necessary.

II. ADDITIONAL SERVICES

A. AUTHORIZATION AND SCOPE

Additional Services will be performed only if specifically requested and authorized by Client. Additional Services may consist of the following:

- Additional subsurface exploration, including quantities or items other than described in Basic Services.
- Bulldozer or other equipment services required to achieve access to boring locations.
- Stand-by time or time in excess of one-half hour required for travel between boring locations.
- Additional laboratory services, including quantities or items other than described in Basic Services.
- Additional insurance coverage or limits (if available) other than CMJ's standard policies.
- Additional engineering services, including personnel time and expenses for items not specifically described in Basic Services. This may include, but is not limited to, additional meetings requested by Client or Client's other consultants, assistance to Client in dealing with regulatory agencies, preparation and engineering assistance in legal proceedings, and evaluation of alternative designs for the project or relocation of structure, following initial submittal of the geotechnical report.
- Additional copies of the report, other than the number described in Basic Services.
- Any other required or requested services authorized by Client, other than those specifically described in Basic Services.

B. COMPENSATION AND SCHEDULE FOR ADDITIONAL SERVICES

Additional Services, when authorized by Client, will be in accordance with our Schedule of Fees. Additional Services will be performed at reasonable times and within reasonable schedules as requested by Client. Authorized Additional Services will be billed as a separate item on invoices and a description of the Additional Services will be provided.

CMJ ENGINEERING, INC.

City of Saginaw
Estimate No. 20-7761 (Revised)
August 12, 2020
Page 5

III. TERMS AND CONDITIONS

The scope of services will be performed pursuant to the attached CMJ Terms for Geotechnical Engineering Services, which is incorporated into this proposal.

Thank you for the opportunity to present this proposal. Please sign the attached Terms for Geotechnical Engineering Services and return one complete copy of this proposal as your authorization to proceed. Facsimile signatures shall be sufficient unless originals are requested by a third party. This proposal and any attached fee schedule are valid for 90 days from the date listed on this proposal. Do not hesitate to call if you have any questions or if you have suggestions regarding changes to the agreement or to the proposed scope of services.

* * * *

We look forward to working with the City of Saginaw on this project.

Respectfully submitted,
CMJ ENGINEERING, INC.

A handwritten signature in black ink, appearing to read "Sappington IV", with a long horizontal flourish extending to the right.

James P. Sappington IV, P.E.
President

copies submitted: (1) Mr. Dolph Johnson, CPM; City of Saginaw (e-mail)

CMJ ENGINEERING, INC.
GEOTECHNICAL ENGINEERING SERVICES
BASIC SERVICES COST ESTIMATE

ESTIMATE: 20-7761 (Revised)
DATE: AUGUST 12, 2020
PROJECT: SAGINAW CENTRAL FIRE STATION
NWC W. McLEROY BOULEVARD AT AMBER DRIVE
SAGINAW, TEXAS

<u>SUBSURFACE EXPLORATION</u>	Quant.	Unit \$	Total \$
Mobilization (Drill Rig)	1	460.00	460.00
Soil Drilling-Intermittent Sampling (0-25 ft.)	200	15.50	3,100.00
Cleanup (hr.)	1	250.00	250.00
Underground Utility Check	1	165.00	165.00

Subtotal Subsurface Services \$ 3,975.00

LABORATORY SERVICES

Moisture Content and Soil Identification	49	7.00	343.00
Liquid and Plastic Limits	11	60.00	660.00
Unconfined Compressive Strength-Soil	8	49.00	392.00
Unit Weight	14	13.00	182.00
Free Swell	3	80.00	240.00
Soluble Sulfate Test	4	86.50	346.00

Subtotal Laboratory Services \$ 2,163.00

ENGINEERING SERVICES

Senior Principal Engineer	6	139.00	834.00
Staff Engineer	18	96.00	1,728.00
Drafting & Secretarial Support	4	50.00	200.00
Misc. Expense (report production, mileage, etc.)	1	100.00	100.00

Subtotal Engineering Services \$ 2,762.00

TOTAL ESTIMATE \$ 8,900.00

ERMS FOR GEOTECHNICAL ENGINEERING SERVICES

THE AGREEMENT

This AGREEMENT is made by and between CMJ ENGINEERING, INC., hereinafter referred to as GEOTECHNICAL ENGINEER, and CITY OF SAGINAW, hereinafter referred to as CLIENT.

The AGREEMENT between the parties consists of these TERMS, the attached estimate identified as Estimate No. 20-7761, dated August 12, 2020 and any exhibits or attachments noted in the ESTIMATE. Together, these elements will constitute the entire AGREEMENT superseding any and all prior negotiations, correspondence, or agreements either written or oral, which the parties expressly disclaim. Any changes to this AGREEMENT must be mutually agreed to in writing. Neither party may assign or transfer this AGREEMENT.

STANDARD OF CARE

CLIENT recognizes that subsurface conditions may vary from those observed at locations where borings, surveys, or explorations are made, and that site conditions may change with time. Data, interpretations, and recommendations by GEOTECHNICAL ENGINEER will be based solely on information available to GEOTECHNICAL ENGINEER. GEOTECHNICAL ENGINEER is responsible for those data, interpretations, and recommendations, but will not be responsible for other parties' interpretations or use of the information developed.

Services performed by GEOTECHNICAL ENGINEER under this AGREEMENT are expected by CLIENT to be conducted in a manner consistent with the level of care and skill ordinarily exercised by members of the geotechnical engineering profession practicing contemporaneously under similar conditions in the locality of the project (this is called the "Standard of Care"). The Standard of Care shall solely govern GEOTECHNICAL ENGINEER's performance of the Services. Under no circumstance is any warranty, expressed or implied, made in connection with the providing of geotechnical engineering services.

In all cases the GEOTECHNICAL ENGINEER shall be acting as an independent consultant and no provision or obligation expressed or implied herein shall create an employment, agency, or fiduciary relationship between the GEOTECHNICAL ENGINEER and the CLIENT.

Documents prepared by the GEOTECHNICAL ENGINEER are intended for use solely with the project identified in the ESTIMATE and for no other project, for the time period stated by the GEOTECHNICAL ENGINEER and for no longer, and for no party other than the CLIENT. Accordingly, the CLIENT shall not use documents prepared by the GEOTECHNICAL ENGINEER for additions or alterations to the project identified in the ESTIMATE, for other projects, or beyond the time period stated by the GEOTECHNICAL ENGINEER, and the CLIENT agrees to indemnify, defend, and hold harmless the GEOTECHNICAL ENGINEER against all claims (including negligence) losses, damages, including reasonable attorney's fees, arising out of any use of documents prepared by the GEOTECHNICAL ENGINEER without the direct involvement and concurrence of the GEOTECHNICAL ENGINEER. Further, nothing in this AGREEMENT shall create a contractual relationship with or a cause of action in favor of a third-party against the GEOTECHNICAL ENGINEER.

SITE ACCESS AND SITE CONDITIONS

As a condition to GEOTECHNICAL ENGINEER's performance of its services, CLIENT will grant or obtain free access to the site for all equipment and personnel necessary for GEOTECHNICAL ENGINEER to perform the work set forth in this AGREEMENT. CLIENT will notify any and all possessors of the project site that CLIENT has granted GEOTECHNICAL ENGINEER free access to the site. GEOTECHNICAL ENGINEER will take reasonable precautions to minimize damage to the site, but it is understood by CLIENT that, in the normal course of work, some damage may occur and the correction of such damage is not part of this AGREEMENT unless so specified in the ESTIMATE.

CLIENT is responsible for accurately delineating the locations of all subterranean structures and utilities. GEOTECHNICAL ENGINEER is entitled to rely upon the accuracy and completeness of information that CLIENT and its consultants and contractors provide GEOTECHNICAL ENGINEER. GEOTECHNICAL ENGINEER will take reasonable precautions to avoid known subterranean structures, and CLIENT waives and releases any claim, including negligence, against GEOTECHNICAL ENGINEER arising from damage done to subterranean structures and utilities not identified or accurately located.

SAMPLE DISPOSAL

GEOTECHNICAL ENGINEER will retain samples transported to the geotechnical laboratory for testing for a period of thirty (30) days following submission of the report covering those samples. Further storage or transfer of samples can be made at CLIENT'S expense upon CLIENT'S prior written request.

OBSERVATION

If GEOTECHNICAL ENGINEER is retained by CLIENT to provide a site representative for the purpose of observing specific portions of construction work or other field activities as set forth in the ESTIMATE, then this phrase applies. For the specified assignment, GEOTECHNICAL ENGINEER will report observations and professional opinions to CLIENT. No action of GEOTECHNICAL ENGINEER or GEOTECHNICAL ENGINEER'S site representative can be construed as altering any AGREEMENT between CLIENT and others. GEOTECHNICAL ENGINEER will report to CLIENT any observed geotechnically-related work which, in GEOTECHNICAL ENGINEER'S professional opinion, does not conform with plans and specifications, but GEOTECHNICAL ENGINEER does not assume a duty to detect any such nonconformance, as its obligation is limited to reporting what it observes to CLIENT as stated in this paragraph. The GEOTECHNICAL ENGINEER has no right to reject or stop work of any agent of the CLIENT. Such rights are reserved solely for CLIENT. Furthermore, GEOTECHNICAL ENGINEER'S presence on site does not in any way guarantee the safety, completion or quality of the performance of the work of any party retained by CLIENT to provide field or construction-related services.

GEOTECHNICAL ENGINEER will not be responsible for and will not have control or charge of specific means, methods, techniques, sequences or procedures of construction or other field activities selected by any agent or agreement or CLIENT, or safety precautions and programs incident thereto.

BILLING AND PAYMENT

CLIENT will pay GEOTECHNICAL ENGINEER in accordance with the procedures indicated in the ESTIMATE and its attachments. Invoices will be submitted to CLIENT by GEOTECHNICAL ENGINEER, and will be due and payable upon presentation. If CLIENT objects to all or any portion of any invoice, CLIENT will so notify GEOTECHNICAL ENGINEER in writing within fourteen (14) calendar days of the invoice date, identify the cause of disagreement, and pay when due that portion of the invoice not in dispute. In the absence of written notification described above, the amount as stated on the invoice will be paid.

Time is of the essence for payments due GEOTECHNICAL ENGINEER. Accordingly, invoices are delinquent if payment has not been received within thirty (30) days from date of invoice. At the option of the GEOTECHNICAL ENGINEER, CLIENT will pay an additional charge of one-and-one-half (1.5) percent per month (or the maximum percentage allowed by law, whichever is lower) on any delinquent amount, except for any portion of the invoiced amount in dispute and resolved in favor of CLIENT. Disputed amounts withheld by the client which are subsequently resolved in favor of the GEOTECHNICAL ENGINEER will carry the additional charge, as described above, effective thirty (30) days from the date of the original invoice. In the event CLIENT fails to pay GEOTECHNICAL ENGINEER within sixty (60) days after invoices are rendered, CLIENT agrees that GEOTECHNICAL ENGINEER will have the right to consider the failure to pay the GEOTECHNICAL ENGINEER's invoice as a breach of this AGREEMENT.

TERMINATION

This AGREEMENT may be terminated by either party seven (7) days after written notice in the event of any breach of any provision of this AGREEMENT or in the event of substantial failure of performance by the other party, or if CLIENT suspends the work for more than three (3) months. In the event of termination, GEOTECHNICAL ENGINEER will be paid for services performed prior to the date of termination plus reasonable termination expenses, including, but not limited to the cost of completing analyses, records, and reports necessary to document job status at the time of termination.

RISK ALLOCATION

In recognition of the relative risks and benefits of the Project to both the CLIENT and the GEOTECHNICAL ENGINEER, the risks have been allocated such that the CLIENT agrees, to the fullest extent permitted by law, and notwithstanding any other provisions of this Agreement or the existence of applicable insurance coverage, that the total liability, in the aggregate, of the GEOTECHNICAL ENGINEER and the GEOTECHNICAL ENGINEER'S officers, directors, employees, agents, and subconsultants to the CLIENT or to anyone claiming by, through or under the CLIENT, for any and all claims, losses, costs or damages whatsoever arising out of, resulting from or in any way related to the services under this Agreement from any cause or causes, including but not limited to, the negligence, professional errors or omissions, strict liability or breach of contract or any warranty, express or implied, of the GEOTECHNICAL ENGINEER, or the GEOTECHNICAL ENGINEER'S officers, directors, employees, agents, and subconsultants, shall not exceed twice the total compensation received by the GEOTECHNICAL ENGINEER under this Agreement or \$50,000, whichever is greater. Higher limits of liability may be negotiated for additional fee. Under no circumstances shall the GEOTECHNICAL ENGINEER be liable for lost profits or consequential, special, or indirect damages, for extra costs or other consequences due to changed conditions, or for costs related to the failure of contractors to perform work in accordance with the plans and specifications. Accordingly, GEOTECHNICAL ENGINEER and OWNER mutually agree to waive consequential damages, including lost profits and other delay damages for claims, disputes, or other matters in question arising out of or relating to this AGREEMENT. This mutual waiver includes but is not limited to, all consequential damages due to either party's termination of this AGREEMENT.

INDEMNIFICATION

To the extent allowed by Texas Law, the CLIENT shall indemnify and hold harmless the GEOTECHNICAL ENGINEER, its officers, directors, agents, and employees from and against all claims (including negligence), damages, losses, and expenses, including but not limited to reasonable and necessary attorney's fees, arising out of or related to the work or services of the CLIENT or its agents, employees, consultants and contractors of any tier or any third party under the client's control. Notwithstanding the foregoing, except for claims for bodily injury or death of the CLIENT, its agents, or its subcontractors of any tier, CLIENT shall not be required to indemnify or hold harmless the GEOTECHNICAL ENGINEER against a claim caused by negligence or fault, the breach or violation of a statute, ordinance, governmental regulation, standard, or rule, or the breach of contract by the GEOTECHNICAL ENGINEER, its agents or employees, or any third party under the GEOTECHNICAL ENGINEER'S control, other than the client or its agent, employee, or subcontractor of any tier.

DISCOVERY OF UNANTICIPATED HAZARDOUS MATERIALS

CLIENT represents that CLIENT has made a reasonable effort to evaluate if hazardous materials are on or near the project site, and that CLIENT has informed GEOTECHNICAL ENGINEER of CLIENT's findings relative to the possible presence of such materials.

Hazardous materials may exist at a site where there is no reason to believe they could or should be present. GEOTECHNICAL ENGINEER and CLIENT agree that the discovery of unanticipated hazardous materials constitutes a changed condition mandating a renegotiation of the scope of work or termination of services. GEOTECHNICAL ENGINEER and CLIENT also agree that the discovery of unanticipated hazardous materials may make it necessary for GEOTECHNICAL ENGINEER to take immediate measures to protect health and safety. CLIENT agrees to compensate GEOTECHNICAL ENGINEER for any equipment decontamination or other costs incident to the discovery of unanticipated hazardous materials.

GEOTECHNICAL ENGINEER agrees to notify CLIENT when unanticipated hazardous materials or suspected hazardous materials are encountered. CLIENT agrees to make any disclosures required by law to the appropriate governing agencies. CLIENT also agrees to hold GEOTECHNICAL ENGINEER harmless for any and all consequences of disclosures made by GEOTECHNICAL ENGINEER which are required by governing law. In the event the project site is not owned by CLIENT, CLIENT recognizes that it is CLIENT'S responsibility to inform the property owner of the discovery of unanticipated hazardous materials or suspected hazardous materials.

Notwithstanding any other provision of the AGREEMENT, CLIENT releases and waives any claim against GEOTECHNICAL ENGINEER arising from GEOTECHNICAL ENGINEER'S discovery of unanticipated hazardous materials or suspected hazardous materials, including, but not limited to, the detection, presence, handling, removal, abatement, or disposal of any hazardous materials that exist on or adjacent to the project site, and any costs created by delay of the project and any cost associated with possible reduction of the property's value.

CLIENT will be responsible for ultimate disposal of any samples secured by GEOTECHNICAL ENGINEER which are found to be contaminated. This includes any soil or rock cuttings, and contaminated drilling or wash water which is generated as a consequence of drilling activities.

DISPUTE RESOLUTION

All claims, disputes, and other matters in controversy between GEOTECHNICAL ENGINEER and CLIENT arising out of or in any way related to this AGREEMENT will be submitted to mediation before and as a condition precedent to other remedies provided by law.

If a dispute at law arises from matters related to the services provided under this AGREEMENT and that dispute requires litigation instead of mediation as provided above, then:

- (1) the claim will be brought and tried in judicial jurisdiction of the court of the county where GEOTECHNICAL ENGINEER's principal place of business is located and CLIENT waives the right to remove the action to any other county or judicial jurisdiction, and
- (2) the prevailing party will be entitled to recovery of all reasonable costs incurred, including staff time, court costs, attorneys' fees, and other claim related expenses.

GOVERNING LAW AND SURVIVAL

The law of the State of Texas will govern the validity of these TERMS, their interpretation and performance.

If any of the provisions contained in this AGREEMENT are held illegal, invalid, or unenforceable, the enforceability of the remaining provisions will not be impaired. Limitations of liability and indemnities will survive termination of this AGREEMENT for any cause.

* * *

The parties have read the foregoing, understand completely the terms, and willingly enter into this AGREEMENT which will become effective on the date signed below by CLIENT.

CLIENT

By:

Position

Date

CMJ ENGINEERING, INC.

By: James P. Sappington IV, P.E.

President
Position

August 12, 2020
Date



City of Saginaw

Meeting Date: 8/18/2020

Staff Contact: Dolph Johnson
Assistant City Manager

Agenda Items: (4)(c)

E-mail: djohnson@saginawtx.org

Phone: 817-230-0325

SUBJECT:

Action regarding Resolution No. 2020-19, Adopting TCAP's Professional Services Agreement and Gexa Energy's Commercial Electric Service Agreement for Power to be Provided on and After January 1, 2023

BACKGROUND/DISCUSSION:

The City is a member of the Texas Coalition for Affordable Power. Member cities purchase our electricity as a group in order to obtain better pricing. TCAP has designed a Strategic Hedging Program where instead of buying electricity through a fixed price longer term contract, SHP will procure one twelfth of the annual supply each month, two years forward year-to-year. This provides the lowest market pricing to reduce carrying charges and risk premiums that longer term contracts must charge. Pricing will never be out of the market

FINANCIAL IMPACT:

We anticipate savings on future electricity purchases.

RECOMMENDATION:

Staff recommends approval of Resolution 2020-19

ATTACHMENTS:

Description

Resolution 2020-19

Exhibit A TCAP Professional Services Agreement

Exhibit B CESA Agreement with Gexa Energy

Strategic Hedging Program Explanation

RESOLUTION NO. 2020-19

**RESOLUTION OF THE CITY OF SAGINAW TEXAS
ADOPTING TCAP'S PROFESSIONAL SERVICES
AGREEMENT AND GEXA ENERGY'S COMMERCIAL
ELECTRIC SERVICE AGREEMENT FOR POWER TO BE
PROVIDED ON AND AFTER JANUARY 1, 2023**

WHEREAS, the City of Saginaw is a member of Texas Coalition For Affordable Power, Inc. ("TCAP"), a non-profit, political subdivision corporation of the State of Texas; and

WHEREAS, TCAP has previously arranged for the City to purchase power through Gexa Energy with a contract set to expire December 31, 2022; and

WHEREAS, TCAP has designed a new procurement strategy that will involve TCAP initially committing to purchase power two years in advance of delivery on behalf of its members who desire participation in a Strategic Hedging Program ("SHP") that will involve a series of monthly competitive auctions; and

WHEREAS, TCAP has prepared a Professional Services Agreement ("PSA"), attached as Exhibit A, that, in addition to enumerating services and benefits to members of TCAP, provides TCAP with specific authority to procure power in the wholesale market on behalf of members who choose to participate in the SHP; and

WHEREAS, approval of the PSA is a necessary, but not sufficient, prerequisite to participation in the SHP; and

WHEREAS, the PSA is a relational contract that defines services provided by TCAP to members regardless of whether a member decides to commit to the SHP; and

WHEREAS, the industry-standard retail contract is a Commercial Electric Service Agreement ("CESA") offered by a Retail Electric Provider ("REP"); and

WHEREAS, TCAP has negotiated modifications to the current CESA between the City and Gexa Energy to reflect participation in the SHP; and

WHEREAS, the CESA that will facilitate participation in the SHP effective for power deliveries in and beyond 2023 (attached as Exhibit B) will need to be approved and signed prior to October 1, 2020; and

WHEREAS, the City desires to participate in the SHP.

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

SECTION 1. That the Mayor is authorized to sign Exhibit A, TCAP's Professional Services Agreement, and Exhibit B, Gexa Energy's CESA, and send the agreements to TCAP, 15455 Dallas Parkway, Ste 600, Addison, TX 75001.

PASSED AND APPROVED this _____ day of _____, 2019.

TODD FLIPPO, MAYOR

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

Exhibit A

PROFESSIONAL SERVICES AGREEMENT BETWEEN
THE CITY OF SAGINAW, TEXAS AND TEXAS COALITION FOR AFFORDABLE
POWER, INC.

This Professional Services Agreement (“AGREEMENT”) is made and entered by and between Texas Coalition for Affordable Power, Inc. (“TCAP”), a non-profit, political subdivision corporation, and The City of Saginaw, Texas (“MEMBER”), a TCAP member.

SECTION 1 DURATION:

This AGREEMENT becomes effective as of signing by MEMBER and shall remain effective as long as MEMBER is being served by TCAP and MEMBER’s electric load included in a current TCAP procurement.

SECTION 2 PURPOSE OF AGREEMENT:

The purpose of this AGREEMENT is to define services and obligations of TCAP to MEMBER and obligations of MEMBER to TCAP and other members. In furtherance of this AGREEMENT, MEMBER will enter into a Commercial Electric Service Agreement (“CESA”) with a retail electric provider (“REP”) selected by TCAP pursuant to the terms set forth herein; provided that nothing in this AGREEMENT is intended to alter the price or other terms of MEMBER’s current CESA in effect through December 31, 2022.

SECTION 3 OBLIGATIONS OF TCAP TO MEMBER:

MEMBER authorizes TCAP to contract for the purchase of energy for MEMBER in the wholesale market from an energy manager selected by TCAP (“Energy Manager”) and to select an acceptable, cost-beneficial REP to serve MEMBER’s electric accounts. TCAP shall provide procurement services, which services shall consist of securing wholesale power for MEMBER through an alternative procurement strategy, such as TCAP’s Strategic Hedging Program (“SHP”), as may be authorized and defined by TCAP’s Board of Directors. MEMBER may elect to consider fixed-price, fixed-term offers for wholesale power supply, such election to be communicated to TCAP separately in writing by providing an Authorized Election Form to TCAP, the form of which has been attached to this AGREEMENT as Exhibit A. If MEMBER has provided to TCAP an Authorized Election Form, TCAP’s procurement services to MEMBER shall also consist of arranging fixed-price, fixed-term offers to MEMBER following solicitation of competitive offers. TCAP consultants and attorneys will negotiate terms and conditions of all contracts, monitor performance of Energy Managers and REPs, work to avoid and remedy problems that may be encountered by MEMBER where possible, assist MEMBER with wires company issues, and represent MEMBER in energy related matters before State agencies, the courts or legislature. TCAP will provide additional customer services to MEMBER that are defined in SECTION 5.

SECTION 4 OBLIGATIONS AND RIGHTS OF MEMBER:

MEMBER will honor the terms of its CESA and promptly pay or promptly dispute invoices from its REP. MEMBER will comply with the confidentiality and non-disclosure obligations contained in its CESA and Section 7 of this AGREEMENT. MEMBER will designate one or more individuals to receive notices and updates from TCAP and will promptly update contact information. MEMBER will pay aggregation fees to support the non-profit functions of TCAP assessed annually by the TCAP Board of Directors and recovered as part of the energy charges paid to REP. Also, MEMBER will pay or receive refunds equal to the Quarterly Adjustment and the Annual Adjustment mutually agreed upon by TCAP and the Energy Manager to address certain variable costs and charges, including costs imposed by ERCOT, such payment or receipt of funds subject to the reserve account as further described herein. TCAP members will fund, and TCAP will maintain and administer, a reserve account to facilitate the reconciliation of any Quarterly Adjustments or Annual Adjustments by collecting any excess amounts paid and/or paying any deficient amounts incurred (as possible). The reserve account balance will be maintained at a minimum level to cover anticipated future needs for up to two (2) years. The TCAP Board may vote to refund to members amounts in excess of future anticipated needs. Any monies remaining in the reserve account at the dissolution of TCAP will be refunded to current membership at the time of dissolution. TCAP is owned and controlled by its members and is governed by a Board of Directors consisting of employees or elected officials of members. Consistent with TCAP's Bylaws, each MEMBER has a right to nominate its representative to serve on the Board of Directors and has a right to vote in annual elections of Board members. MEMBER has a right to attend or monitor each Board meeting. TCAP has a financial audit performed each year and MEMBER has a right to a copy of the annual audit upon request.

SECTION 5 TCAP SERVICES TO MEMBER:

A. Procurement of Energy Supplies and REP Services

1. TCAP Procurement Services and Capabilities

TCAP will assist prospective members in reviewing market conditions and in estimating the most price opportune time to contract for energy supplies. TCAP will work with MEMBER to achieve a competitive price that balances supply security and risk tolerance while maintaining superior billing and customer services. As a political subdivision corporation, offering electricity procurement to political subdivisions, TCAP has the ability to procure wholesale energy supplies and REP services separately to secure the most effective combination of competitively priced energy supplies and superior billing and customer services. TCAP may utilize either wholesale or retail sources of power, or some combination of both. TCAP may utilize multiple suppliers with different generation resources. TCAP will solicit bids from multiple sources for energy supplies. TCAP aggregates the load of all members to maximize clout in negotiating contract terms. TCAP's objective in negotiations with suppliers is to continue obtaining favorable terms

regarding band widths for annual usage based on total load of all members (rather than based on MEMBER's individual load) and to minimize fees for adding or deleting accounts. TCAP will monitor the wholesale and retail markets for favorable hedging opportunities. TCAP will also monitor, evaluate and issue requests for proposals for power development opportunities beneficial to its MEMBERS, including renewable projects (each, a "Power Project").

2. MEMBER Procurement Options

If MEMBER elects a fixed-price contract for a fixed period by submitting an Authorized Election Form, TCAP will function as MEMBER'S agent in the wholesale energy marketplace in soliciting, evaluating and negotiating each such fixed-price contract. Absent an election, MEMBER shall participate in other procurement strategy options offered by TCAP, such as TCAP's SHP, and TCAP will function as MEMBER's electric energy procurer. As such, TCAP will (i) oversee the Energy Manager, (ii) will direct the Energy Manager to solicit wholesale energy market quotes, (iii) will cause the Energy Manager to transact at the most favorable executable market quotes and (iv) will negotiate and develop the Energy Price in MEMBER'S CESA (the "CESA Energy Price"). The CESA Energy Price shall be developed and agreed upon by TCAP, the Energy Manager and the REP and shall include the wholesale energy market transactions as well as Energy Manager's estimate of any non-fixed charges, including zonal congestion charges, ancillaries service charges, and other charges in connection with MEMBER'S load. If MEMBER elects to purchase power from a Power Project solicited and chosen by TCAP via a competitive RFP process (or other similar process), TCAP will function as MEMBER'S electric energy procurer, and will direct the Energy Manager to include the value of the power procured from such projects in the development of MEMBER'S CESA price.

B. Customer and Billing Services Provided by TCAP

1. REP Portal

TCAP consultants oversee the development and presentation of the REP's portal for TCAP members; the REP will be responsible for operation of the portal. TCAP provides training and assistance regarding portal use.

2. REP Customer Service

TCAP negotiates with the REP regarding service standards and annually reviews REP performance. TCAP maintains a right to replace a REP for unsatisfactory performance without affecting the price of wholesale power, so long as the replacement REP has a credit rating acceptable to the Energy Manager. TCAP continuously monitors customer billings and will alert both the REP and MEMBER, when appropriate, of any billing errors and the adjustments needed to ensure accurate and reliable billings to MEMBER. TCAP will advocate on behalf of MEMBER when needed to resolve billing or customer service issues.

TCAP will review customer billings and make MEMBER aware of inactive accounts that MEMBER may be able to disconnect to save monthly charges.

3. TCAP Assistance with Budgets and Required Filings and Assistance with TDSP Issues

TCAP monitors Public Utility Commission (“PUC”) and ERCOT activity and will provide MEMBER a forecast of changes in non-bypassable charges that may impact MEMBER’s annual budget estimates. TCAP will prepare an annual electricity cost estimate for MEMBER. TCAP will assist MEMBER in preparation of energy related reports that may be necessary for MEMBER to file in response to legislative or agency mandates. TCAP will assist MEMBER in understanding non-bypassable charges included in REP invoices, and assist in resolving issues caused by errors of MEMBER’S Transmission and Distribution Service Provider (“TDSP” aka “wires company”).

4. Information Services

TCAP maintains a member web site, www.tcaptx.com. In addition to regular blog postings on energy news relevant to MEMBER, TCAP has prepared and posted major reports on the history of deregulation in Texas and a history of ERCOT. TCAP consultants continuously monitor the Nymex gas market, ERCOT energy market, and economic conditions that may affect MEMBER, as well as activities at the PUC and ERCOT. Important trends are noted in consultant reports to the Board of Directors and are attached to Board Minutes. TCAP’s Executive Director prepares and distributes a monthly newsletter and coordinates TCAP activities with various city coalitions and Texas Municipal League (“TML”). The Executive Director monthly newsletters will also include important or trending issues in the energy markets.

5. Demand Response, Distributed Generation and Cost Savings Strategy

TCAP will work with relevant service providers to make available to MEMBER competitive demand reduction programs that facilitate MEMBER’s participation in TDSP and ERCOT cost reduction strategies approved by the PUC. Upon request, TCAP will monitor and evaluate demand reduction program performance metrics. TCAP will assist MEMBER in reviewing, analyzing and developing distributed generation programs that can reduce wires and energy costs and/or provide backup power to specific facilities. TCAP will assist MEMBER in meeting renewable energy goals established by MEMBER, including behind-the-meter solar projects and local wind projects.

6. Regulatory and Legislative Representation

TCAP will provide representation and advocacy services on energy issues relevant to MEMBER in regulatory and legislative areas including, but not limited to, ERCOT stakeholder meetings, PUC projects and dockets, and legislative actions.

7. Strategic Hedging

To the extent that there is sufficient interest and commitment of load of TCAP members within an ERCOT zone, and to the extent MEMBER has not elected a fixed-price contract for a fixed period, MEMBER will perpetually (subject to potential charter or ordinance constraints on length of contracts) commit to two-year participation obligations. MEMBER may terminate participation in the SHP, without energy price penalties and with minimal other termination fees, by providing sufficient notice as set forth herein (Section 6). A SHP price will be determined at least 9 months prior to the effective date of the price by averaging the winning bids from periodic competitive auctions that occur throughout the 24 months preceding the effective date. TCAP will direct Energy Manager to conduct the periodic competitive auctions. TCAP will have the right to audit the auction results. The auction process will be designed to identify competitively priced energy supplies from a variety of creditworthy suppliers, resulting in prices that are rarely, if ever, significantly above prevailing market prices and that should generally be less than pricing for long-term fixed priced contracts (when evaluated from a common contract start date and term). Designed to take advantage of the characteristics of the nation's well supplied energy markets, the SHP will also be flexible enough to respond to market changes when and if they occur in the future. Participation in the SHP may be viewed as a series of 24 -month forward year-to-year contracts for as long as desired by MEMBER. If MEMBER participates in the SHP, MEMBER agrees that TCAP is authorized to direct Energy Manager to procure electric energy in the wholesale market on MEMBER's behalf and that TCAP is authorized to commit MEMBER's load to periodic competitive auctions.

SECTION 6 MEMBER RIGHT OF TERMINATION:

A. Fixed-Term, Fixed-Price Contract

MEMBER may terminate a CESA prior to the end-of-term specified in a contract subject to payment of "Liquidated Damages" prescribed in MEMBER's CESA. If MEMBER commits to a fixed multi-year term, fixed-price contract and wants to terminate the agreement prior to the end of the fixed multi-year term, liquidated damages will be based on the differential in the price of electric energy futures contracts used to support the fixed-price agreement and the price of comparable electric energy contracts at time of termination and shall also include damages prescribed herein and in the CESA, as applicable. If electric energy prices are lower at the point of termination than they were at time of contracting, MEMBER should expect to pay energy price damages upon early termination. In any event, any termination payment will be calculated and assessed in accordance with MEMBER's CESA.

B. Strategic Hedging Program

Since the SHP is based on a series of one-year term contracts, MEMBER is entitled to exit the program so long as notice of termination can be given prior to inclusion of MEMBER's load in the competitive auction process for a future year's price. TCAP will periodically notify MEMBER of expected procurement schedules and provide no less than 90 days

prior notice of any upcoming solicitation, and MEMBER may notify TCAP that it wants to exclude its load from the competitive auction process by giving notice at least 60 days prior to the next procurement date. Termination of involvement in SHP without appropriate notice will require calculation of damages as prescribed by CESA under Edison Electric Institute (“EEI”) principles with the intent of making the REP and Energy Manager whole for the termination. Liquidated damages will be based on the differential in the price of electric energy futures contracts used to support the SHP price and the price of comparable electric energy contracts at time of termination and shall also include damages prescribed herein and in the CESA, as applicable. If electric energy prices are lower at the point of termination than they were at time of contracting, MEMBER should expect to pay energy price damages upon early termination. In any event, any termination payment will be calculated and assessed in accordance with MEMBER’s CESA.

C. Participation in Power Projects

If MEMBER has chosen to purchase power from a Power Project through TCAP, in accordance with a signed Project Addendum attached to MEMBER’S CESA, MEMBER’s termination rights with respect to its commitment to purchase power from the Power Project shall be contained in the Project Addendum.

SECTION 7 CONFIDENTIALITY:

MEMBER is a governmental body subject to public information laws, including Chapter 552 of the Texas Government Code. If MEMBER receives a valid request under applicable public information laws for information related to this AGREEMENT or its CESA, it shall provide TCAP notice of the request including a description the information sought prior to MEMBER’s release of information so that TCAP has the opportunity to determine whether such information is subject to an exception as trade secret, competitive, commercial, or financial information. With the exception of the preceding disclosures pursuant to public information laws, a Party (that party, the “Receiving Party”) shall keep confidential and not disclose to third parties any information related this AGREEMENT, except for disclosures to Authorized Parties or as otherwise required by law; and provided that MEMBER authorizes TCAP to provide Energy Manager and REP with any relevant information concerning MEMBER’s account, usage and billings. The provisions of this Section 7 apply regardless of fault and survive termination, cancellation, suspension, completion or expiration of this AGREEMENT for a period of two (2) years. “Authorized Parties” means those respective officers, directors, employees, agents, representatives and professional consultants of MEMBER and TCAP and each of their respective affiliates that have a need to know the confidential information for the purpose of evaluating, performing or administering this AGREEMENT.

SECTION 8 PARAGRAPH HEADINGS:

The paragraph headings contained in this AGREEMENT are for convenience only and shall is no way enlarge or limit the scope or meaning of the various and several paragraphs.

SECTION 9 COUNTERPARTS:

This AGREEMENT may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

SECTION 10 DEFINITIONS:

“Annual Adjustment” shall mean either a credit to MEMBER for the over-collection of funds, or a charge to MEMBER for under-collection of funds, related to Power Project settlements, if applicable. For those MEMBERS that participate in SHP, the Annual Adjustment shall also include (i) adjustments related to the loss factor for each specific ERCOT zone and (ii) adjustments related to load reconciliation as determined by TCAP, the Energy Manager and the REP.

“Energy Manager” means the wholesale market participant selected by TCAP to conduct SHP procurements at TCAP’s direction, in accordance with Section 5A and Section 7 of this Agreement. The Energy Manager may sell all or a portion of the required wholesale energy to TCAP or TCAP’s REP.

“Power Project” means a power generation project identified by TCAP to supply electric energy to one or more TCAP Members.

“Project Addendum” means the Addendum for a Power Project, if any, signed and attached as an Exhibit to MEMBER’S CESA.

“QSE Services Fee” means the QSE Services Fee in affect during the Delivery Term, as agreed between TCAP and Energy Manager.

“Quarterly Adjustment” shall mean either a credit to MEMBER for the over-collection of funds, or a charge to MEMBER for under-collection of funds, related to (i) ERCOT zonal congestion charges and (ii) ancillary services charges and other charges imposed by governmental agencies or ERCOT upon wholesale suppliers or REPs under statutes, regulations or courts for services within ERCOT zones. Said charges or refunds will be proportional to MEMBER’s relative contribution to TCAP load within specific ERCOT zones.

“Retail Electric Provider” or “REP” means the Retail Electric Provider that is party to (i) the REP Services Agreement with TCAP and (ii) the CESA between itself and MEMBER for the provision of retail electric service.

“Strategic Hedging Program” or “SHP” means an energy procurement strategy approved by TCAP’s Board of Directors, overseen by TCAP’s designated consultants, and administered by TCAP’s appointed Energy Manager, whereby wholesale energy is solicited and procured at agreed upon intervals, as directed by TCAP.

EXECUTED on this the _____ day of _____, 20____.

MEMBER:

By: _____

Printed Name: Todd Flippo

Title: Mayor

TCAP:

By: _____

Printed Name: _____

Title: _____

COMMERCIAL ELECTRICITY SERVICE AGREEMENT

This Commercial Electricity Service Agreement, including all of the Attachments, Schedules, and Exhibits, which are attached and incorporated (collectively, the **"Agreement"**), is entered into between Gexa Energy, LP (**"Gexa"**), a Texas limited partnership, and **The City of Saginaw, Texas** (**"Customer"**). Gexa and Customer may be referred to individually as a **"Party"** or collectively as the **"Parties"**.

SECTION 1: RETAIL ELECTRIC SALES AND SERVICES

1.1 Appointment and Scope. Customer appoints Gexa as its Retail Electric Provider (**"REP"**) for the ESI ID(s) served under this Agreement. Customer authorizes Gexa to: (i) act as Customer's REP for all purposes; and (ii) provide the services required of a REP including, without limitation, the procurement, scheduling and delivery of electricity throughout the Term to each of the ESI ID(s) in accordance with the terms set forth in this Agreement, including the Terms and Conditions of Service set forth in Attachment A. Customer's appointment imposes no other duties on Gexa other than those specified in this Agreement and the REP Services Agreement.

1.2 Agreement to Purchase. Customer shall purchase its electricity requirements from Gexa throughout the Term for each of the ESI ID(s) except as otherwise provided. The electricity and services Customer receives from Gexa is for Customer's exclusive proprietary use. Customer alone shall pay for electricity and services provided and for electricity and services Customer fails to take pursuant to its contractual obligations. If Gexa fails to deliver sufficient quantities of electricity to the TDSP for delivery to Customer or fails to schedule the delivery of sufficient quantities of electricity (collectively, a **"Scheduling Failure"**) the TDSP is obligated by law and by its tariff to deliver sufficient electricity to satisfy Customer's needs. If a Scheduling Failure occurs, Gexa shall financially settle, at no additional cost or expense to Customer, with its Qualified Scheduling Entity (as defined by ERCOT) for the purchase of electricity necessary to cover the Scheduling Failure.

1.3 Membership in TCAP. Customer is a current member of the Texas Coalition for Affordable Power, Inc. (**"TCAP"**), and has entered into the Professional Services Agreement (the **"PSA"**) authorizing the purchase of wholesale energy on behalf of the Customer by TCAP and/or TCAP's Energy Manager. Such wholesale energy purchases will affect the calculation of the Energy Price throughout the Term of this Agreement as described in Section 2. If, at any time during the Term, Customer elects to participate in a Power Purchase Agreement with a project to be developed for TCAP's members, and executes the Project Addendum for such project, then the Project Addendum will be attached hereto as Schedule I. Notwithstanding Customer's TCAP membership status, Customer agrees to fulfill all of its obligations under this Agreement, the PSA and, if applicable, the Project Addendum throughout the Term of this Agreement.

1.4 Term.

(a) Effective Date and Termination Date. Gexa shall provide retail electric service under this Agreement to each ESI ID beginning on the Effective Date and Terminating on the Termination Date, as further defined in this Section 1.4(a) (such period, the **"Term"**). The Effective Date will occur either (i) on the date occurring on or after the Expected Start Date stated in Attachment B on which each such ESI ID is enrolled with Gexa's service for any new customer, or (ii) if Customer is an existing customer then the Expected Start Date is the meter read date following the expiration of the Customer's prior Agreement with Gexa. Gexa shall continue to provide retail electric service to each ESI ID unless or until the Customer gives notice to TCAP and Gexa of its intent to terminate its membership with TCAP (**"Termination Notice"**). The Termination Date will occur on each respective ESI ID meter read date during the last month of the calendar year for which electricity has been purchased on Customer's behalf by either TCAP or the Energy Manager in accordance with the PSA prior to the Termination Notice, except that in no event will the Term exceed beyond December 31, 2037. For avoidance of doubt, the Termination Date for each respective ESI ID shall be the sooner to occur of (i) the meter read date occurring in the last month of the calendar year for which electricity has been purchased by either TCAP or the Energy Manager on behalf of the Customer prior to the Termination Notice or (ii) the meter read date occurring in December 2037. As a result of variations in the timing of the Effective Date described in this Section 1.3 the Term may include a partial calendar month in addition to the number of months set forth in Attachment B, if any.

(b) Delayed Effective Date. Gexa shall use commercially reasonable efforts to cause the Effective Date for each ESI ID to occur on the Expected Start Date. If the Effective Date for an ESI ID occurs more than 20 days after the Expected Start Date, Customer may provide Gexa with evidence of the amount of electricity purchased by Customer from its current REP in connection with that ESI ID during the period on and after the 21st day after the Expected Start Date until the Effective Date (the **"Delayed Effective Date Period"**), and the total amount paid by Customer to its current REP for the electricity it purchased during the Delayed Effective Date Period (the **"Delayed Effective Date Electricity Amount"**). Upon receipt of evidence from Customer Gexa shall calculate and provide Customer a credit against future purchases under this Agreement equal to the positive amount resulting from the following calculation: (a) the Delayed Effective Date Electricity Amount minus (b) the amount that Customer would have paid to Gexa pursuant to this

Agreement during the Delayed Effective Date Period for the same amount of electricity purchased by Customer from its current REP during that period in connection with the affected ESI ID(s); provided, that Gexa shall not be required to provide a credit with respect to any period during a Delayed Effective Date Period where the delay was caused by an event outside of Gexa's control.

(c) Service After Term. If, for any reason, service continues beyond the Term, it will be on a month-to-month basis, and the Agreement will continue in effect for the ESI ID(s) except that the Energy Price will be the greater of: (i) the Energy Price as set forth in Section 2.1 below, or (ii) the aggregate weighted average of the Market Rate (as defined herein) as determined for all of the ESI ID(s), for as long as service continues. If Customer has not switched from Gexa to another supplier at the expiration of the Term, Gexa shall serve Customer at the rate set forth in this Section for a minimum of 60 days. After those 60 days, Gexa may continue to serve Customer or terminate the Agreement and disconnect Customer.

1.5 Modifications to ESI IDs. Gexa shall work with Customer in good faith during the Term to reasonably accommodate and assist Customer with the management of its electricity needs. If at any time during the Term, Customer wants to i) add or delete one or more ESI IDs, ii) otherwise modify the ESI ID information as a result of a decision by Customer to open, close or sell a facility owned or leased by Customer, iii) expand an existing facility, or iv) increase an existing facility's metered load, then Customer shall provide written notice to Gexa of such change ("ESI ID Change Notice"). If such change to the ESI ID is expected to occur prior to the first month of any calendar year for which the Energy Price has been established as of the date of the ESI ID Change Notice, in accordance with Section 2.1 (a) of this Agreement, such notice shall include Customer's election of the "Special Load Threshold," as defined below, which will apply to such change in load. If, in Gexa's reasonable judgment, i) the addition is a separately metered load which does not exceed the applicable Special Load Threshold; or ii) does not result in a net increase in excess of the applicable Special Load Threshold for an existing facility, Gexa shall use commercially reasonable efforts to promptly implement such changes, including providing required notices to ERCOT. If the addition is a separately metered load which exceeds the applicable Special Load Threshold, or results in a net increase in excess of the applicable Special Load Threshold after consideration of any contemporaneous offsetting load decreases, Gexa shall provide service to that ESI ID and shall determine any incremental charge or credit to provide service to any changed ESI IDs. Gexa shall apply such charge or credit to the affected ESI IDs, after such charges have been reviewed by TCAP. "Special Load Threshold" shall mean additional peak demand that is reasonably expected during the first twelve months following commercial operations to exceed, at Customer's election, either (i) 0.25 MW at any time or an annual average load of 0.125 MW or (ii) 1.0 MW at any time or an annual average load of 0.5 MW. Gexa shall make periodic reports regarding changes to the billing status of any ESI ID(s) available to Customer and TCAP. Amendments that add or remove ESI ID(s) as a result of changes made pursuant to this section are incorporated into this Agreement, and are effective on the Effective Date for each ESI ID(s) added to this Agreement or the date that retail electric service for any removed ESI ID(s) ceases or is transferred to another REP.

SECTION 2: RETAIL ELECTRIC ENERGY SERVICE CHARGES

2.1 Energy Price.

(a) If Customer has elected to fix all or a portion of the Energy Price for a fixed term by providing an Authorized Election Form to TCAP in accordance with the PSA, the Energy Price shall equal the fixed price as determined by TCAP in accordance with the PSA, and the Authorized Election Form. Any portion of the Energy Price that is not fixed shall be noted in the Authorized Election Form, and shall be settled with Customer in accordance with Section 2.2 of this Agreement. If Customer has not made such an election, the Energy Price shall be determined in accordance with the PSA, as follows:

- (i) TCAP shall periodically solicit, or direct its designated Energy Manager to solicit, wholesale energy market quotes, and may direct the Energy Manager to transact at the lowest of the market quotes obtained for the purpose of serving customer's load, in accordance with the PSA (each such transacted quote, a "**Wholesale Transaction**").
- (ii) Once TCAP has directed its Energy Manager to enter into Wholesale Transactions sufficient to serve Customer's load for a given calendar year, Energy Manager and TCAP shall establish the Energy Price for that Calendar Year in accordance with those procedures outlined in the PSA, which Customer hereby acknowledges it has reviewed and accepted. TCAP shall set the Energy Price for a given Calendar Year no later than nine (9) months prior to the start of such Calendar Year. If Customer elects to participate in a project and executes the Project Addendum, the Energy Price shall include an estimate of the Project Settlement for each month of the Calendar Year in accordance with the Project Addendum.

(b) For the purposes of Section 3 the Energy Price shall be converted to dollars per kWh.

2.2 Energy Price Adjustments.

- (a) Energy Manager shall have the right to reconcile the revenues received from the Customer with Energy Manager's Supplier Cost on (i) a quarterly basis, by determining the Quarterly Adjustment in the manner specified in the PSA and (ii) on an annual basis, by determining the Annual Adjustment in the manner specified in the PSA. The Quarterly Adjustment and Annual Adjustment may be either a charge or a credit, and shall be collected from or remitted to Customer, as appropriate, in the manner specified in the PSA.
- (b) TCAP and Energy Manager may mutually agree to fix certain component charges comprising Customer's Energy Price for a given Calendar Year, if TCAP determines that fixing these charges is likely to benefit Customer. Charges that are fixed by TCAP and Energy Manager for a given Calendar Year shall not be included in the calculation of either the Quarterly Adjustment or the Annual Adjustment for such Calendar Year, in accordance with the PSA.

2.3 Additional Pass-Through Charges. Gexa shall pass through and identify separately on Customer's bill with no mark-up Delivery Charges, Non-Recurring Charges, or Taxes that are not included in the Energy Price(s). All charges are exclusive of Taxes. Pass-Through charges may include charges related to amounts owed to Gexa and/or Wholesale Supplier in accordance with Section 1.3.

2.4 Tax Exempt Status. Customer shall provide Gexa with all required exemption certificates if Customer is exempt from paying any Taxes. Gexa shall not recognize an exemption without the exemption certificates and shall not be required to refund or credit previously paid Taxes unless the taxing entity sends the refund to Gexa. Gexa shall, however, assign to Customer any applicable claims for refund.

SECTION 3: BILLING AND PAYMENT

3.1 Billing and Payment. Gexa shall invoice Customer's accounts on a monthly basis and shall bill Customer on a consolidated basis for all ESI IDs upon Customer's request. Gexa shall provide a summary bill for all accounts and detailed information for each account. Customer shall remit payment within 30 days of receiving the invoice. Gexa shall base the invoice amount on actual data provided by ERCOT and the TDSP. If ERCOT or the TDSP does not provide actual data in a timely manner, Gexa shall use estimated data to calculate the invoice and, upon receipt of actual data, reconcile the charges and adjust them as needed in subsequent invoices.

3.2 Project Settlement Agent Services. Gexa shall remit the total Project Settlement to the Project on a monthly basis, in accordance with the REP Services Agreement.

3.3 Late Penalties, Interest on Overdue Payments, Invoice Disputes. If Customer fails to remit all undisputed amounts on or before the due date, interest will accrue on any due and unpaid amounts from the due date at a rate of one percent per month, or the highest rate permitted by law, whichever is less. If Customer disputes a portion of an invoice it shall provide Gexa a written explanation specifying the amount in dispute and the reason for the dispute within 20 days of the invoice date. If Customer does not provide timely notice, Customer shall owe all amounts by the due date. Notwithstanding the above, if Customer notifies Gexa of a disputed invoice, regardless of whether Customer has already paid the invoice, Gexa shall make records in its possession that are reasonably necessary for Customer to determine the accuracy of the invoice available to Customer during normal business hours; provided, however that neither party may request an adjustment or correction of an invoice unless written notice of such dispute is given within twelve months after the due date of such invoice; provided further, that such twelve month limit does not apply in the case of TDSP meter tampering charges first billed to Gexa that prevent Gexa from reasonably adjusting invoices prior to the twelve month period. In all cases, Gexa and Customer shall use good faith efforts to resolve disputes. In the event the Parties are unable to resolve a dispute within ten days of the notice date, either Party may begin legal proceedings to seek resolution. Any amounts determined owed shall be paid within three days after a decision.

3.4 Aggregator Fees. Pursuant to the REP Services Agreement between Gexa and TCAP, Gexa is obligated to pay TCAP an amount determined by multiplying a TCAP Aggregation Fee by the volume consumed in association with the ESI IDs (the "**Aggregator Fee**"). Customer shall pay the Aggregator Fee. The initial TCAP Aggregation Fee is \$0.001 per kWh, however, it may be changed by the TCAP Board of Directors at any time. Gexa shall state the Aggregator Fee as a separate line item on the Customer's bill.

3.5 Billing Guarantee. Gexa shall issue an invoice based on actual or estimated usage to Customer for every ESI ID at least one time per month. If, for reasons other than Force Majeure, Gexa fails to invoice an ESI ID within 120 days of any scheduled meter read, Gexa irrevocably waives its right to invoice Customer for any energy consumed at that ESI ID for the meter read cycle that should have been invoiced, unless not less than 10 days prior to the expiration of such 120 day period, Gexa provides Customer with a written explanation of the circumstances that prevent Gexa from issuing that invoice and the expected time by which an invoice can be issued. In such event, Customer and Gexa shall determine a reasonable extension period, not to exceed 30 days, within which an invoice will be issued. Gexa shall adjust or true-up each invoice no more than twice and Gexa shall issue such adjustments within 210 days of the initial issue date. Notwithstanding the foregoing, Gexa may issue an invoice or partial invoice arising from meter tampering charges without limitation and within a reasonable time after first billed to Gexa by the TDSP.

SECTION 4: CUSTOMER INFORMATION, CREDIT AND DEPOSITS

4.1 Customer Information. By entering into this Agreement and appointing Gexa as Customer's agent for electricity service, Customer authorizes Gexa to obtain certain information that Gexa may need to provide Customer's

electric service, including Customer's address, telephone number, account numbers, historical usage information, and historical payment information from Customer's TDSP, and Customer further authorizes its TDSP to release that information to Gexa.

4.2 Deposits and Other Security. A Party (the "**Requesting Party**") may require the other Party (the "**Providing Party**") to provide a deposit (or additional deposit if an initial deposit was also required), letter of credit, or other form of credit assurance reasonably acceptable to the Requesting Party (collectively, "**Performance Assurance**") during the Term of this Agreement if: (i) the Requesting Party determines in its reasonable discretion that there has been a material adverse change in the Providing Party's or its guarantor's (if applicable) credit status or financial condition (which, if applicable, will mean that its credit or bond rating has dropped lower than BBB- by Standard & Poor's Rating Group or Baa3 by Moody's Investor Services or ceases to be rated by either of these agencies); or (ii) Customer has been delinquent in paying the electric bill by more than seven days more than twice during the past twelve months. Any Performance Assurance, less any outstanding balance owed by Providing Party to the Requesting Party, will be returned to the Providing Party once the Providing Party's or its guarantor's (if applicable) credit or financial condition becomes satisfactory or, if applicable, to a credit or bond rating of BBB- or Baa3 or higher, whichever occurs earlier; or, if the Performance Assurance relates to delinquent payments, the Providing Party has paid all outstanding balances and has made all payments within the dates set forth in this Agreement for a period of six consecutive months.

SECTION 5: EARLY TERMINATION; DAMAGES

5.1 Cancellation by Customer for Insufficient Appropriations. If, during Customer's annual appropriations determination, the applicable governmental authorities do not allocate sufficient funds to allow Customer to continue to perform its obligations under this Agreement (an "**Appropriations Failure**"), then Customer or Gexa shall have the right to terminate this Agreement in full or as to any affected ESI ID upon 30 days advance written notice effective at the end of the period for which appropriations are made; provided, that if appropriations are subsequently allocated for electricity for the ESI IDs covered by this Agreement, then the termination may be revoked at Gexa's option and those appropriations shall continue to apply to this Agreement and shall not be used for an electricity supply agreement with another REP. Upon a termination of this Agreement for Appropriations Failure, in full or as to any ESI ID(s), Customer shall pay all amounts due Gexa under this Agreement, including the Customer Early Termination Damages.

5.2 Customer Early Termination Damages. Except in connection with the closure of a facility associated with an ESI ID pursuant to Section 1.4, in connection with a Force Majeure Event, or as otherwise provided or excused in this Agreement, if Customer cancels this Agreement before the end of the Term and refuses to accept electric supply delivery from Gexa for any ESI ID(s), Gexa may charge Customer early termination damages equal to the sum of (a) the Retail Termination Payment, (b) the QSE Services Termination Payment, (c) the Quarterly and Annual Adjustment Payment, and (d) the Wholesale Transaction Termination Payment, as each of these terms are defined below (the sum total of these, the "**Customer Early Termination Damages**"). The "**Retail Termination Payment**" shall equal the product of (a) the Expected Usage for each ESI ID subject to Customer's cancellation or refusal of electric supply delivery ("**Customer Terminated Usage**") multiplied by (b) the sum of (i) the Aggregator Fee and (ii) the REP Services Fee specified in the REP Services Agreement. The "**QSE Services Termination Payment**" shall equal the product of (a) the Customer Terminated Usage grossed up for losses multiplied by (b) the QSE Services Fee, as defined in the PSA. The "**Quarterly and Annual Adjustment Payment**" shall be calculated by the Energy Manager in accordance with the PSA, and shall include any Quarterly and Annual Adjustment amounts for electricity provided to the Customer under this Agreement prior to the termination of this Agreement, which have not yet been charged or credited to Customer, as appropriate. For avoidance of doubt, the Quarterly and Annual Adjustment Payment may be either a charge or a credit to Customer, as calculated in accordance with the PSA. If the Customer Early Termination Damages are charged due to an Event of Default by Customer, then the Customer Early Termination Damages will also include Gexa's reasonable costs relating to the determination and collection of Customer Early Termination Damages, including attorney and consultant fees incurred. The provisions in Section 3 related to Billing and Payment apply to the billing, due date, and collection of Customer Early Termination Damages. Customer agrees that Customer Early Termination Damages are a reasonable estimate of the damages due Gexa for failure to accept electric supply, and are not punitive in nature.

5.3 Termination for Wholesale Supply Failure. If, during the Term, the Wholesale Transactions are terminated as a result of a default by the Energy Manager ("**Wholesale Supply Failure**"), then this Agreement will also terminate effective on the date the Wholesale Agreement terminates. In the event of a termination for Wholesale Supply Failure, Gexa shall pay Customer a Wholesale Termination Payment if required by Section 5.5.

5.4 Gexa Early Termination Damages. Except for a Wholesale Supply Failure, a Force Majeure Event, or as otherwise provided or excused in this Agreement, if Gexa cancels this Agreement and refuses to provide electric supply delivery to Customer for any or all ESI ID(s), Customer shall have the right to charge Gexa an early termination penalty equal to the amount determined as follows: the product of (i) the Expected Usage for each ESI ID subject to Gexa's cancellation or refusal of electric supply delivery ("**Gexa Terminated Usage**") multiplied by (ii) the REP Services Fee specified in the REP Services Agreement (that result the "**Gexa Early Termination Damages**"). If the Gexa Early Termination Damages are charged due to an Event of Default by Gexa, then the Gexa Early Termination Damages will also include Customer's reasonable costs relating to the determination and collection of Gexa Early Termination

Damages, including attorney and consultant fees incurred. Gexa agrees the Gexa Early Termination Damages are a reasonable estimate of the damages due Customer for failure to deliver electric supply, and are not punitive in nature.

5.5 Wholesale Transaction Termination Payment. If the Wholesale Transactions are terminated then Gexa shall calculate the portion of the termination payment paid under each Wholesale Transaction attributable to Customer's load. The termination payment under each Wholesale Transaction shall be calculated by subtracting the Wholesale Supplier's actual cost for the portion of the Wholesale Transaction still outstanding for the remainder of the Term from the current market value of comparable electric energy futures contracts. Energy Manager, in its sole discretion, shall determine the current market value of a comparable electricity futures contract within three (3) business days of the termination of a Wholesale Transaction, and shall be either (i) the value of the Wholesale Transaction actually sold to a third-party market participant or (ii) a third-party market quote for a comparable electricity energy future contracts. Energy Manager shall sum Customer's prorata share of each termination payment for each Wholesale Transaction attributable to Customer's Load to determine a total Wholesale Transaction Termination Payment under this Agreement (the "**Wholesale Transaction Termination Payment**"). Customer or Gexa shall pay the Wholesale Transaction Termination Payment to the other, as appropriate, in the manner described below and without regard to who is a defaulting party. If the Wholesale Transaction Termination Payment is negative, Customer shall pay Gexa the Wholesale Transaction Termination Payment. If the Wholesale Transaction Termination Payment is positive, Gexa shall pay Customer the Wholesale Transaction Termination Payment. To the extent a termination payment due from Gexa to the Energy Manager is adjusted in Gexa's account to reflect the full benefit of TCAP transacting with a replacement REP, Gexa shall make corresponding adjustments to the Wholesale Transaction Termination Payment on a pro-rata basis. Gexa shall remit a Wholesale Transaction Termination Payment due Customer, within 30 days of Gexa receiving the payment from the Energy Manager. Customer shall remit a Wholesale Transaction Termination Payment due Gexa within 30 days of Gexa's invoice. Gexa shall use commercially reasonable efforts to collect Termination Payments from the Energy Manager that include amounts due Customer.

SECTION 6: NOTICES AND PAYMENT

6.1 General Notice. Except as otherwise required by Applicable Law, all notices are deemed duly delivered if hand delivered or sent by United States, prepaid first class mail, facsimile, or by overnight delivery service. Notice by facsimile or hand delivery is effective on the day actually received, notice by overnight United States mail or courier is effective on the next business day after it is sent, and notice by U.S. Mail is effective on the second day after it is sent. The Parties shall send notices to the addresses below or any other address one Party provides to the other in writing:

- a. **If to Customer (type customer address below):**

**Gabe Reaume
City Manager
City of Saginaw
333 W. McLeroy
Saginaw, TX 76179**

- b. If to Gexa:
Gexa Energy, LP
20455 State Highway 249, Suite 200
Houston, Texas 77070

6.2 Payments. The Parties shall send payments to the addresses below or any other address one Party provides to the other in writing:

- a. **If to Customer (type customer address below):**

**Gabe Reaume, City Manager
City of Saginaw
333 W. McLeroy
Saginaw, TX 76179**

- b. If to Gexa:
Gexa Energy, LP
20455 State Highway 249, Suite 200

SECTION 7: DEFINITIONS

7.1 Definitions. In addition to terms defined elsewhere in this Agreement, when used with initial capitalization, whether singular or plural, capitalized terms have the meanings set forth in this Section 7.1. All other capitalized terms not otherwise defined shall have the meanings given them in the following documents, with any conflicting definitions contained in those documents applied in the following order: PURA, the PUCT Substantive Rules, and the ERCOT Protocols.

1. **“Actual Usage”** means the actual amount of electric energy (in kWh) used at the ESI ID(s) as determined by the TDSP.

2. **“Delivery Charges”** means those charges or credits from the TDSP pursuant to its tariff, including, but not limited to: Transmission and Distribution Charges, System Benefit Fund Charge, Nuclear Decommissioning Charge, Competitive Transition Charge, Standard Customer Metering Charge, Customer Charge, Merger Savings and Rate Reduction Credit, Excess Mitigation Credit and Utility Imposed Reactive Power Charges.

3. **“EEI Master Agreement”** mean an EEI Master Agreement between Gexa and the Energy Manager governing the Wholesale Transactions entered into by the Energy Manager in accordance with Section 2.1 and transferred by the Energy Manager to Gexa.

4. **“Effective Date”** means the date of the first meter reading of an ESI ID provided to Gexa by the TDSP after the TDSP and ERCOT shall have timely performed any required enrollment and cancellation procedures necessary to switch Customer’s REP to such ESI ID to Gexa.

5. **“Electricity Related Charges”** means, unless noted otherwise: Ancillary Services Charge, Congestion, ERCOT Administrative Fee, Delivery Loss Charge, Transmission Loss Charge, Renewable Energy Credit Charge, Residential Energy Credit Charge, Unaccounted For Energy Charge, Qualified Scheduling Entity Charge, Imbalance Settlement Charge.

6. **“Energy Manager”** means the wholesale market participant designated by TCAP to perform the services described in the PSA.

7. **“Energy Price(s)”** means the rates per unit of measure specified in Section 2.1 and includes all Electricity Related Charges.

8. **“ERCOT”** means the Electric Reliability Council of Texas.

9. **“ERCOT Protocols”** means the document adopted, published, and amended from time to time by ERCOT, and initially approved by the PUCT, to govern electric transactions in the ERCOT Region, including any attachments or exhibits referenced in the document, that contains the scheduling, operating, planning, reliability, and settlement policies, rules, guidelines, procedures, standards, and criteria of ERCOT, or any successor document thereto.

10. **“ESI ID(s)”** means the Electric Service Identifiers for the property service addresses identified on Attachment B to this Agreement or if Customer is an existing Gexa customer then the list of service addresses currently served by Gexa, as such list may be modified from time to time as provided in Section 1.4.

11. **“Expected Usage”** means either the amount stated in Attachment B calculated for the remaining Term, or if no amounts are stated or Customer is an existing Gexa customer then the average actual monthly Customer energy usage from the comparable month from the previous year (or if an average cannot be computed due to limited service by Gexa or other circumstances, an average monthly usage as is reasonably determined by Gexa) times the number of months remaining in the Term as outlined in Section 1.4.

12. **“kWh”** means kilowatt hour.

13. **“LMP” or “Locational Marginal Price”** means the price calculated for the applicable trading hub pursuant to the ERCOT Protocols.

14. **“Market Rate”** means 135% of the load-weighted average of the hourly LMPs at the corresponding load zone, as determined for any delivery period.

15. **“Nodal Market”** means the implementation of wholesale market design by ERCOT with locational marginal pricing for resources.

16. **“Nodal Congestion”** means the positive difference in price between the real-time settlement point price as determined by ERCOT for the trading hub and the real-time settlement point price as determined by ERCOT for the load zone associated with the customer Facilities.

17. **“Non-Recurring Charges”** means any charges imposed by the TDSP or other third parties on a non-recurring basis for services, repairs or additional equipment needed for Customer’s electric service.
18. **“PUCT”** means Public Utility Commission of Texas.
19. **“Project Settlement Payment”** means the Project Settlement Payment as defined in the Project Addendum, attached as Schedule I to this Agreement.
20. **“QSE Services Fee”** means the fee owed from Customer to Gexa, and remitted from Gexa to Energy Manager, for QSE Services performed by Energy Manager for the Term, as mutually agreed between TCAP and Energy Manager, the Customer having authorized TCAP to negotiate such fee on behalf of Customer in the PSA. The QSE Services Fee shall be included in the Energy Price for the Term.
21. **“REP Services Agreement”** means the REP Services Agreement currently in effect during the Term, as amended from time to time, between Gexa and TCAP.
22. **“REP Services Fee”** means the fee owed from Customer to Gexa, for REP services rendered during the Term, as mutually agreed between TCAP and Gexa, the Customer having authorized TCAP to negotiate such fee on behalf of Customer in the PSA. The REP Services Fee shall be included in the Energy Price for the Term.
23. **“Taxes”** means all taxes, assessments, levies, duties, charges, fees and withholdings of any kind levied by a duly-constituted taxing authority and all penalties, fines, and additions to tax, and interest thereon that are directly related to the services provided under this Agreement, but does not include the System Benefit Fund fee and fees and charges imposed by ERCOT. By way of example only, Taxes includes: Sales Tax, Miscellaneous Gross Receipts Tax, PUCT Assessment Fees and Franchise Fees.
24. **“TCAP”** means Texas Coalition for Affordable Power, an aggregation pool of governmental and other entities organized and administered by TCAP of which Customer is a member for the ESI IDs.
25. **“TDSP”** or **“Transmission and Distribution Service Provider”** means an entity regulated by the State of Texas, which transmits or distributes electric energy.

“

Attachments:

Attachment A

Attachment B (for new TCAP Customers only)

Terms and Conditions of Service

Offer Sheet (ESI ID list and Expected Start Date)

CUSTOMER (type Customer name in field below):	GEXA:
City of Saginaw, Texas	Gexa Energy, LP, By its General Partner Gexa Energy GP, LLC
By:	By:
Printed:	Printed:
Title:	Title:
Date:	Date:

Terms and Conditions of Service Attachment A

These Terms and Conditions of Service form an integral part of the Commercial Electricity Service Agreement between Customer and Gexa. In addition to the terms defined elsewhere in this Agreement, when used with initial capitalization, whether singular or plural, capitalized terms have the meanings set forth in Section 7.1 of this Agreement. Customer should thoroughly review the entire Agreement, including these Terms and Conditions of Service, before executing this Agreement.

A. REPRESENTATIONS AND WARRANTIES

A.1 Customer's Representations and Warranties. As a material inducement to entering into this Agreement, Customer represents and warrants to Gexa as follows: (a) it is a duly organized entity and is in good standing under the laws of Texas; (b) the execution and delivery of the Agreement are within its powers, have been duly authorized by all necessary action, and do not violate the terms or conditions of contracts it is party to or laws applicable to it; (c) performance of this Agreement will be duly authorized by all necessary action and will not violate the terms or conditions of contracts it is party to; (d) as of the date sales of electricity by Gexa to Customer under the Agreement start, Customer will have all regulatory authorizations necessary for it to legally perform its operations and such performance will not violate the terms or conditions of contracts it is party to or laws applicable to it; (e) this Agreement is a legal, valid, and binding obligation of Customer enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, and other laws affecting creditor's rights generally, and with regard to equitable remedies, subject to the discretion of the court before which proceedings to obtain the same may be pending; (f) there are no bankruptcy, insolvency, reorganization, receivership, or other similar proceedings pending or being contemplated by it, or to its knowledge threatened against it; (g) there are no suits, proceedings, judgments, rulings, or orders by or before any court or any government authority that could materially adversely affect its ability to perform the Agreement; and (h) as of the Effective Date and throughout the Term, there is no other contract for the purchase of electricity by Customer for the ESI ID(s), or, if such a contract presently exists, that it will terminate prior to delivery under this Agreement.

A.2 Gexa's Representations and Warranties. As a material inducement to entering into this Agreement, Gexa represents and warrants to Customer as follows: (a) it is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation and is qualified to conduct its business in those jurisdictions necessary to perform the Agreement; (b) the execution and delivery of the Agreement are within its powers, have been duly authorized by all necessary action, and do not violate the terms or conditions of its governing documents or contracts it is party to or any laws applicable to it; (c) performance of the Agreement will be duly authorized by all necessary action and will not violate the terms or conditions of its governing documents or contracts it is party to; (d) as of the date sales of electricity by Gexa to Customer under the Agreement start, Gexa will have all regulatory authorizations necessary for it to legally perform its operations and such performance will not violate the terms or conditions of its governing documents, contracts it is party to, or laws applicable to it; and (e) the Agreement constitutes a legal, valid, and binding obligation of Gexa enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, and other laws affecting creditor's rights generally, and with regard to equitable remedies, subject to the discretion of the court before which proceedings to obtain the same may be pending.

A.3 Forward Contract. (i) This Agreement constitutes a forward contract within the meaning of the United States Bankruptcy Code ("Code"); (ii) Gexa is a forward contract merchant; and (iii) either Party is entitled to the rights under, and protections afforded by, the Code.

B. DISCLAIMERS OF WARRANTIES; LIMITATION OF LIABILITIES

B.1 LIMITATIONS OF LIABILITY. LIABILITIES NOT EXCUSED BY REASON OF FORCE MAJEURE OR AS OTHERWISE PROVIDED, ARE LIMITED TO DIRECT ACTUAL DAMAGES. GEXA IS NOT LIABLE TO CUSTOMER FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES OR LOSS OF REVENUES OR PROFIT. THESE LIMITATIONS APPLY WITHOUT REGARD TO THE CAUSE OF ANY LIABILITY OR DAMAGE. EXCEPT FOR (a) THE GEXA EARLY TERMINATION DAMAGES DUE IF GEXA DEFAULTS, (b) THE CUSTOMER EARLY TERMINATION DAMAGES DUE IF CUSTOMER DEFAULTS, AND (c) THE WHOLESALE TRANSACTION TERMINATION PAYMENT, THE LIABILITY OF EITHER PARTY TO THE OTHER FOR ANY OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE AGGREGATE AMOUNT OF ALL DOLLARS PAID BY CUSTOMER TO GEXA (IF CUSTOMER) OR RECEIVED BY GEXA (IF GEXA) PURSUANT TO THIS AGREEMENT. THERE ARE NO THIRD PARTY BENEFICIARIES TO THIS AGREEMENT.

B.2 Duty to Mitigate. Each Party shall mitigate damages and use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's performance or non-performance.

B.3 WAIVER OF CUSTOMER PROTECTION RULES AND CONSUMER RIGHTS. THE PARTIES FURTHER ACKNOWLEDGE THAT THE CUSTOMER PROTECTION RULES ADOPTED BY THE PUBLIC UTILITY COMMISSION (AS CONTAINED IN ITS SUBSTANTIVE RULES 25.471 ET SEQ.) ("**CUSTOMER PROTECTION RULES**") THAT PERTAIN TO RETAIL ELECTRIC SERVICE RELATED TO RESCISSION RIGHTS, CUSTOMER DISCLOSURES, DELIVERY OF CUSTOMER CONTRACTS TO CUSTOMERS, RECORDKEEPING, INTEREST PAID ON DEPOSITS AND CUSTOMER NOTICES DO NOT APPLY TO THIS AGREEMENT. EXCEPT AS SET FORTH IN THIS SECTION, CUSTOMER EXPRESSLY WAIVES THE CUSTOMER PROTECTION RULES THAT PERTAIN TO RETAIL ELECTRIC SERVICE RELATED TO RESCISSION RIGHTS, CUSTOMER DISCLOSURES, DELIVERY OF CUSTOMER CONTRACTS TO CUSTOMERS, RECORDKEEPING, INTEREST PAID ON DEPOSITS AND CUSTOMER NOTICES TO THE FULLEST EXTENT ALLOWED BY APPLICABLE LAW. CUSTOMER FURTHER WAIVES ITS RIGHTS UNDER THE DECEPTIVE TRADE PRACTICES--CONSUMER PROTECTION ACT, SECTION 17.41, ET. SEQ., BUSINESS & COMMERCE CODE, A LAW THAT GIVES CONSUMERS

SPECIAL RIGHTS AND PROTECTIONS. CUSTOMER REPRESENTS AND WARRANTS TO GEXA THAT: (a) CUSTOMER IS NOT IN A SIGNIFICANTLY DISPARATE BARGAINING POSITION IN RELATION TO GEXA; (b) CUSTOMER IS REPRESENTED BY LEGAL COUNSEL THAT WAS NEITHER DIRECTLY NOR INDIRECTLY IDENTIFIED, SUGGESTED OR SELECTED BY GEXA; AND (c) CUSTOMER VOLUNTARILY CONSENTS TO THIS WAIVER AFTER CONSULTATION WITH ITS LEGAL COUNSEL.

B.4 UCC/Disclaimer of Warranties. The electricity delivered is a “good” as that term is understood in the Texas B&CC (UCC §2.105). The Parties waive the UCC to the fullest extent allowed by law and the UCC requirements do not apply to this Agreement, unless otherwise provided. If there is a conflict between the UCC and this Agreement, this Agreement controls. Neither Party controls nor physically takes possession of the electric energy prior to delivery to Customer’s ESI ID(s). Therefore, neither Party is responsible to the other for any damages associated with failure to deliver the electric energy, nor for damages it may cause prior to delivery to Customer’s ESI ID(s). Once the electric energy is delivered to Customer’s ESI ID(s) it is deemed in possession and control of Customer. ELECTRICITY SOLD UNDER THIS AGREEMENT WILL MEET THE QUALITY STANDARDS OF THE APPLICABLE LOCAL DISTRIBUTION UTILITY AND WILL BE SUPPLIED FROM A VARIETY OF SOURCES. GEXA MAKES NO REPRESENTATIONS OR WARRANTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT, AND GEXA EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. GEXA EXPRESSLY NEGATES ALL OTHER REPRESENTATIONS OR WARRANTIES, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING ANY REPRESENTATION OF WARRANTY WITH RESPECT TO CONFORMITY, TO MODELS OR SAMPLES, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE.

B.5 Force Majeure. Gexa shall make commercially reasonable efforts to provide electric service, but does not guarantee a continuous supply of electricity. Gexa does not generate electricity nor does it transmit or distribute electricity. Causes and events out of the control of Gexa and Customer (“**Force Majeure Event(s)**”) may result in interruptions in service or the ability to accept electricity. If either Party is unable to perform its obligations, in whole or in part, due to a Force Majeure Event, then the obligations of the affected Party (other than the obligation to pay any amounts owed to Gexa that relate to periods prior to the Force Majeure Event) are suspended to the extent made necessary by such Force Majeure Event. Therefore, neither Party is liable to the other Party for damages caused by Force Majeure Events, including acts of God, acts of, or the failure to act by, any governmental authority (including the PUCT or ERCOT and specifically including failure by ERCOT to make Customer meter read data available), accidents, strikes, labor troubles, required maintenance work, events of “force majeure” or “uncontrollable force” or a similar term as defined under the applicable transmission provider’s tariff, inability to access the local distribution utility system, non-performance by the supplier or the local distribution utility, changes in laws, rules, or regulations of any governmental authority (including the PUCT or ERCOT) that would prevent the physical delivery of energy to Customer’s facilities, or any cause beyond such Party’s control. The Parties agree that Appropriations Failures and Scheduling Failures are not Force Majeure Events.

C. CONFIDENTIALITY AGREEMENT

C.1 Confidentiality. Customer is a governmental body subject to public information laws, including Chapter 552 of the Texas Government Code. If Customer receives a valid request under applicable public information laws for information related to this Agreement, it shall provide Gexa notice of the request including a description of the information sought prior to Customer’s release of information so that Gexa has the opportunity to determine whether such information is subject to an exception as trade secret, competitive, commercial, or financial information. With the exception of the preceding disclosures pursuant to public information laws, a Party (that party, the “**Receiving Party**”) shall keep confidential and not disclose any to third parties Confidential Information which is disclosed to the Receiving Party by the other Party (that party, the “**Disclosing Party**”) except for disclosures to Authorized Parties or as required by law. “**Confidential Information**” means information in written or other tangible form which is marked as “Confidential” when it is disclosed to the Receiving Party, except that Confidential Information shall not include information which (i) is available to the public, (ii) becomes available to the public other than as a result of a breach by the Receiving Party of its obligations hereunder, (iii) was known to the Receiving Party prior to its disclosure by the Disclosing Party, or (iv) becomes known to the Receiving Party thereafter other than by disclosure by the Disclosing Party. The provisions of this Section apply regardless of fault and survive termination, cancellation, suspension, completion or expiration of this Agreement for a period of two (2) years. Customer authorizes Gexa to provide TCAP with all information requested by TCAP about Customer’s account and billings. “**Authorized Parties**” means those officers, directors, employees, agents, representatives and professional consultants of the Parties, and of the Parties’ affiliates, that have a need to know the Confidential Information for the purpose of evaluating and performing this Agreement.

D. DEFAULT AND REMEDIES

D.1 Events of Default. An event of default (“**Event of Default**”) means: (a) the failure of Customer to make, when due, any payment required under this Agreement for any undisputed amount if that payment is not made within fifteen (15) business days after receipt of written notice (facsimile or electronic mail are valid forms of notice for this paragraph) from Gexa; or (b) any representation or warranty made by a Party proves to be false or misleading in any material respect; (c) except as provided in clause (a) above or otherwise in this section D.1, the failure of any Party to perform its obligations under this Agreement and that failure is not excused by Force Majeure and remains uncured following 20 business days written notice of the failure; (d) the defaulting Party (i) makes an assignment or any general arrangement for the benefit of creditors; or (ii) files a petition or otherwise commences, authorizes or acquiesces to a bankruptcy proceeding or similar proceeding for the protection of creditors, or has such a petition filed against it and that petition is not withdrawn or dismissed within 20 business days after filing; or (iii) otherwise becomes insolvent; or (iv) is unable to pay its debts when due; or (v) fails to establish, maintain or extend Credit in form and in an amount acceptable to Gexa when required; or (e) the Wholesale Transaction is terminated due to a default by Gexa under CESAs with other TCAP members or due to a default by the Energy Manager under the

Wholesale Transaction. If an Event of Default listed in subsection (d) of this Section occurs, it is deemed to have automatically occurred prior to such event.

D.2 Remedies upon an Event of Default. If an Event of Default occurs and is continuing, upon written notice to the defaulting Party, the non-defaulting Party may (a) commence an action to require the defaulting Party to remedy such default and specifically perform its duties and obligations in accordance with the Agreement; (b) exercise any other rights and remedies it has at equity or at law, subject to the Agreement's Limitations of Liabilities; and/or (c) suspend performance; provided, however, that suspension shall not continue for longer than ten (10) Business Days unless the non-defaulting Party has declared an early termination with proper notice. If Customer is responsible for an Event of Default and fails to cure within ten (10) days of written notice (such additional cure period does not apply to default for non-payment), in addition to its other remedies, Gexa may (i) terminate this Agreement; and (ii) charge Customer the Customer Early Termination Penalty pursuant to Section 5 of this Agreement. Notwithstanding the above, Gexa shall not disconnect or order disconnection of service to Customer unless the following events have all occurred: (1) Customer has an Event of Default for nonpayment under Section D.1(a) above, (2) Gexa gives Customer a ten (10) day written disconnection notice; and (3) Customer does not pay all undisputed outstanding payments owed by the end of the ten (10) day notice period. .

E. MISCELLANEOUS PROVISIONS

E.1 Disclaimer. This Agreement does not constitute, create, or otherwise recognize the existence of a joint venture, association, partnership, or other formal business entity of any kind among the Parties and the rights and obligations of the Parties are limited to those set forth in this Agreement.

E.2 Headings. The descriptive headings of the Articles and Sections of this Agreement are inserted for convenience only and are not intended to affect the meaning, interpretation or construction of this Agreement.

E.3 Waiver. Except as otherwise provided, failure of a Party to comply with an obligation, covenant, agreement, or condition may be waived by the other Party only in a writing signed by the Party granting the waiver, but that waiver does not constitute a waiver of, or estoppel with respect to a subsequent failure of the first Party to comply with that obligation, covenant, agreement, or condition.

E.4 Assignment. Except as provided in the REP Services Agreement, Customer shall not assign this Agreement, in whole or in part, or any of its rights or obligations pursuant to the Agreement without Gexa's prior written consent, which shall not be unreasonably withheld. Gexa may withhold consent if a proposed assignee fails to be at least as creditworthy as Customer as of the Effective Date. Gexa may: (a) transfer, sell, pledge, encumber or assign the revenues or proceeds of this Agreement in connection with any financing or other financial arrangement; (b) transfer or assign this Agreement to a Gexa affiliate with operating capability and financial condition substantially similar to Gexa; (c) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets of Gexa with an operating capability and financial condition substantially similar to Gexa as of the execution date of this Agreement; and/or (d) transfer or assign this Agreement to a certified REP with an operating capability and financial condition substantially similar to Gexa as of the execution date of this Agreement. In the case of (b), (c), or (d), any such assignee shall agree in writing to be bound by these Terms and Conditions of Service, and upon assignment, Gexa shall have no further obligations under this Agreement. Gexa shall not assign the Agreement to a non-affiliated entity (including its guarantor) that has a credit rating lower than BBB- without the prior written consent of TCAP, which shall not be unreasonably withheld.

E.5 No Third-Party Beneficiaries. This Agreement does not confer any rights or remedies on any person or party other than the Parties, their successors and permitted assigns; except that the Parties recognize that TCAP is entitled to receive the Aggregator Fee .

E.6 Severability. If a provision of this Agreement is held to be unenforceable or invalid by a court or regulatory authority of competent jurisdiction, the validity and enforceability of the remaining provisions are unaffected by that holding, and the Parties shall, to the extent possible, negotiate an equitable adjustment to the provisions of this Agreement in order to preserve the original intent and purpose of this Agreement.

E.7 Entire Agreement; Amendments. This Agreement constitutes the entire understanding between the Parties, and supersedes any and all previous understandings, oral or written, with respect to the subjects it covers. This Agreement may be amended only upon the mutually signed, written agreement of the Parties.

E.8 Further Assurances. The Parties shall promptly execute and deliver, at the expense of the Party requesting such action, any and all other and further instruments and documents which are reasonably requested in order to effectuate the transactions contemplated in this Agreement.

E.9 Emergency, Outage and Wire Service. In the event of an emergency, outage or service need, Customer shall call the TDSP for the service area of the ESI ID experiencing the emergency, outage or service need.

E.10 Customer Care. Customer may contact Gexa Customer Care if Customer has specific comments, questions, disputes, or complaints toll free at 1-866-961-9399, Monday to Friday 7:00 a.m. – 8:00 p.m. CST and Saturday from 8:00 a.m. – 2:00 p.m.. Gexa shall assist and cooperate with Customer regarding communications with a TDSP relating to service to any ESI ID served by Gexa under this Agreement.

E.11 Governing Law.

a. This Agreement is governed by and construed and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas, without regard to the State of Texas conflict of laws provisions.

b. All disputes between the Parties under this Agreement which are not otherwise settled will be decided by a court of competent jurisdiction in Harris County, Texas, and the Parties submit to the jurisdiction of the courts of the State of Texas and the Federal District Courts in Houston, Harris County, Texas. All disputes are governed under the laws of the State of Texas.

c. Subject to the provisions of E.11.a. above, this Agreement is subject to, and in the performance of their respective obligations under this Agreement the Parties shall comply with, all applicable federal, state and local laws, regulations and requirements (including the rules, regulations and requirements of quasigovernmental and regulatory authorities with jurisdiction over the Parties, including ERCOT) (collectively, "*Applicable Law*").

E.12 No Presumption Against Drafting. Both Parties contributed to the drafting of this Agreement. The rule of construction that any ambiguity is construed against the party who drafted this Agreement does not apply to this Agreement.

E.13 Counterparts; Facsimile Copies. This Agreement may be executed in counterparts, all of which constitute one and the same Agreement and each is deemed an original. A facsimile copy of either Party's signature is considered an original for all purposes, and each Party shall provide its original signature upon request.

E.15 Offer for Electric Service; Refusal of Service. This Agreement, including these Terms and Conditions of Service, constitute an offer for electric service, and is expressly conditioned on acceptance of this Agreement by Gexa. Gexa may refuse to provide electric service to Customer subject to the requirements of Applicable Law.



Background.

Texas Coalition for Affordable Power has procured electricity for its members since the beginning of retail electric deregulation in Texas in 2002. In the recent past, it has become evident that the electric market and the mix of available sources and supplies have changed dramatically. While the current electric fixed price/fixed term contract has worked well, TCAP believes that a more optimum program—called Strategic Hedging Program (SHP)—will now be offered to its members. In recent years, the United States has become the world's largest supplier of oil and natural gas, particularly with the development of fracking technology. The DOE production estimate through 2050 shows a well-supplied market and stable price outlook. There has also been a tremendous growth in renewable energy sources such as wind and solar power.

What is SHP?

Instead of buying electricity through a fixed price longer term contract, SHP will procure one twelfth of the annual supply each month, two years forward year-to-year. This provides the lowest market pricing to reduce carrying charges and risk premiums that longer term contracts must charge. Pricing will never be out of the market. SHP features an ultra-competitive RFP process of 20+ vetted creditworthy suppliers. At least 4 suppliers will be in each TCAP portfolio at all times. Prices will be known to members well prior to fiscal year budgeting needs. It avoids the “all-in” guess of a single fixed price multi-year deal. It also provides members with twice a year periodic off ramps if a member desires to revert to a traditional fixed price/fixed term contract.

What action needs to be taken and when?

In order to prepare for an electric supply contract beyond the 2022, it is necessary for members to have their governmental bodies pass the enclosed resolution to approve the Professional Services Agreement and the Commercial Electricity Service Agreement. The resolution authorizes TCAP to function as a procurer of energy in addition to serving as an agent in negotiating contracts. While SHP is the default option, members may opt out by filling out the Authorized Election Form attached as Exhibit A of the PSA and have a traditional fixed price/fixed term contract post-2022. *However, it is important that members intending to participate in SHP do so by September 30, 2020 in order to be included in the monthly auctions beginning in January 2021.*



City of Saginaw

Meeting Date: 8/18/2020

Staff Contact: Rick Trice, P.E.
Director of Public Works

Agenda Items: (5)

E-mail: rtrice@saginawtx.org

Phone: (817) 230-0449

SUBJECT:

PUBLIC HEARING - Consideration and Action Regarding a Recommendation from the Planning and Zoning Commission, to Amend the Zoning Ordinance (No. 2001-04) Amending the Regulations for "Private Card Club" and "Bingo Halls"

BACKGROUND/DISCUSSION:

Staff has received recent inquiries about allowing a new use, "Private Card Club" within the City. Private Card Clubs have recently been permitted in Texas cities.

Private Card Clubs do not meet the legal definition of gambling as define in the Texas Penal Code. Revenue for the clubs is made from private dues from its membership.

The request was informally brought before the Planning and Zoning Commission on July 14, 2020 to receive its feedback. The Commission provided staff direction including that of treating Bingo Halls and Private Card Clubs similarly as a land use. Additionally, the Commission expressed concern over the uses being allowed along Saginaw Boulevard.

The proposed ordinance amendment adds "Bingo Hall" and "Private Card Club" as Prohibited Uses in the Saginaw Boulevard Overlay District. When allowed in other areas the uses will require a Specific Use Permit.

The "Permitted Use Table," will be amended to read as follows:

AG	SF1	SF2	SF3	SF4	SFA	DX	ZL	MH	MF1	MF2	Land use Designation	OP	NC	CC	CF	LI	HI	Supplemental Conditions
COMMERCIAL, RETAIL, AND SERVICES USES																		
											Bingo Hall			S		S		1, 23
											Private Card Club			S		S	S	2

A new definition for "Private Card Club" will be added to read as follows:

Private Card Club. An establishment allowing private memberships to the public for the purpose of convening and participating in card games. S activities shall not include "Gambling" as defined by Chapter 47 of the Texas Penal Code.

The Planning and Zoning Commission met on August 11, 2020 and unanimously approved the recommendation to City Council to approve the ordinance as submitted.

FINANCIAL IMPACT:

N.A.

RECOMMENDATION:

Staff recommends approval of Ordinance 2020-16.

ATTACHMENTS:

Description

Ordinance 2020-16

P&Z Minutes

**CITY OF SAGINAW, TEXAS
ORDINANCE NO. 2020-16**

AN ORDINANCE AMENDING ORDINANCE NO. 2002-04, THE ZONING REGULATIONS OF THE CITY OF SAGINAW, TEXAS; AMENDING THE PERMITTED USE TABLE, SECTION 5-1, TO PROVIDE THAT BINGO HALLS ARE PERMITTED IN COMMUNITY COMMERCIAL AND LIGHT INDUSTRIAL ZONING DISTRICTS AND PRIVATE CARD CLUBS ARE PERMITTED BY SPECIFIC USE PERMIT IN COMMUNITY COMMERCIAL, LIGHT INDUSTRIAL AND HEAVY INDUSTRIAL ZONING DISTRICTS; AMENDING ARTICLE 7, SECTION 7-4, D, 1. A. "PROHIBITED USES" TO PROVIDE THAT PRIVATE CARD CLUBS AND BINGO HALLS ARE PROHIBITED USES IN THE SAGINAW BOULEVARD OVERLAY DISTRICT; AMENDING PART B, "LAND USE DEFINITIONS AND EXPLANATIONS", OF SECTION 12-2 OF ARTICLE 12 PROVIDING A DEFINITION FOR PRIVATE CARD CLUB; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY FOR VIOLATIONS HEREOF; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION IN PAMPHLET FORM; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Saginaw is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5, of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City Council of the City of Saginaw heretofore adopted Ordinance No. 2002-04, as amended, the Zoning Regulations of the City of Saginaw, which regulate and restrict the location and use of buildings, structures and land for trade, industry, residence and other purposes, and provides for the establishment of zoning districts of such number, shape and area as may be best suited to carry out these regulations; and

WHEREAS, the City Council of the City of Saginaw deems it necessary in order to lessen congestion on streets, to secure safety from fire, panic, and other dangers; to promote health and the general welfare; to provide adequate light and air; to prevent overcrowding of land; to avoid

undue concentration of population; to facilitate the adequate provisions of transportation, water, sewers, schools, parks and other public requirements; to conserve the value of property and encourage the most appropriate use of land throughout the City, that the hereinafter contained provisions of this ordinance should be passed, promulgated and enforced; and

WHEREAS, the Planning and Zoning Commission of the City of Saginaw, Texas held a public hearing on August 11, 2020, and the City Council of the City of Saginaw, Texas held a public hearing on August 18, 2020, with respect to the amendment described herein; and

WHEREAS, the City of Saginaw, Texas has complied with all requirements of Chapter 211 of the Local Government Code, and all other laws dealing with notice, publication and procedural requirements for the adoption of these zoning regulations.

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

SECTION 1.

That Appendix A of the Code of Ordinances, the Comprehensive Zoning Ordinance of the City of Saginaw, Texas, Section 5-1, "Permitted Use Table," is hereby amended by amending the use "Bingo Hall," permitting the use in Community Commercial and Light Industrial zoning districts with a Specific Use Permit and adding the use "Private Card Club," permitting the use in Community Commercial, Light Industrial, and Heavy Industrial zoning districts with Specific Use Permit, as follows:

A G	S F 1	S F 2	S F 3	S F 4	S F A	D X	Z L	M H	M F 1	M F 2	Land use Designatio n	O P	N C	C C	C F	L I	H I	Supplemental Conditions
COMMERCIAL, RETAIL, AND SERVICES USES																		
											Bingo Hall			S		S		1, 23
											Private Card Club			S		S	S	2

SECTION 2.

That Appendix A of the Code of Ordinances, the Comprehensive Zoning Ordinance of the City of Saginaw, Texas, Section 7-4, “Saginaw boulevard overlay district,” is hereby amended by adding the “Private Card Club” and “Bingo Hall” to the prohibited uses listed in Section 7-4.D.1.a. to read as follows:

“(a) *Prohibited uses:*

- (1) Auto sales, new and used.
- (2) Building material sales.
- (3) Cargo container.
- (4) Landscape service.
- (5) Machinery sales or repair.
- (6) Mini-warehouse.
- (7) Motorcycle sales.
- (8) Non-depository financial institutions.
- (9) Recreational vehicle rental.
- (10) Rental yard, commercial and heavy equipment.

(11) Stone monument sales.

(12) Private Card Club.

(13) Bingo Hall.”

SECTION 3.

That Part B, “Land Use Definitions and Explanations,” of Section 12-2 of Article 12 of the Zoning Regulations of the City is hereby amended adding a definition for “Private Card Club” to read as follows:

Private Card Club. An establishment allowing private memberships to the public for the purpose of convening and participating in card games. Such activities shall not include “Gambling” as defined by Chapter 47 of the Texas Penal Code.

SECTION 4.

This Ordinance shall be cumulative of all provisions of ordinances and of the Saginaw City Code and Zoning Regulations as amended, except when the provisions of this Ordinance are in direct conflict with the provisions of such ordinances and such code, in which event the conflicting provisions of such ordinances and such code are hereby repealed.

SECTION 5.

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

SECTION 6.

Any person, firm or corporation who violates, disobeys, omits, neglects or refuses to comply with or who resists the enforcement of any of the provisions of this ordinance shall be fined not more than Two Thousand Dollars (\$2,000.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION 7.

All rights and remedies of the City of Saginaw are expressly saved as to any and all violations of the provisions of the Zoning Regulations of the City that have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

SECTION 8.

The City Secretary of the City of Saginaw is hereby authorized to publish this ordinance in book or pamphlet form for general distribution among the public, and the operative provisions of this ordinance as so published shall be admissible in evidence in all courts without further proof than the production thereof.

SECTION 9.

The City Secretary of the City of Saginaw is hereby directed to publish at least twice in the official newspaper of the City of Saginaw, the caption and the penalty clause of this ordinance in accordance with Section 52.013(b) of the Local Government Code.

SECTION 10.

This Ordinance shall be in full force and effect from and after the date of its passage and publication as required by law, and it is so ordained.

PASSED AND APPROVED ON THIS 18th DAY OF August, 2020.

TODD FLIPPO, MAYOR

ATTEST:

JANICE ENGLAND, CITY SECRETARY

APPROVED AS TO FORM AND LEGALITY:

BRYN MEREDITH, CITY ATTORNEY,

**MINUTES OF A REGULAR MEETING AND PUBLIC HEARING
OF THE CITY OF SAGINAW
PLANNING AND ZONING COMMISSION
HELD AT THE CITY OF SAGINAW CITY HALL
333 WEST MCCLEROY BOULEVARD
August 11, 2020**

Present at the Meeting:

Chairman	Place No. 3	Matthew Lewis
Vice Chairman	Place No. 1	Kenneth Haney
Member	Place No. 2	William Barngrover
Member	Place No. 4	Malinda Julien
Member	Place No. 5	Jason LaBruyere
Alternate Member	Alt. No. 2	Randy Villarreal
Director Public Works		Rick Trice
City Attorney		Ben Gibbs
Recording Secretary		Mary Ragle

Absent from the Meeting:

Alternate Member	Alt No. 1	John Peet
------------------	-----------	-----------

Visitors at the Meeting:

Kelly Agnor
Kevin Patel
Jon Julien

(1) Call to Order

Chairman Lewis called the meeting to order at 6:00 p.m.

(2) Roll Call to Establish Quorum

Chairman Lewis called roll. The quorum will consist of Chairman Lewis, Vice Chairman Haney, Members Barngrover, Julien, LaBruyere.

(3) Audience participation

Chairman Lewis explained the procedure to follow to address the Commission.

(4) Approval of Minutes

The minutes of a regular meeting and public hearing on July 14, 2020 were presented for approval. A motion was made by Member Barngrover with a second by Vice Chairman Haney to approve the minutes for July 14, 2020 as presented. Motion carried unanimously.

For: Chairman Lewis, Vice Chairman Haney
Members Barngrover, Julien, LaBruyere

Against: None

Absent Alternate Member Peet

(5) PZ 0820-01

Consideration And Action Regarding A Variance Request To Section 7.09, C.3.i Of The Subdivision Ordinance, for a Proposed Planet Fitness Located at the SW Corner of S Saginaw Boulevard and Palomino Drive

DPW Trice stated that the developer of Planet Fitness has requested a variance to Section 7.09, C.3.i of the Subdivision Ordinance regarding detention in parking lots.

DPW Trice informed the members that the variance requested is for an exception to the 6-inch depth maximum and be allowed to count the 63 parking spaces in their proposed detention area in the required number of parking spaces.

There was a discussion regarding members' concerns regarding depth of water during a heavy rain, affect to residences to the west of this project and signage required by the Sub Division Ordinance.

Kevin Patel, P. E., with Triangle Engineers, answered questions and addressed concerns.

DPW Trice stated that the area drains to the east and that a drainage flume will intercept toe parking lot runoff and direct it to the north. Surrounding properties will not be adversely affected. He also advised that there should be no impact downstream.

Mr. Patel stated the detention is designed to drain water slowly and should improve some of the existing drainage problems with the site.

There was also a discussion regarding the following items the city council has to consider in granting a variance:

E.

In granting a variance, the council shall prescribe only conditions that it deems necessary to or desirable in the public interest. In making the findings herein below required, the council shall take into account the nature of the proposed use of the land involved, existing uses of land in the vicinity, the number of persons who will reside or work in the proposed subdivision, and the probable effect of such variance upon traffic conditions and upon the public health, safety, convenience and welfare in the vicinity. No variance shall be granted unless the council finds that all of the following conditions exist:

1.

That there are special circumstances or conditions affecting the land involved such that the strict application of the provisions of this ordinance would deprive the applicant of the reasonable use of the land;

2.

That the variance is necessary for the preservation and enjoyment of a substantial property right of the applicant;

3.

That the granting of the variance will not be detrimental to the public health, safety or welfare, or injurious to other property in the area; and

4.

That the granting of the variance will not have the effect of preventing the orderly subdivision of other land in the area in accordance with the provisions of this ordinance.

Chairman Lewis asked if there were any more comments. There were none.

A motion was made by Member Julien with a second by Member Barngrover to recommend that the City Council approve the variance to the Sub Division Ordinance requested but require that the 15 parking spaces in the area that will have more than 6” of water at 100-year rainfall event be designated as truck parking only. Motion carried.

For: Chairman Lewis, Vice Chairman Haney
Members Barngrover, Julien, LaBruyere

Against: None

Absent Alternate Member Peet

(6) PZ 0820-02 PUBLIC HEARING

Consideration And Action Regarding An Ordinance Amending Ordinance No. 2002-04, The Zoning Regulations Of The City Of Saginaw, Texas; Amending The Permitted Use Table, Section 5-1, To Provide That Bingo Halls Are Permitted In Community Commercial And Light Industrial Zoning Districts And Private Card Clubs Are Permitted By Specific Use Permit In Community Commercial, Light Industrial And Heavy Industrial Zoning Districts; Amending Article 7, Section 7-4, D 1. A. “Prohibited Uses” To Provide That Private Card Clubs And Bingo Halls Are Prohibited Uses In The Saginaw Boulevard Overlay District; Amending Part B, “Land Use Definitions And Explanations”, Of Section 12-2 Of Article 12 Providing A Definition For Private Card Club.

Chairman Lewis opened the Public Hearing at 6:22

DPW Trice reminded the members that at the July 14th meeting staff had presented a discussion item regarding a new use, Private Card Club. He said based on that discussion staff prepared an amendment to the Zoning Ordinance that addresses “Private Card Club” and Changes to the “Bingo Hall” permitted use. He reviewed the conditions and requirements in the amendment.

Chairman Lewis asked if there were any questions or comments. There were none.

Chairman Lewis closed the public hearing at 6:26 p.m.

A motion was made by Member Julien with a second by Member Barngrover to recommend that the city council approve the amendment to the Zoning Ordinance (2002-04) for an added use, Private Card Club and requirements and changes to the Bingo Hall Use.

For: Chairman Lewis, Vice Chairman Haney
Members Barngrover, Julien, LaBruyere

Against: None

Absent Alternate Member Peet

(7) Staff Report

A. Discussion of Residential, Commercial, Industrial, and City Capital Projects

B. Previous Cases

DPW Trice reviewed information included in the members' packets. He also gave an update on projects throughout the city.

(8) EXECUTIVE SESSION

1 § 551.071. Consultation with Attorney. The Planning and Zoning Commission may convene in executive session to conduct a private consultation with its attorney on any legally posted agenda item, when the Planning and Zoning Commission seeks the advice of its attorney about pending or contemplated litigation, a settlement offer, or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the provisions of Chapter 551, including the following items:

a. Any Posted Item

No executive session was held

(9) Adjournment

Motion was made by Vice Chairman Haney with a second by Member LaBruyere to adjourn the meeting. Motion carried unanimously.

For: Chairman Lewis, Vice Chairman Haney
Members Barngrover, Julien, LaBruyere

Against: None

Absent Alternate Member Peet

Chairman Lewis declared the meeting of August 11, 2020 closed at 6:30 p.m.

APPROVED:

Matthew Lewis, Chairman

ATTEST:

Mary Ragle, Recording Secretary



City of Saginaw

Meeting Date: 8/18/2020

Staff Contact: Rick Trice, P.E.
Director of Public Works

Agenda Items: (6)

E-mail: rtrice@saginawtx.org

Phone: (817) 230-0449

SUBJECT:

Consideration and Action regarding Approval of a Replat for Lots 2R4-A, 2R4-B, 2R4-C, and 2R4-D, Block A, Van Zandt Place being a Replat of Lot 2R4, Block A, Van Zandt Place an Addition to the City of Saginaw, Texas

BACKGROUND/DISCUSSION:

On July 14, 2020, the Planning and Zoning Commission considered the approval of a replat for Lots 2R4-A, 2R4-B, 2R4-C, and 2R4-D, Block A, Van Zandt Place Addition. The replat as submitted contained comments regarding minor textural corrections and a requirement for a Developer Agreement for participation on Old Decatur Road determined by Rough Proportionality. The Planning and Zoning Commission unanimously approved the replat subject to resolution of the outstanding comments.

On August 4, 2020, City Council approved the developer agreement with the owner, Havener HH, LP. Textural corrections have been made to the plat.

The Replat will create 4 new lots on the property as described below:

Lot 2R4-A	1.1508 Ac.
Lot 2R4-B	0.9884 Ac.
Lot 2R4-C	0.7634 Ac.
Lot 2R4-D	<u>4.6458 Ac.</u>
	7.548 Total Acres

FINANCIAL IMPACT:

N.A.

RECOMMENDATION:

Staff recommends approval for the replat for Lots 2R4-A, 2R4-B, 2R4-C, and 2R4-D, Block A, Van Zandt Place Addition.

ATTACHMENTS:

Description

P&Z Minutes

**MINUTES OF A REGULAR MEETING AND PUBLIC HEARING
OF THE CITY OF SAGINAW
PLANNING AND ZONING COMMISSION
HELD AT THE CITY OF SAGINAW CITY HALL
333 WEST MCCLEROY BOULEVARD
July 14, 2020**

Present at the Meeting:

Chairman	Place No. 3	Matthew Lewis
Member	Place No. 2	William Barngrover
Member	Place No. 4	Malinda Julien
Alternate Member	Alt. No. 2	Randy Villarreal
Director Public Works		Rick Trice
City Attorney		Alicia Kreh
Recording Secretary		Mary Ragle

Absent from the Meeting:

Vice Chairman	Place No. 1	Kenneth Haney
Member	Place No. 5	Jason LaBruyere
Alternate Member	Alt No. 1	John Peet

Visitors at the Meeting:

Brandon Middleton
Gary Havener
Jon Julien

(1) Call to Order

Chairman Lewis called the meeting to order at 6:00 p.m.

(2) Roll Call to Establish Quorum

Chairman Lewis called roll. The quorum will consist of Chairman Lewis, Members Barngrover, Julien and Alternate Member Villarreal.

(3) Audience participation

Chairman Lewis explained the procedure to follow to address the Commission.

(4) Approval of Minutes

The minutes of a regular meeting and public hearing on May 12, 2020 were presented for approval. A motion was made by Member Barngrover with a second by Member Julien to approve the minutes for May 12, 2020 as presented. Motion carried unanimously.

For: Chairman Lewis
Members Barngrover, Julien, Alternate Member Villarreal

Against: None

Absent Vice Chairman Haney, Member LaBruyere, Alternate Members Peet

(5) PZ 0720-01 PUBLIC HEARING

Consideration and Action Regarding Approval of Replat for Van Zandt Place, Lots 2R4-A, 2R4-B, 2R4-C, 2R4-D, Block A, Van Zandt Place Addition

Chairman Lewis opened the Public Hearing at 6:02 p.m.

Director of Public Works Rick Trice acknowledged the presence of the developer, Gary Havener and the project civil engineer, Brandon Middleton. He reviewed the information included in the members' packets for this item and explained that the only item outstanding is the completion of the developer's agreement for this project. He recommended that the P&Z recommendation require that the developer's agreement and plat be on the same council agenda.

Chairman Lewis asked if there were any more comments. There were none.

Chairman Lewis closed the public hearing at 6:05 p.m.

A motion was made by Member Barngrover with a second by Alternate Member Villarreal to recommend that the City Council approve the plat for Van Zandt Place Addition, Lots 2R4A – 2R4D, Block A with the condition that the developer's agreement be considered at the same council meeting. Motion carried.

For: Chairman Lewis
Members Barngrover, Julien, Alternate Member Villarreal

Against: None

Absent Vice Chairman Haney, Member LaBruyere, Alternate Members Peet

(6) PZ 0720-02

Discussion and Direction Regarding a Request for a New Use "Private Card Club"

DPW Trice advised the members that the city had received an inquiry requesting that a "Private Card Club" be allowed within a Community Commercial Zoning District.

A discussion followed with members asking questions and expressing concerns.

DPW Trice said he would prepare an ordinance for the members to consider at the next meeting.

(7) Staff Report

A. Discussion of Residential, Commercial, Industrial, and City Capital Projects

B. Previous Cases

DPW Trice reviewed projects and developments included in information included in the members' packets. He also gave an update on projects throughout the city.

(8) EXECUTIVE SESSION

1 § 551.071. Consultation with Attorney. The Planning and Zoning Commission may convene in executive session to conduct a private consultation with its attorney on any legally posted agenda item, when the Planning and Zoning Commission seeks the advice of its attorney about pending or contemplated litigation, a settlement offer, or on a matter in which the duty of the attorney to the governmental body under the

Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the provisions of Chapter 551, including the following items:

a. Any Posted Item

No executive session was held

(9) Adjournment

Motion was made by Member Julien with a second by Alternate Member Villarreal to adjourn the meeting. Motion carried unanimously.

For: Chairman Lewis
Members Barngrover, Julien, Alternate Member Villarreal

Against: None

Absent Vice Chairman Haney, Member LaBruyere, Alternate Members Peet

Chairman Lewis declared the meeting of July 14, 2020 closed at 6:28 p.m.

APPROVED:

Matthew Lewis, Chairman

ATTEST:

Mary Ragle, Recording Secretary



City of Saginaw

Meeting Date: 8/18/2020

Staff Contact: Rick Trice, P.E.
Director of Public Works

Agenda Items: (7)

E-mail: rtrice@saginawtx.org

Phone: (817) 230-0449

SUBJECT:

Consideration and Action regarding requested Variances to Section 7.09, Subsection C.3.i. of the Subdivision Ordinance related to detention requirements in the proposed parking lot at the Southwest corner of Palomino Dr. and S. Saginaw Blvd. (a portion of Lot 4R, Block 16, Rancho North Unit 1)

BACKGROUND/DISCUSSION:

Vaquero Palomino Partners, LP, the developer of Planet Fitness, has requested a variance to 7.09 subsection C.3.i. of the Subdivision Ordinance pertaining to detention requirements in parking lots.

The section reads as follows:

“Detention is allowed in parking lots. Detention in parking lots may not be deeper than six-inches in depth at any location. The exception to the six-inch depth is a nine-inch maximum in areas designated as truck parking only. Parking spaces inundated by detained storm water may not be counted toward required parking ratios for the development. Warning signs must be placed on the site designating that the area may be inundated in an extreme storm event.”

Planet Fitness is proposing to use an area for detention that will temporarily inundate sixty-three (63) parking spaces. The development requires eighty-four (84) spaces and Planet Fitness is providing eight-six (86) spaces in its site plan.

Of the sixty-three (63) spaces inundated, fifteen (15) spaces will be temporarily inundated by depths of between six inches and ten inches (see Exhibit on variance request letter).

The natural topography of the site prevents additional modifications to grade or the use of underground storage. In addition, the developer has an agreement with Vaquero Palomino Partners, LP for shared parking on adjacent properties to help mitigate parking need.

The Subdivision Ordinance requires the Planning and Zoning Commission consider the variance requests and render a recommendation to Council as described below:

“Sec. 1.11. - Variances.

- A. The planning and zoning commission may recommend and the city council may authorize, a variance from these subdivision regulations when, in its opinion, extraordinary hardship will result from requiring strict compliance.
- B. The planning and zoning commission shall not propose a variance unless there are special circumstances or conditions influencing the subdivision involved.
- C. In the recommendation of a variance, the planning and zoning commission shall set out the conditions that it finds necessary or advantageous to the public interest in proposing such variances that will not have the effect of nullifying the intent and purpose of these regulations.
- D. Financial hardship to the applicant shall not be deemed sufficient reason to constitute the recommendation of a variance.
- E. In granting a variance, the council shall prescribe only conditions that it deems necessary to or desirable in the public interest. In making the findings herein below required, the council shall take into account the nature of the proposed use of the land involved, existing uses of land in the vicinity, the number of persons who will reside or work in the proposed subdivision, and the probable effect of such variance upon traffic conditions and upon the public health, safety, convenience and welfare in the vicinity. No variance shall be granted unless the council finds that all of the following conditions exist:
 - 1. That there are special circumstances or conditions affecting the land involved such that the strict application of the provisions of this ordinance would deprive the applicant of the reasonable use of the land;
 - 2. That the variance is necessary for the preservation and enjoyment of a substantial property right of the applicant;
 - 3. That the granting of the variance will not be detrimental to the public health, safety or welfare, or injurious to other property in the area; and
 - 4. That the granting of the variance will not have the effect of preventing the orderly subdivision of other land in the area in accordance with the provisions of this ordinance.
- F. Such findings of the council, together with the specific facts upon which such findings are based, shall be incorporated into the official minutes of the council meeting at which such variance is granted. Variances may be granted only when in harmony with the general purpose and intent of this ordinance so that the public health, safety and welfare may be secured and substantial justice done. Pecuniary hardship to the subdivider, standing alone, shall not be deemed to constitute undue hardship.
- G. The planning and zoning commission, in the recommendation of a variance to the city council, shall submit to them a letter containing all the specific facts and pertinent data upon which such a variance has been based, and such documents shall be entered into the official minutes of the council meeting. The decision of the city council relating to the approval or disapproval of a variance shall be final.

The Planning and Zoning Commission (Commission) considered the request at its August 11, 2020 meeting. During deliberation the Commission reached the following conclusions:

- 1. The impacts of granting the variance would be contained within the site.
- 2. No surrounding properties would be detrimentally impacted by granting the variance.
- 3. The periods of inundation would be temporary and infrequent.
- 4. The detention would have zero impact on property downstream of the development as required by City Code.

The Commission voted unanimously to grant the variance with the additional requirement of limiting the eleven spaces that have inundation of between six and ten inches be restricted to truck parking only.

FINANCIAL IMPACT:

N.A.

RECOMMENDATION:

Staff recommends approval of the variance request.

ATTACHMENTS:

Description

P&Z Minutes

Variance Request Letter

**MINUTES OF A REGULAR MEETING AND PUBLIC HEARING
OF THE CITY OF SAGINAW
PLANNING AND ZONING COMMISSION
HELD AT THE CITY OF SAGINAW CITY HALL
333 WEST MCCLEROY BOULEVARD
August 11, 2020**

Present at the Meeting:

Chairman	Place No. 3	Matthew Lewis
Vice Chairman	Place No. 1	Kenneth Haney
Member	Place No. 2	William Barngrover
Member	Place No. 4	Malinda Julien
Member	Place No. 5	Jason LaBruyere
Alternate Member	Alt. No. 2	Randy Villarreal
Director Public Works		Rick Trice
City Attorney		Ben Gibbs
Recording Secretary		Mary Ragle

Absent from the Meeting:

Alternate Member	Alt No. 1	John Peet
------------------	-----------	-----------

Visitors at the Meeting:

Kelly Agnor
Kevin Patel
Jon Julien

(1) Call to Order

Chairman Lewis called the meeting to order at 6:00 p.m.

(2) Roll Call to Establish Quorum

Chairman Lewis called roll. The quorum will consist of Chairman Lewis, Vice Chairman Haney, Members Barngrover, Julien, LaBruyere.

(3) Audience participation

Chairman Lewis explained the procedure to follow to address the Commission.

(4) Approval of Minutes

The minutes of a regular meeting and public hearing on July 14, 2020 were presented for approval. A motion was made by Member Barngrover with a second by Vice Chairman Haney to approve the minutes for July 14, 2020 as presented. Motion carried unanimously.

For: Chairman Lewis, Vice Chairman Haney
Members Barngrover, Julien, LaBruyere

Against: None

Absent Alternate Member Peet

(5) PZ 0820-01

Consideration And Action Regarding A Variance Request To Section 7.09, C.3.i Of The Subdivision Ordinance, for a Proposed Planet Fitness Located at the SW Corner of S Saginaw Boulevard and Palomino Drive

DPW Trice stated that the developer of Planet Fitness has requested a variance to Section 7.09, C.3.i of the Subdivision Ordinance regarding detention in parking lots.

DPW Trice informed the members that the variance requested is for an exception to the 6-inch depth maximum and be allowed to count the 63 parking spaces in their proposed detention area in the required number of parking spaces.

There was a discussion regarding members' concerns regarding depth of water during a heavy rain, affect to residences to the west of this project and signage required by the Sub Division Ordinance.

Kevin Patel, P. E., with Triangle Engineers, answered questions and addressed concerns.

DPW Trice stated that the area drains to the east and that a drainage flume will intercept toe parking lot runoff and direct it to the north. Surrounding properties will not be adversely affected. He also advised that there should be no impact downstream.

Mr. Patel stated the detention is designed to drain water slowly and should improve some of the existing drainage problems with the site.

There was also a discussion regarding the following items the city council has to consider in granting a variance:

E.

In granting a variance, the council shall prescribe only conditions that it deems necessary to or desirable in the public interest. In making the findings herein below required, the council shall take into account the nature of the proposed use of the land involved, existing uses of land in the vicinity, the number of persons who will reside or work in the proposed subdivision, and the probable effect of such variance upon traffic conditions and upon the public health, safety, convenience and welfare in the vicinity. No variance shall be granted unless the council finds that all of the following conditions exist:

1.

That there are special circumstances or conditions affecting the land involved such that the strict application of the provisions of this ordinance would deprive the applicant of the reasonable use of the land;

2.

That the variance is necessary for the preservation and enjoyment of a substantial property right of the applicant;

3.

That the granting of the variance will not be detrimental to the public health, safety or welfare, or injurious to other property in the area; and

4.

That the granting of the variance will not have the effect of preventing the orderly subdivision of other land in the area in accordance with the provisions of this ordinance.

Chairman Lewis asked if there were any more comments. There were none.

A motion was made by Member Julien with a second by Member Barngrover to recommend that the City Council approve the variance to the Sub Division Ordinance requested but require that the 15 parking spaces in the area that will have more than 6" of water at 100-year rainfall event be designated as truck parking only. Motion carried.

For: Chairman Lewis, Vice Chairman Haney
Members Barngrover, Julien, LaBruyere

Against: None

Absent Alternate Member Peet

(6) PZ 0820-02 PUBLIC HEARING

Consideration And Action Regarding An Ordinance Amending Ordinance No. 2002-04, The Zoning Regulations Of The City Of Saginaw, Texas; Amending The Permitted Use Table, Section 5-1, To Provide That Bingo Halls Are Permitted In Community Commercial And Light Industrial Zoning Districts And Private Card Clubs Are Permitted By Specific Use Permit In Community Commercial, Light Industrial And Heavy Industrial Zoning Districts; Amending Article 7, Section 7-4, D 1. A. "Prohibited Uses" To Provide That Private Card Clubs And Bingo Halls Are Prohibited Uses In The Saginaw Boulevard Overlay District; Amending Part B, "Land Use Definitions And Explanations", Of Section 12-2 Of Article 12 Providing A Definition For Private Card Club.

Chairman Lewis opened the Public Hearing at 6:22

DPW Trice reminded the members that at the July 14th meeting staff had presented a discussion item regarding a new use, Private Card Club. He said based on that discussion staff prepared an amendment to the Zoning Ordinance that addresses "Private Card Club" and Changes to the "Bingo Hall" permitted use. He reviewed the conditions and requirements in the amendment.

Chairman Lewis asked if there were any questions or comments. There were none.

Chairman Lewis closed the public hearing at 6:26 p.m.

A motion was made by Member Julien with a second by Member Barngrover to recommend that the city council approve the amendment to the Zoning Ordinance (2002-04) for an added use, Private Card Club and requirements and changes to the Bingo Hall Use.

For: Chairman Lewis, Vice Chairman Haney
Members Barngrover, Julien, LaBruyere

Against: None

Absent Alternate Member Peet

(7) Staff Report

A. Discussion of Residential, Commercial, Industrial, and City Capital Projects

B. Previous Cases

DPW Trice reviewed information included in the members' packets. He also gave an update on projects throughout the city.

(8) EXECUTIVE SESSION

1 § 551.071. Consultation with Attorney. The Planning and Zoning Commission may convene in executive session to conduct a private consultation with its attorney on any legally posted agenda item, when the Planning and Zoning Commission seeks the advice of its attorney about pending or contemplated litigation, a settlement offer, or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the provisions of Chapter 551, including the following items:

a. Any Posted Item

No executive session was held

(9) Adjournment

Motion was made by Vice Chairman Haney with a second by Member LaBruyere to adjourn the meeting. Motion carried unanimously.

For: Chairman Lewis, Vice Chairman Haney
Members Barngrover, Julien, LaBruyere

Against: None

Absent Alternate Member Peet

Chairman Lewis declared the meeting of August 11, 2020 closed at 6:30 p.m.

APPROVED:

Matthew Lewis, Chairman

ATTEST:

Mary Ragle, Recording Secretary

Vaquero Palomino Partners, LP
2900 Wingate Street, Suite 200
Fort Worth, Texas 76107
kagnor@vaqueroventures.com
512-983-1793

July 23, 2020

City of Saginaw
205 Brenda Lane
Saginaw, TX 76179

City of Saginaw,

Vaquero Palomino Partners, LP would like to request a variance to the Saginaw Code of Ordinances Section 7.09 Drainage and Storm Sewer. This request is being made as our proposed detention pond does not meet some of the requirements in Section 7.09. More specifically 7.09 subsection C.3.i. See section of code below.

Detention is allowed in parking lots. Detention in parking lots may not be deeper than six-inches in depth at any location. The exception to the six-inch depth is a nine-inch maximum in areas designated as truck parking only. Parking spaces inundated by detained storm water may not be counted toward required parking ratios for the development. Warning signs must be placed on the site designating that the area may be inundated in an extreme storm event.

Currently the site drains to the TXDOT right-of-way, Saginaw Boulevard. The drainage facilities in Saginaw Boulevard were not built to take on the post-development run-off of this site and the drainage facilities are also too shallow to install an underground detention facility. The only option for this site was to do parking lot detention.

Per city code parking lot detention is allowed, but you cannot count those parking spaces to your total parking count as we are using every available inch of this site, there is no room to add the parking spaces in another area of the site. We would like to request that the city allow us to count the parking spaces that are being used for detention (63 spaces) towards our parking count.

City code also only allows six inches of pond depth for parking lot detention. Some areas of our detention exceed that threshold and could have up to ten inches of water in a 100-year storm event. There are 15 parking spaces (Please see enclosed grading exhibit) that would be impacted with this depth during a 100-year storm. There are many other cities around Saginaw (i.e. City of Fort Worth) that allow up to one foot of pond depth in their parking areas. Please keep in mind that this water will be out of the parking lot within 24-hours of the storm event. We would like to request that the City of Saginaw grant a variance to allow 15 parking spaces to have up to ten inches of pond depth.

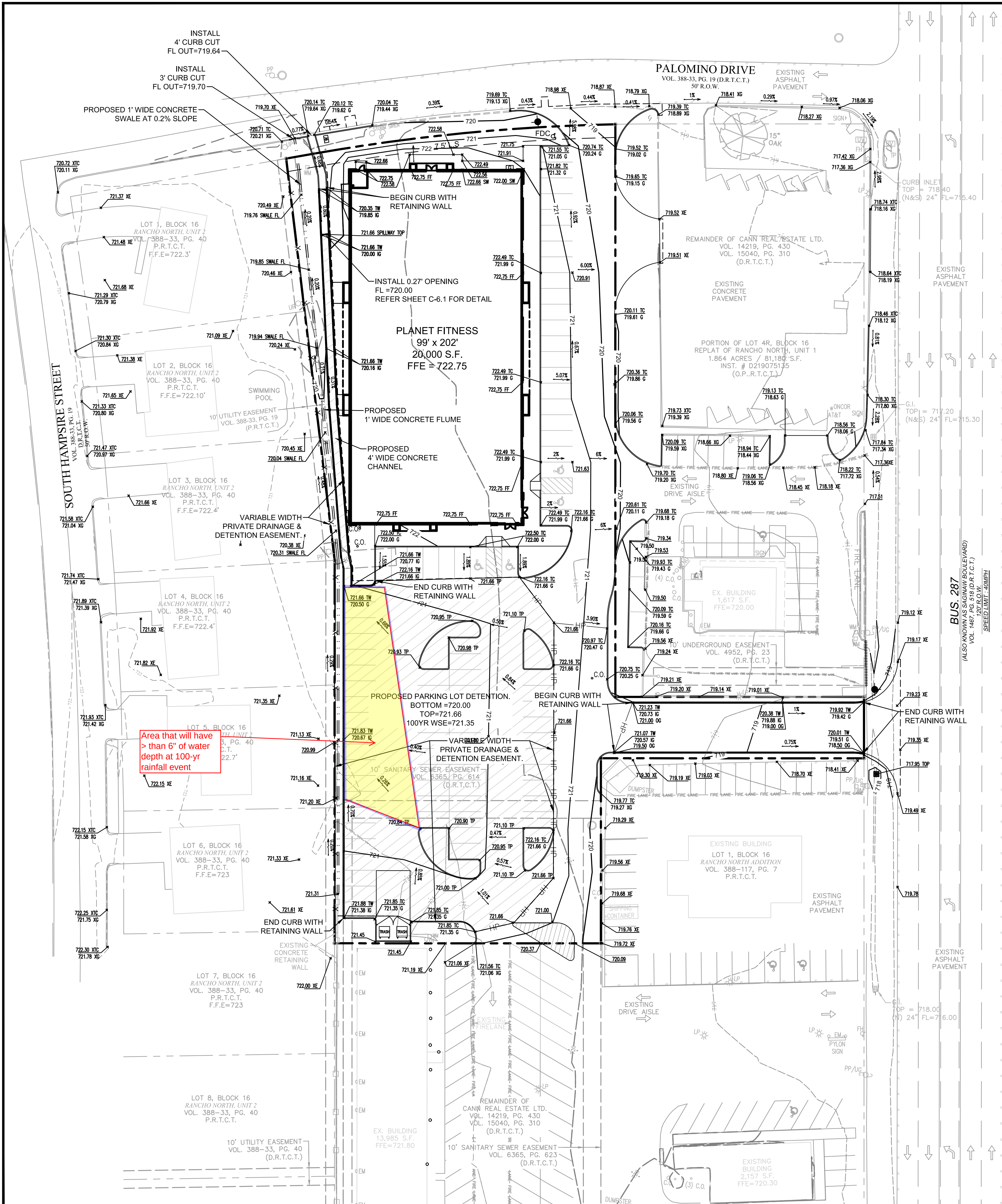
There is a shared parking agreement between this site and the other sites owned by Vaquero Palomino Partners, LP on this southwest corner of Palomino Drive and Saginaw Boulevard. This should help with some of the parking concerns created by this parking lot detention situation.

Thank you for taking your time to review our case. Please let me know if you need any further information.

Sincerely,



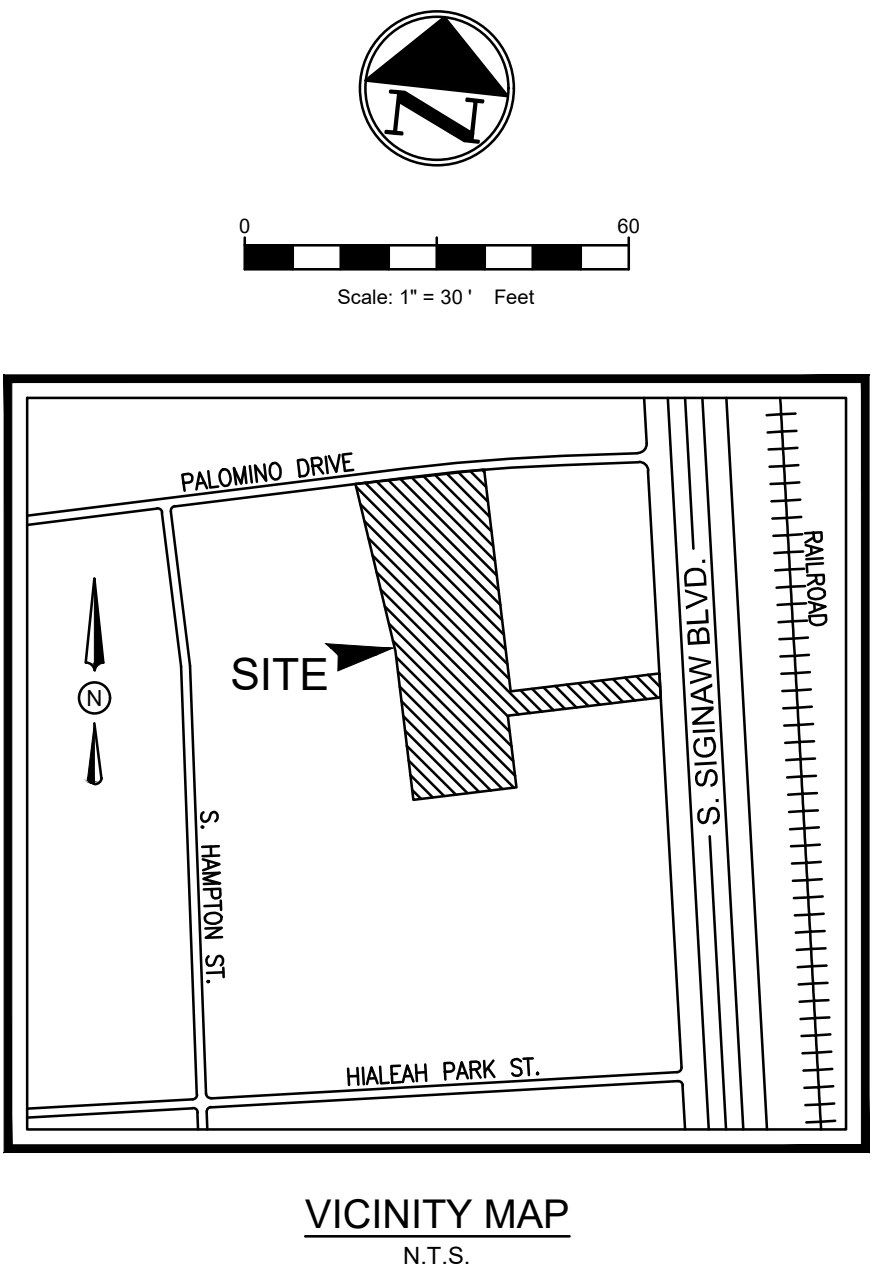
Kelly Agnor, Director of Development
Vaquero Palomino Partners, LP



EXISTING LEGEND		
	GAS MARKER	CHAINLINK FENCE
	GAS METER	CONCRETE
	IRRIGATION VALVE	COVERED AREA
	LIGHT POLE	EASEMENT
	SAN. SEW. CO.	FIRE LANE STRIPE
	SAN. SEW. MH.	GRAVEL
	STONE COLUMN	GUY WIRE ANCHOR
	STORM DRAIN MH.	HANDICAP SPACE
	TELE. BOX	HIGHBANK LINE
	TRANS. BOX	IRON FENCE
	UTILITY POLE	NO PARKING
	WATER METER	OHU - OVERHEAD UTILITY LINE
	WATER VALVE	PARKING STRIPE
	BARBED WIRE FENCE	PIPE RAIL FENCE
	BOUNDARY	RETAINING WALL
	BRICK	STONE
	BUILDING LINE	TILE
	BUILDING WALL	WOOD DECK
		WOOD FENCE

GRADING LEGEND	
EXISTING ELEVATION	704.00 XE
EXISTING MINOR CONTOURS	764
EXISTING MAJOR CONTOURS	765
MINOR CONTOURS	764
MAJOR CONTOURS	765
HIGH POINT	HP - HP - HP
STORM PIPE	STM ->
CURB WITH RETAINING WALL	
RIP RAP	
FINISH FLOOR ELEVATION	467.00 FF
TOP OF CURB ELEVATION	466.00 TC
GUTTER ELEVATION	465.50 G
SIDEWALK ELEVATION	465.00 SW
TOP OF PAVEMENT	464.00 TP
GROUND ELEVATION	463.00 GR
DRAINAGE FLOW DIRECTION	
TOP OF WALL	463.00 TW
EXISTING GUTTER ELEV	463.00 XG
EXISTING TOP OF CURB	463.00 XTC
SANITARY SEWER MANHOLE	
SANITARY SEWER CLEANOUT	
SANITARY SEWER DOUBLE CLEANOUT	
SANITARY SEWER SAMPLE PORT	
GREASE TRAP	
WATER METER	
IRRIGATION METER	
GAS METER	
TRANSFORMER	
POWER POLE	
PARKING LOT DETENTION AREA	

BENCHMARKS	
1.	SITE BENCH MARK IS A MAG NAIL WITH A WASHER STAMPED "JPH LAND SURVEYING" SET IN A CONCRETE CURB, LOCATED APPROXIMATELY 950' SOUTHWEST FROM THE INTERSECTION OF PALOMINO DR AND SAGINAW BLVD.
2.	BENCHMARK ELEV = 721.17' (NAVD88)



GRADING GENERAL NOTES

- ALL SURPLUS EXCAVATION AND WASTE MATERIAL SHALL BECOME THE PROPERTY OF THE CONTRACTOR AND IT SHALL BE HIS SOLE RESPONSIBILITY TO REMOVE SUCH SURPLUS EXCAVATION AND WASTE MATERIAL FROM THE SITE TO A PUBLIC DUMP SITE APPROVED FOR THE DISPOSAL OF SUCH MATERIALS. IF SURPLUS EXCAVATION IS REMOVED FROM THIS SITE TO ANOTHER PROPERTY, IT SHALL BE PLACED ON SUCH PROPERTY WITH THE WRITTEN CONSENT OF THE OWNER(S) OF SUCH PROPERTY. A COPY OF SUCH WRITTEN CONSENT SHALL BE PROVIDED TO THE OWNER. IF THE CONTRACTOR WISHES TO DISPOSE OF SURPLUS EXCAVATION ON-SITE, IT SHALL BE ONLY WITH THE PRIOR APPROVAL OF THE OWNERS PROJECT REPRESENTATIVE AND CARE SHOULD BE TAKEN TO AVOID BLOCKING NATURAL DRAINAGE AND INCREASING STEEP SLOPES. IF ANY OF THE HAULED EXCAVATION MATERIAL IS TAKEN TO ANOTHER LOCATION WITHIN THE CITY LIMITS, THE OWNER OF THE PROPERTY IS REQUIRED TO OBTAIN A LOT GRADING PERMIT BEFORE MATERIAL IS DELIVERED.
- THE CONTRACTOR IS REQUIRED TO PROVIDE HIS OWN STAKING AND TO VERIFY PROJECT ELEVATIONS. "MATCH EXISTING" SHALL BE UNDERSTOOD TO APPLY TO BOTH VERTICAL ELEVATION AND HORIZONTAL ALIGNMENT.
- THE CONTRACTOR SHALL PREPARE ALL LANDSCAPE AREAS INCLUDING STREET RIGHT-OF-WAY AREAS TO AN ACCEPTABLE SUBGRADE CONDITION IN ACCORDANCE WITH THE LANDSCAPE PLANS. IF THE CONTRACTOR IS NOT EMPLOYED TO PROVIDE AND INSTALL LANDSCAPING, HE SHALL PREPARE A FINISHED AND COMPACTED SUB-GRADE IN THE LANDSCAPING AREAS.
- NO SLOPES TO EXCEED 3H:1V WITHOUT SLOPE STABILIZATION.

GRADING PLAN

PLANET FITNESS

SWC PALOMINO DRIVE AND SAGINAW BOULEVARD

CITY OF SAGINAW

TARRANT COUNTY, TEXAS

RANCHO NORTH, UNIT 1, LOT 4R, BLOCK 16

TRIANGLE
ENGINEERING LLC

T: 469.331.8566 | F: 469.213.7145 | E: info@triangle-engr.com
W: triangle-engr.com | O: 1784 McDermott Drive, Suite 110, Allen, TX 75013

Planning | Civil Engineering | Construction Management

P.E.	DES.	DATE	SCALE	PROJECT NO.	SHEET NO.
KP	MLM	12-09-19	SCALE BAR	001-20	C-5.0

TX. P.E. FIRM #11525

07/09/2020

811
Know what's below.
Call before you dig.



City of Saginaw

Meeting Date: 8/18/2020

Staff Contact: Kim Quin
Finance Director

Agenda Items: (8)

E-mail: kquin@saginawtx.org

Phone: 817-230-0332

SUBJECT:

Consideration and Action regarding approval of Ordinance No. 2020-15, authorizing the issuance and sale of City of Saginaw, Texas Combination Tax and Revenue Certificates of Obligation, Series 2020; levying an annual ad valorem tax and providing for the security for and payment of said certificates; approving the official statement; providing an effective date; and enacting other provisions relating to the subject.

BACKGROUND/DISCUSSION:

On March 3, 2020 the City Council resolved to reimburse \$8,500,000 for certain capital expenditures.

On May 19, 2020 the City Council considered issuing debt for the construction of a Central Fire Station.

On June 16, 2020 the City Council resolved to publish a notice of intention to issue combination tax and revenue certificates of obligation.

Notice was published on June 24, 2020 and July 1, 2020 in a newspaper of general circulation and on the City's website.

During the budget workshop on August 4, 2020 staff confirmed a plan previously presented by SAMCO, the City's financial advisors, allowing for the issue of \$20,500,000 in new debt with the ability to maintain the current debt service (I&S) tax rate, given certain assumptions.

FINANCIAL IMPACT:

Certificate of Obligation proceeds will fund the following projects:

Knowles Drive design and construction documents	\$ 2,500,000
North Old Decatur Road Design/reconstruction	\$ 750,000
Sidewalk and ADA improvements	\$ 1,000,000
WJ Boaz/ODR intersection improvements	\$ 1,000,000
Saginaw Blvd/McLeroy signal upgrade	\$ 500,000
Fire Station design and construction documents	\$ 1,200,000
Fire Station construction	\$13,550,000

Total

\$20,500,000

RECOMMENDATION:

Approval of ordinance 2020-15 authorizing the issuance and sale of City of Saginaw, Texas Combination Tax and Revenue Certificates of Obligation, Series 2020; levying an annual ad valorem tax and providing for the security for an payment of said certificates; approving the official statement; providing an effective date; and enacting other provisions relating to the subject.

ATTACHMENTS:

Description

draft Ordinance 2020-15

ORDINANCE 2020-15

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF SAGINAW, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2020; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID CERTIFICATES; APPROVING THE OFFICIAL STATEMENT; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

THE STATE OF TEXAS
COUNTY OF TARRANT
CITY OF SAGINAW

§
§
§

WHEREAS, the City Council of the City of Saginaw, Texas (the “Issuer”), deems it advisable to issue Certificates of Obligation in the amount and for the purposes hereinafter set forth;

WHEREAS, the Certificates of Obligation hereinafter authorized and designated are to be issued and delivered for cash pursuant to Subchapter C of Chapter 271, Texas Local Government Code and Subchapter B, Chapter 1502, Texas Government Code;

WHEREAS, the City Council has heretofore passed a resolution authorizing and directing the City Secretary to give notice of intention to issue Certificates, and said notice has been both (i) duly posted in a prominent location on the City’s website, and (ii) duly published in a newspaper of general circulation in said city, said newspaper being a “newspaper” as defined in Section 2051.044, Texas Government Code;

WHEREAS, the Issuer received no petition from the qualified electors of the Issuer protesting the issuance of such Certificates;

WHEREAS, it is considered to be to the best interest of the Issuer that said interest-bearing Certificates be issued to pay costs related to constructing, improving, acquiring and equipping the public improvements described below;

WHEREAS, no bond proposition to authorize the issuance of bonds for the same purpose as any of the projects being financed with the proceeds of the certificates of obligation was submitted to the voters of the Issuer during the preceding three years and failed to be approved; and

WHEREAS, 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 Chapter 551, Texas Government Code; Now, Therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAGINAW, 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 Issuer are hereby authorized to be issued and delivered in the aggregate principal amount of \$[23,500,000] for paying all or a portion of the Issuer’s contractual obligations incurred in connection with (i) constructing, reconstructing, and improving streets, roads and sidewalks, including related drainage, utility relocation, signalization, landscaping, lighting and signage;

(ii) constructing, equipping and improving fire stations, and (iii) legal, fiscal and engineering fees in connection with such projects (collectively, the “Project”).

Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES AND INTEREST RATES OF CERTIFICATES. Each certificate issued pursuant to this Ordinance shall be designated: “CITY OF SAGINAW, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION, SERIES 2020” and initially there shall be issued, sold, and delivered hereunder one fully registered Certificate, without interest coupons, dated August 15, 2020, in the principal amount stated above and in the denominations hereinafter stated, numbered T-1 (the “Initial Certificate”), 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 initial 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 September 1 in each of the years and in the principal amounts, respectively, and shall bear interest from the dates 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:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
<u>(9/1)</u>	<u>Amounts (\$)</u>	<u>Rates (%)</u>

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.

Section 3. CHARACTERISTICS OF THE CERTIFICATES.

(a) Appointment of Paying Agent/Registrar. The Issuer hereby appoints BOKF, NA, Dallas, Texas, to serve as paying agent and registrar for the Certificates (the “Paying Agent/Registrar”). The Mayor

or City Manager is authorized and directed to execute and deliver in the name and on behalf of the Issuer a Paying Agent/Registrar Agreement with the Paying Agent/Registrar.

(b) Registration. The Issuer shall keep or cause to be kept at the corporate trust office of 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 within three (3) days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Certificate to which payments with respect to the Certificates shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The 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 attached as Exhibit A to this Ordinance. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate.

(c) Exchange. 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. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the authentication of said Certificate, the converted and exchanged Certificate shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(d) Payment of Principal 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 Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each 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.

(e) Payment to Registered Owner. 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.

(f) Paying Agent/Registrar. The Issuer covenants with the Registered Owners 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.

(g) Substitute Paying Agent/Registrar. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than one hundred-twenty (120) days written notice to the Paying Agent/Registrar, to be effective not later than sixty (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, 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.

(h) Book-Entry Only System. The Certificates issued in exchange for the Initial Certificate shall be initially issued in the form of a separate single fully registered Certificate for each of the maturities thereof and 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 subsections (j) and (k) of this Section, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

(i) Blanket Letter of Representations. 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. Notwithstanding anything to the contrary contained herein, while the Certificates are subject to DTC's Book-Entry Only System and to the extent permitted by law, the Letter of Representations is hereby incorporated herein and its provisions shall prevail over any other provisions of this Ordinance in the event of conflict.

(j) Certificates Registered in the Name of Cede & Co. With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no

responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created (“DTC Participant”) to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown on the Registration Books, of any notice with respect to the Certificates, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown in the Registration Books of any amount with respect to principal of or interest on the Certificates. 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.

(k) 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 representation 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 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.

(l) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the representation letter of the Issuer to DTC.

(m) General Characteristics of the Certificates. The Certificates (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the Registered Owners thereof, (ii) may and shall be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Certificates, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Certificates shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the 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 as Exhibit A to this Ordinance.

(n) Authentication. Except as provided below, no Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the PAYING AGENT/REGISTRAR’S AUTHENTICATION CERTIFICATE substantially in the form provided in this Ordinance, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the PAYING AGENT/REGISTRAR’S AUTHENTICATION CERTIFICATE. In lieu of the executed PAYING

AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, 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 such person's duly authorized agent, which certificate shall be evidence that the Certificate initially issued and delivered 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. The Initial Certificate 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 exchange for any Certificate issued under this Ordinance, the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the FORM OF CERTIFICATE set forth Exhibit A to this Ordinance.

(o) Cancellation of Initial Certificate. On the closing date, the Initial Certificate, representing the entire principal amount of the Certificates, payable in stated installments to the order of the initial purchaser of the Certificates or its designee, executed by manual or facsimile signature of the Mayor and City Secretary, approved by the Attorney General of Texas, and registered by manual or facsimile signature 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 DTC on behalf of such purchaser one registered definitive Certificate for each year of maturity of the Certificates, in the aggregate principal amount of all of the Certificates for such maturity, registered in the name of Cede & Co., as nominee of DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Certificates in safekeeping for DTC.

Section 4. FORM OF CERTIFICATES. The form of the Certificates, including the form of PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, the form of ASSIGNMENT and the form of COMPTROLLER'S REGISTRATION CERTIFICATE to be attached to the Certificates initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as shown 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 as a separate fund or account and the funds therein shall be deposited into and held in an account at an official depository bank of said Issuer. Said Interest and Sinking Fund shall be accounted for 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 a limited pledge, not to exceed \$1,000, of surplus revenues of the Issuer'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 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 subsection (a) of this Section, to the extent necessary to pay the principal of and interest on the Certificates. Notwithstanding the requirements of subsection (a) of this section, if Surplus Revenues or other lawfully available moneys of the Issuer are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to subsection (a) of this Section may be reduced to the extent and by the amount of the Surplus Revenues or other lawfully available funds then on deposit in the Interest and Sinking Fund.

(c) Chapter 1208, Texas Government Code, applies to the issuance of the Certificates and the pledge of the taxes and Surplus Revenues granted by the Issuer under this Section, and 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 ensure 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 limited pledge of Surplus Revenues as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter the Issuer will have no further responsibility with respect to the 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. 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) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Certificates for redemption; (2) gives notice of the reservation of that right to the 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) of this Section. All income from such Defeasance Securities 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 Section, 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 Section 1206.022, Texas 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 of this Ordinance for Certificates issued in conversion and exchange for other Certificates.

Section 8. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED; ENGAGEMENT OF BOND COUNSEL.

(a) The Mayor of the Issuer is hereby authorized to have control of the Certificates initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates pending their delivery and 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. In addition, if bond insurance is obtained, the Certificates may bear an appropriate legend as provided by the insurer.

(b) The obligation of the initial purchaser to accept delivery of the Certificates is subject to the initial 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 initial 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.

Section 9. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE CERTIFICATES.

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Certificates as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in

the “gross income” of the Registered Owner 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 ten percent (10%) 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 ten percent (10%) 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 ten percent (10%) 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 five percent (5%) 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 five percent (5%) 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 five percent (5%) 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 until such proceeds are needed for the purpose for which the Certificates are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the rules and regulations of the United States Department of the Treasury (the “Treasury Regulations”), and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed ten percent (10%) of the proceeds of the Certificates;

(7) to otherwise restrict the use of the proceeds of the Certificates or amounts treated as proceeds of the Certificates, as may be necessary, so that the Certificates do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using proceeds of the Certificates or the proceeds of any prior bonds to pay debt service on another issue more than ninety (90) days after the issuance of the Certificates in contravention of section 149(d) of the Code (relating to advance refundings);

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Certificates) an amount that is at least equal to ninety percent (90%) 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 sixty (60) days after the Certificates have been paid in full, one hundred percent (100%) of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code;

(10) to file or cause to be filed with the Secretary of the Treasury, not later than the fifteenth (15th) day of the second calendar month after the close of the calendar quarter in which the Certificates are issued, an information statement concerning the Certificates, all under and in accordance with section 149(e) of the Code and the applicable Treasury Regulations promulgated thereunder; and

(11) 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)(9), 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 Registered Owner. 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. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and the Treasury Regulations. 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, the City Manager or the Director of Finance of the Issuer 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 eighteen (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 sixty (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 property constituting 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 an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 10. SALE OF CERTIFICATES AND APPROVAL OF OFFICIAL STATEMENT; FURTHER PROCEDURES.

(a) *Sale.* The Certificates are hereby sold and shall be delivered to Hilltop Securities Inc. and Frost Bank (collectively, the “Underwriters”), for the purchase price of \$[_____] (representing the par amount of the Certificates of \$[_____] plus aggregate original issue premium of \$[_____] (premium to be applied as set forth in Section 16) and less an underwriting discount of \$[_____] pursuant to the terms and provisions of a Purchase Agreement with the Underwriter. It is hereby officially found, determined, and declared that the Certificates have been sold pursuant to the terms and provisions of a Purchase Agreement in substantially the form presented at this meeting, which the Mayor of the Issuer (or in the Mayor’s absence, by the Mayor Pro Tem) is hereby authorized and directed to execute. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable. The Initial Certificate shall be registered in the name of the Hilltop Securities Inc. or its designee.

(b) *Findings.* The Issuer hereby approves the form and content of the Official Statement relating to the Certificates and any addenda, supplement or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Certificates by the Underwriters in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Preliminary Official Statement prior to the date hereof is hereby ratified and confirmed.

(c) *Further Procedures.* The Mayor, City Manager, City Secretary and Finance Director, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the Issuer all other 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 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. INVESTMENT AND SECURITY OF FUNDS.

(a) 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.

(b) The Issuer may invest 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 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 2020 Certificates of Obligation Construction Fund" for use by the Issuer for payment of all lawful costs associated with the acquisition and construction of the Project as hereinbefore provided. Upon payment of all such 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.

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 an electronic format as prescribed by the MSRB, within six (6) months after the end of each fiscal year ending in or after 2020, financial information and operating data with respect to the Issuer of the general type set forth in tables numbered 1, 2, 3, 11, 12, 13, 14, and 20 in Appendix A of the Official Statement. The Issuer will additionally provide audited financial statements when and if available, and in any event, within twelve (12) months after the end of each fiscal year ending in or after 2020. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year end, then the Issuer will file unaudited financial statements within such twelve (12) month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available. Any financial statements so to be provided shall 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) 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.

(i) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten (10) business days after the occurrence of the event) of any of the following events with respect to the Certificates:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
7. Modifications to rights of holders of the Certificates, if material;
8. Certificate calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Certificates, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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 trustee or change in the name of the trustee, if material;
15. Incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation of the Issuer, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such financial obligation of the Issuer, any of which reflect financial difficulties.

As used in clause 12 above, the phrase “bankruptcy, insolvency, receivership or similar event” means the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. 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 of the Issuer, or if jurisdiction has been assumed by leaving the existing City Council and officials or officers of the Issuer 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. For the purposes of the above describe event notices 15 and 16, the term “financial obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

(ii) 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 qualified person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the Registered Owners and beneficial owners of the Certificates. The Issuer may also amend or

repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

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 Registered Owner, 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 Registered Owners, (ii) grant additional rights or security for the benefit of the Registered Owners, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the Registered Owners, (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 nationally recognized bond counsel, materially adversely affect the interests of the Registered Owners.

(b) Except as provided in paragraph (a) above, the Registered Owners 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 Registered Owners 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 this Section, the Issuer shall send by U.S. mail to each Registered Owner of the affected Certificates a copy of the proposed amendment. Such 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 Registered Owners of such Certificates.

(d) Whenever at any time within one year from the date of mailing of such notice the Issuer shall receive an instrument or instruments executed by the Registered Owner 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 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 Registered Owners of such affected Certificates shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the Registered Owner of a Certificate pursuant to the provisions of this Section shall be irrevocable for a period of six (6) months from the date of such consent, and shall be conclusive and binding upon all future Registered Owners of the same Certificate during such period. Such consent may be revoked at any time after six (6) months from the date of such consent by the Registered Owner 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 Registered Owners 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 sixty (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 or employees of the City or the City Council.

Section 16. PREMIUM. The Certificates are being sold at an aggregate premium equal to \$[PREMIUM]. With respect to such premium attributable to the Certificates, \$[COI] shall be used to pay costs of issuance (including underwriting discount) with any remainder to be deposited to the Interest and Sinking Fund and \$[FUND DEPOSIT] shall be deposited into the Construction Fund.]

Section 17. APPROPRIATION. To pay the debt service coming due on the Certificates prior to receipt of the taxes levied to pay such debt service, if any, 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.

Section 18. NO PERSONAL LIABILITY. No recourse shall be had for payment of the principal of or interest on any Certificates or for any claim based thereon, or on this Ordinance, against any official or employee of the City or any person executing any Certificate.

Section 19. EFFECTIVE DATE. In accordance with the provisions of Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Council.

Section 20. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

(Execution Page Follows)

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SAGINAW,
TEXAS on August 18, 2020.

ATTEST:

Mayor, City of Saginaw, Texas

City Secretary, City of Saginaw, Texas

[CITY SEAL]

EXHIBIT A

(a) Form of Certificate.

NO. R-

UNITED STATES OF AMERICA
STATE OF TEXAS

PRINCIPAL
AMOUNT
\$ _____

CITY OF SAGINAW, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION
SERIES 2020

<u>Interest Rate</u>	<u>Delivery Date</u>	<u>Maturity Date</u>	<u>CUSIP No.</u>
		September 1, ____	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

THE CITY OF SAGINAW, TEXAS, in Tarrant County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from August 15, 2020 at the Interest Rate per annum specified above. Interest is payable on [March 1, 2021] and semiannually on each [September 1] and [March 1] thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate shall be paid to the Registered Owner hereof upon presentation and surrender of this Certificate at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of BOKF, NA, 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 "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 at the close of business on the fifteenth (15th) 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, principal and 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 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 Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each 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 and interest payment date for this Certificate it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the 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 August 15, 2020, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$[23,500,000] for paying all or a portion of the Issuer's contractual obligations incurred in connection with (i) constructing, reconstructing, and improving streets, roads and sidewalks, including related drainage, utility relocation, signalization, landscaping, lighting and signage; (ii) constructing, equipping and improving fire stations, and (iii) legal, fiscal and engineering fees in connection with such projects.

ON SEPTEMBER 1, 20[29], or on any date thereafter, the Certificates of this series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Certificates, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Certificate may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

THE CERTIFICATES SCHEDULED TO MATURE on September 1, in the years [_____] (the "Term Certificates") are subject to scheduled mandatory redemption by the Paying Agent/Registrar by lot, or by any other customary method that results in a random selection, at a price equal to the principal amount thereof, plus accrued interest to the redemption date, out of moneys available for such purpose in the interest and sinking fund for the Certificates, on dates and in the respective principal amounts, set forth in the following schedule:

Term Certificates due September 1, 20[____]:

Mandatory Redemption Date: 9/1/20____	Principal Amount: \$[_____]
Mandatory Redemption Date: 9/1/20____*	Principal Amount: \$[_____]

Term Certificates due September 1, 20[____]:

Mandatory Redemption Date: 9/1/20____	Principal Amount: \$[_____]
Mandatory Redemption Date: 9/1/20____*	Principal Amount: \$[_____]

* Stated Maturity

The principal amount of Term Certificates of a stated maturity required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Term Certificates of the same maturity which, at least forty-five (45) days prior to a mandatory redemption date (1) shall have been acquired by the Issuer at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

AT LEAST THIRTY (30) days prior to the date fixed for any redemption of Certificates or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, at least thirty (30) days prior to the date fixed for any such redemption, to the Registered Owner of each Certificate to be redeemed at its address as it appeared on the business day prior to the mailing of such redemption notice; provided, however, that the failure of the Registered Owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any 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 Ordinance.

WITH RESPECT TO ANY OPTIONAL REDEMPTION OF THE CERTIFICATES, unless certain prerequisites to such redemption required by this Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a notice of conditional redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Issuer shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully-registered certificates, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the 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 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 forty-five (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 Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owners of the Certificates.

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Certificate have been performed, existed and been done in accordance with law; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law, and that this Certificate is additionally secured by and payable from a limited pledge (not to exceed \$1,000) of the Surplus Revenues of the Issuer's waterworks and sewer system remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) that are payable from all or part of said revenues, all as provided in the Ordinance.

THE ISSUER HAS RESERVED THE RIGHT to amend the 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 Ordinance, agrees to be bound by such terms and provisions, acknowledges that the 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 Ordinance constitute a contract between each Registered Owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Certificate to be signed with the manual or facsimile signature of the Mayor of the Issuer (or in the Mayor's absence, by the Mayor Pro Tem) and countersigned with the manual or facsimile signature of the City Secretary of said Issuer (or in the City Secretary's absence, by the Assistant City Secretary), 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)

(b) Form of Paying Agent/Registrar's Authentication Certificate.

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Certificate is not accompanied by an executed 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 Ordinance described in the text of this Certificate; and that this Certificate has been issued in conversion or replacement of, or in exchange for, a certificate, certificates, or a portion of a certificate or certificates of a series that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____.

BOKF, NA
Paying Agent/Registrar

By: _____
Authorized Representative

(c) Form of Assignment.

ASSIGNMENT
(Please type or print clearly)

For value received, the undersigned hereby sells, assigns and transfers unto: _____

Transferee's Social Security or Taxpayer Identification Number: _____

Transferee's name and address, including zip code: _____

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints
_____, attorney, to register the transfer of
the within Certificate on the books kept for registration thereof, with full power of substitution in the
premises.

Dated: _____.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Certificate in every particular, without alteration or enlargement or any change whatsoever.

(d) Form of Registration Certificate of the Comptroller of Public Accounts.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that there is on file and of record in my office a true and correct copy of the opinion of the Attorney General of the State of Texas approving this Certificate and that this Certificate has been registered this day by me.

Witness my signature and seal this _____.

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(e) Initial Certificate Insertions.

(i) The initial Certificate shall be in the form set forth is paragraph (a) of this Section, except that:

A. immediately under the name of the Certificate, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As shown below" and "CUSIP No. _____" shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"THE CITY OF SAGINAW, TEXAS, in Tarrant County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on September 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Years</u> <u>(9/1)</u>	<u>Principal</u> <u>Installments (\$)</u>	<u>Interest</u> <u>Rates (%)</u>
------------------------------	--	-------------------------------------

(Information from Section 2 to be inserted)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from August 15, 2020 specified above at the respective Interest Rate per annum specified above. Interest is payable on March 1, 2021, and semiannually on each September 1 and March 1 thereafter to the date of payment of the Principal Installment specified above, or the date of

redemption prior to maturity; except, that if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Installment 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.”



City of Saginaw

Meeting Date: 8/18/2020

Staff Contact: Dolph Johnson
Assistant City Manager

Agenda Items: (9)

E-mail: djohnson@saginawtx.org

Phone: 817-230-0325

SUBJECT:

Consideration and Action regarding Resolution No. 2020-18, Approving the Sale of Property Described as Lot 25, Block 19, Rancho North Addition, also known as 232 Hialeah Park, Saginaw, Texas

BACKGROUND/DISCUSSION:

See attached staff memo regarding the history of this property.

FINANCIAL IMPACT:

Approximately \$3,300 in revenue from the sale and a savings of over \$1,000 per year in maintenance costs.

RECOMMENDATION:

Staff recommends approval of Resolution 2020-18

ATTACHMENTS:

Description
Staff memo
Resolution 2020-18
232 Hialeah Park Map

MEMORANDUM

DATE: August 12, 2020
TO: Gabe Reaume, City Manager
FROM: Dolph Johnson, Assistant City Manager
RE: Property at 232 Hialeah

The property at 232 Hialeah was the subject of a judgement in favor of all of the taxing entities and the federal government on September 27, 2007. A tax sale was requested and the property was “struck off” to the City of Saginaw. Since that time the City has had to demolish the structure on the property and maintain it by mowing while trying to find a buyer for the property. We have had few inquiries on the property due to the amounts owed being more than the lot is worth and the inability to get a title policy.

We were approached last year by an individual wanting to purchase the lot for \$15,500 and build a house on it. Our tax attorney has been working with the other taxing entities to prepare a tax resale deed which does not provide any warranty of title and offers no warrants, express, or implied regarding the property. All liens from the judgement for the taxing entities would be waived by virtue of the conveyance. Proceeds from the sale would be divided between the taxing entities on a pro-rata basis of the amounts owed. The City’s share would be approximately \$3,300. The County and the EM-S ISD have agreed to this process and are awaiting a resolution from the City.

This will allow us to get the property back on the tax rolls, provide a new residence in the neighborhood, and stop the maintenance and administrative costs associated with this property that the City currently bears.

I recommend the City Council approve Resolution 2020-18.

RESOLUTION NO. 2020-18

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF SAGINAW, TEXAS, APPROVING THE SALE OF PROPERTY DESCRIBED AS LOT 25, BLOCK 19, RANCHO NORTH ADDITION, IN THE CITY OF SAGINAW, TARRANT COUNTY, TEXAS, ALSO KNOWN AS 232 HIALEAH PARK, SAGINAW, TEXAS, (THE "PROPERTY"); AUTHORIZING THE MAYOR TO EXECUTE A TAX RESALE DEED FOR THE PROPERTY; AND PROVIDING AN EFFECTIVE DATE.

Whereas, the City of Saginaw is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5, of the Texas Constitution and Chapter 9 of the Local Government Code; and

Whereas, the City of Saginaw together with Tarrant County and Eagle Mountain Saginaw Independent School District School District secured a tax foreclosure judgment against the Property and acquired title to the Property by tax foreclosure sale heretofore held under Suit No.E98549-83 in the Tarrant County district court, said property being located in Tarrant County, Texas; and

Whereas, the City Council of the City of Saginaw now desires to approve the sale of the Property and authorize the Mayor to execute the tax resale deed for the Property, attached hereto and incorporated herein as Exhibit "A."

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

SECTION 1.

The City Council of the City of Saginaw hereby approves the sale of property described as Lot 25, Block 19, Rancho North Addition, in the City of Saginaw, Tarrant County, Texas, also known as 232 Hialeah Park, Saginaw, Texas, and authorizes the Mayor to execute the tax resale deed for the property, attached hereto and incorporated herein as Exhibit "A."

SECTION 2.

This Resolution shall be in full force and effect from and after the date of its passage and it is so resolved.

PASSED AND APPROVED ON THIS 18th DAY OF AUGUST, 2020.

APPROVED:

TODD FLIPPO, MAYOR

ATTEST:

JANICE ENGLAND, CITY SECRETARY

APPROVED AS TO FORM AND LEGALITY:

BRYN MEREDITH, CITY ATTORNEY

EXHIBIT "A"

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

TAX RESALE DEED

STATE OF TEXAS

COUNTY OF TARRANT

KNOW ALL MEN:

That CITY OF SAGINAW, TARRANT COUNTY, EAGLE MOUNTAIN INDEPENDENT SCHOOL DISTRICT acting through the presiding officer of its governing body, hereunto duly authorized by resolution and order of each respective governing body which is duly recorded in their official Minutes, hereinafter called-grantors, for and in consideration of the sum of \$15,500 cash in hand paid by Chad Mauppin.

Hereinafter called grantee(s), the receipt of which is acknowledged and confessed, have quitclaimed and by these presents do quitclaim unto said grantee(s) any and all of the right, title and interest of the grantor and all other taxing units interested in the tax foreclosure judgment against the property herein described, acquired by tax foreclosure sale heretofore held under Suit No.E98549-83in the district court of said county, said property being located in Tarrant County, Texas, and descried as follows:

Lot 25, Block 19, Rancho North Addition, in the City of Saginaw. Also known as 232 Hialeah Park, Saginaw, Texas.

TO HAVE AND TO HOLD the said premises, together with all and singular the rights, privileges and appurtenances thereto in any manner belonging unto the said grantee(s), their heirs and assigns forever, so that neither the grantors, nor any other taxing unit interested in said tax foreclosure judgment, nor any person claiming under it and them, shall at any time hereafter have, claim or demand any right or title to the aforesaid premises or appurtenances, or any part thereof.

All liens foreclosed by the judgment are discharged and extinguished by virtue of this conveyance. Post Judgment taxes and any prorated taxes for the present year are to be paid by grantee(s) herein.

This deed is given expressly subject to recorded restrictive covenants running with the land and valid easements of record as of the date of the sale, if such covenants or easements were recorded prior to January 1 of the year the tax lien(s) arose.

This deed is given without any warranty of title. Grantors make no warranties, express or implied, regarding the above described property.

IN TESTIMONY WHEREOF CITY OF SAGINAW has caused these presents to be executed this _____ day of _____, 2020.

By: _____
Mayor, Todd Flippo

STATE OF TEXAS)

COUNTY OF TARRANT)

This instrument was acknowledged before me on this ____ day of _____, 2020, by Todd Flippo, Mayor of the City of Saginaw.

Notary Public, State of Texas

IN TESTIMONY WHEREOF EAGLE MOUNTAIN INDEPENDENT SCHOOL DISTRICT
has caused these presents to be executed this ____ day of _____, 2020.

By: _____
President, Board of Trustees
Eagle Mountain Independent School District

STATE OF TEXAS)

COUNTY OF TARRANT)

 This instrument was acknowledged before me on this ____ day of _____ 2020,
by _____, President, board of Trustees Eagle Mountain Independent School District.

Notary Public, State of Texas

IN TESTIMONY WHEREOF TARRANT COUNTY has caused these presents to be executed
this ____ day of _____, 2020.

By: _____
B. Glen Whitley
Tarrant County Judge

STATE OF TEXAS)

COUNTY OF TARRANT)

This instrument was acknowledged before me on this ____ day of _____, 2020,
by B. Glen Whitley, Judge, Tarrant County.

Notary Public, State of Texas

Approved by the City of Saginaw
his the _____ day of _____ 1967.

y: _____
y: _____

Mayor

Secretary

THOMPSON

DRIVE

RANCHO

DRIVE

HIALEAH

HIALEAH COURT

PARK

HAMPSHIRE

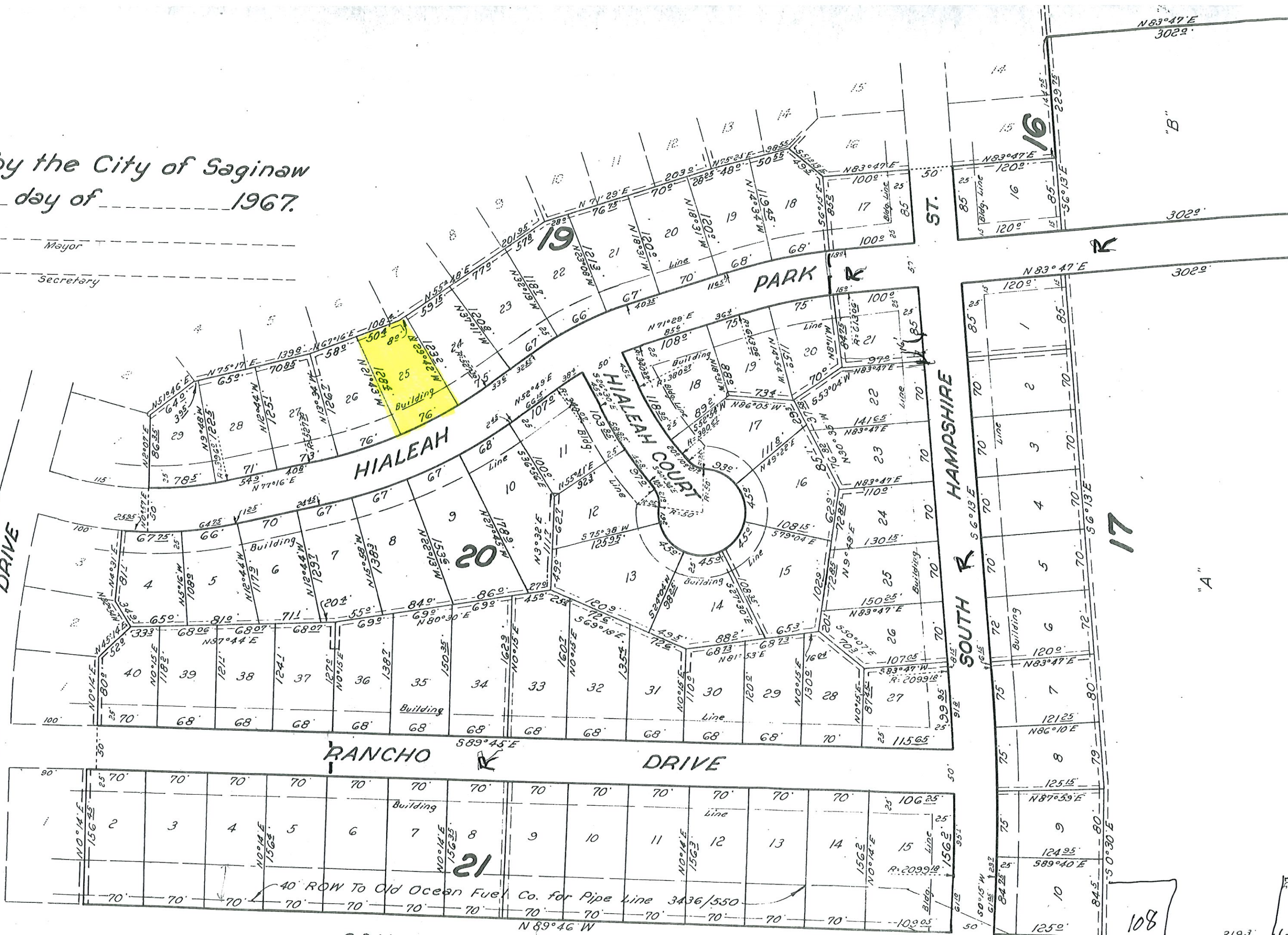
SOUTH

17

"B"

"A"

108





City of Saginaw

Meeting Date: 8/18/2020

Staff Contact: Kim Quin
Finance Director

Agenda Items: (10)

E-mail: kquin@saginawtx.org

Phone: 817-230-0332

SUBJECT:

Consideration and Action regarding proposed FY2020/2021 tax rate and notice of public hearing.

BACKGROUND/DISCUSSION:

To comply with the Truth-in-Taxation guidelines, the City Council must take record vote on the proposed tax rate. The rate and record vote will be published in the newspaper and on the city website. A draft Notice is attached.

FINANCIAL IMPACT:

This item will have a financial impact, as tax revenue is a primary funding source of the operating budget, but the purpose of tonight's action is to satisfy State Law and the Truth-in-Taxation procedures.

RECOMMENDATION:

Staff recommends the City Council vote on the proposed tax rate in preparation of the public hearing on the FY2020/2021 tax rate and budget that will be held at the City Council meeting on September 15, 2020.

ATTACHMENTS:

Description

Draft Public Notice

NOTICE OF PUBLIC HEARING ON TAX INCREASE

A tax rate of .468706 per \$100 valuation has been proposed by the governing body of City of Saginaw.

PROPOSED TAX RATE	\$0.468706 per \$100
NO-NEW REVENUE TAX RATE	\$0.457966 per \$100
VOTER-APPROVAL TAX RATE	\$0.484903 per \$100
DE MINIMIS RATE	\$0.560020 per \$100

The no-new-revenue tax rate is the tax rate for the 2020 tax year that will raise the same amount of property tax revenue for City of Saginaw from the same properties in both the 2019 tax year and the 2020 tax year.

The voter-approval tax rate is the highest tax rate that City of Saginaw may adopt without holding an election to seek voter approval of the rate, unless the de minimis rate for City of Saginaw exceeds the voter-approval tax rate for City of Saginaw

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate for City of Saginaw, the rate that will raise \$500,000, and the current debt rate for City of Saginaw

The proposed tax rate is greater than the no-new-revenue tax rate. This means that City of Saginaw is proposing to increase property taxes for the 2020 tax year.

A public hearing on the proposed tax rate will be held on September 15, 2020 at 6:00 at Saginaw City Hall.

The proposed tax rate is not greater than the voter-approval tax rate. As a result, City of Saginaw is not required to hold an election at which voter approval of the rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the Saginaw City Council of City of Saginaw at their offices or by attending the public meeting mentioned above.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

$$\text{property tax amount} = (\text{tax rate}) \times (\text{taxable value of your property}) / 100$$

The members of the governing body voted on the proposed tax increase as follows:

FOR:

AGAINST:

PRESENT and not voting:

ABSENT:

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by City of Saginaw last year to the taxes proposed to be imposed on the average residence homestead by City of Saginaw this year:

	2019	2020	Change
Total Tax Rate (per \$100 of value)	\$0.459000	\$0.468706	<i>increase of</i> \$0.009706 OR 2.11%
Average homestead taxable value	\$178,105	\$188,101	<i>increase of</i> 5.61%
Tax on average homestead	\$818	\$882	<i>increase of</i> \$64 OR 7.84%
Total tax levy on all properties	\$9,837,079	\$10,304,544	<i>increase of</i> \$467,465 OR 4.75%

For assistance with tax calculations, please contact the tax assessor for City of Saginaw at 817-232-4640 or info@saginawtx.org, or visit ci.saginaw.tx.us for more information.