



City of Rowlett

Meeting Agenda

City Council

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

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

Tuesday, April 21, 2015

5:30 P.M.

Municipal Building – 4000 Main Street

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

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

1. **CALL TO ORDER**
2. **EXECUTIVE SESSION (5:30 P.M.)*** Times listed are approximate.
 - 2A. The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to discuss and deliberate development plan and street extension near Village of Rowlett. (30 minutes)
 - 2B. The City Council shall convene into executive session pursuant to the Texas Government Code, §551.074 (Personnel) to deliberate on the evaluation and duties of the City Attorney. (20 minutes) (THIS ITEM WILL BE DISCUSSED FOLLOWING THE REGULAR PORTION OF THE MEETING)
 - 2C. The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to discuss settlement of pending litigation involving the Garland Public Shooting Range. (15 minutes) (THIS ITEM WILL BE DISCUSSED FOLLOWING THE REGULAR PORTION OF THE MEETING)
3. **WORK SESSION (6:00 P.M.)**
 - 3A. Presentation of Mid-Year Update from the City Manager. (45 minutes)
 - 3B. Discuss amending the Fiscal Year 2014-15 Adopted Operating and Capital Improvements Program Budget. (20 minutes)
 - 3C. Discuss the elimination of the \$6.97 monthly water surcharge effective May 1, 2015. (20 minutes)

- 3D.** Discuss the City's telecommunication lease agreements in relation to industry trends. (15 minutes)

4. DISCUSS CONSENT AGENDA ITEMS

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

INVOCATION

PLEDGE OF ALLEGIANCE

TEXAS PLEDGE OF ALLEGIANCE

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

5. PRESENTATIONS AND PROCLAMATIONS

- 5A.** Proclamation recognizing the week of April 20-24, as Administrative Professional's Week.
- 5B.** Update from the City Council and Management: Financial Position, Major Projects, Operational Issues, Upcoming Dates of Interest and Items of Community Interest.

6. CITIZENS' INPUT

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

7. CONSENT AGENDA

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

- 7A.** Consider action to approve minutes from the April 7, 2015, City Council Regular Meeting and April 14, 2015, City Council Special Meeting.
- 7B.** Consider a resolution authorizing the City Manager to release and terminate a Facilities and Construction Agreement between the City and Home Depot USA, Inc., a Delaware corporation, recorded January 23, 2004, as Document No. 200401407225 in the Real Property Records of Dallas County, Texas.
- 7C.** Consider action to approve a resolution accepting the bid of and awarding a contract to Data Flow Systems, Inc. (DFS) in the amount of \$285,000 for the total base bid and \$396,000 for the alternate bid items plus three percent contingency in the amount of \$20,430 and up to \$3,000 for the early completion bonus for the total base bid, resulting in a total project amount of \$704,430 for the Supervisory Control and Data Acquisition (SCADA) Project and authorize the Mayor to execute the necessary documents for said services.

- 7D.** Consider action to approve a resolution accepting the bid for the annual crack seal program in the unit amounts bid as attached hereto and incorporated herein by reference as Exhibit A and in an estimated annual amount of \$150,000.00 as work is required for the materials for the Public Works Department to Cholla Pavement Maintenance, Inc. and authorizing the Mayor to execute the necessary documents for said services.
- 7E.** Consider action to approve a resolution authorizing acceptance of the Annual Contract for Concrete Repair/Maintenance and final payment plus the release of retainage in the amount of \$171,583.85 to Tri-Con Services Incorporated which includes Change Order #1 in the amount of \$21,583.85 and authorizing the Mayor to execute the necessary documents herein.
- 7F.** Consider action to approve a resolution to replace the existing Fuel Management System (FMS) through General Services Administration Award Management Identification #062869508 in the amount of \$101,546.00 to B & J Equipment, LTD and authorizing the City Manager to execute the necessary documents for said purchase.
- 7G.** Consider action to approve a resolution authorizing the ratification of emergency repairs to the sanitary sewer line and structure at 5100 Edgewater Drive Lift Station and approving payment to Tri-Con Services, Inc. in the amount of \$127,538.64 for said services; and authorizing the City Manager to issue purchase orders for said services.
- 7H.** Consider action to approve a resolution accepting the bid of and awarding a contract to Clayton Holdings, LLC, in the amount of \$107,407.65, utilizing an interest rate of 1.79 percent for the seven year lease-purchase financing of a GasBoy fuel management system for the Public Works Department and authorizing the City Manager, after City Attorney approval, to execute the necessary documents for said purchase.
- 7I.** Consider action to approve a resolution accepting the bid of NAFECO Incorporated in the amount of \$240,283.60 for the purchase of fire protective clothing/bunker gear through the interlocal cooperative purchasing agreement with BuyBoard and awarding a contract to Clayton Holdings, LLC in the amount of \$248,594.95, utilizing an interest rate of 1.57% for the five year lease-purchase financing of fire protective clothing for Fire Rescue and authorizing the City Manager, after City Attorney approval, to execute the necessary documents for said purchase.
- 7J.** Consider action to approve a resolution awarding the bid for Section III mowing services to Carruthers Landscape Management, Incorporated in the unit amounts bid with an estimated annual amount of \$121,125.00 for the Parks and Recreation Department.
- 7K.** Consider action to approve a resolution authorizing the City to enter into a contract with Mint Bills in order to allow citizens an opportunity to render their utility payments by smart phone, tablets, or computers, and set up recurring payments and alert notifications.
- 7L.** Consider action approving a resolution amending the Master Fee Schedule for rate and fee changes to the Utilities Section for Water Rates due to the elimination of the Stage 3 water restrictions by the North Texas Municipal Water District.

8. ITEMS FOR INDIVIDUAL CONSIDERATION

- 8A.** Consider an ordinance to amend Part V of the City of Rowlett Code of Ordinances to adopt an amended Master Thoroughfare Plan Map.

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

9. ADJOURNMENT

Laura Hallmark

Laura Hallmark, City Secretary

I certify that the above notice of meeting was posted on the bulletin boards located inside and outside the doors of the Municipal Center, 4000 Main Street, Rowlett, Texas, as well as on the City's website (www.rowlett.com) on the 16th day of April 2015, by 5:00 p.m.



City of Rowlett
Staff Report

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

AGENDA DATE: 04/21/15

AGENDA ITEM: 2A

TITLE

The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to discuss and deliberate development plan and street extension near Village of Rowlett. (30 minutes)



City of Rowlett
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AGENDA DATE: 04/21/15

AGENDA ITEM: 2B

TITLE

The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.074 (Personnel) to deliberate on the evaluation and duties of the City Attorney. (20 minutes) (THIS ITEM WILL BE DISCUSSED FOLLOWING THE REGULAR PORTION OF THE MEETING)



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AGENDA DATE: 04/21/15

AGENDA ITEM: 2C

TITLE

The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to discuss settlement of pending litigation involving the Garland Public Shooting Range. (15 minutes) (THIS ITEM WILL BE DISCUSSED FOLLOWING THE REGULAR PORTION OF THE MEETING)



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Staff Report

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AGENDA DATE: 04/21/15

AGENDA ITEM: 3A

TITLE

Presentation of Mid-Year Update from the City Manager. (45 minutes)

STAFF REPRESENTATIVE

Brian Funderburk, City Manager

SUMMARY

The purpose of this item is to present the mid-year update on the City's activities.

BACKGROUND INFORMATION

N/A

DISCUSSION

City Manager, Brian Funderburk will give a presentation on the mid-year update of the City's activities. A copy of the FY2015 Workplan is attached for review. A more detailed presentation will be provided during the work session discussion.

FINANCIAL/BUDGET IMPLICATIONS

N/A

RECOMMENDED ACTION

Information only.

ATTACHMENT

Attachment 1 – FY2015 Workplan



City of Rowlett
Staff Report

4000 Main Street
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AGENDA DATE: 04/21/15

AGENDA ITEM: 3B

TITLE

Discuss amending the Fiscal Year 2014-15 Adopted Operating and Capital Improvements Program Budget. (20 minutes)

STAFF REPRESENTATIVE

Wendy Badgett, Interim Director of Finance
Terri Doby, Budget Officer

SUMMARY

Regular budget amendments are an accepted practice in local government and represent a visible demonstration that the municipality manages its fiscal affairs appropriately and with transparency. City staff has completed a detailed analysis of revenues and expenditures and recommends adjustments consistent with that analysis.

The FY2015 CIP totals \$30.1 million from utility revenue bonds and cash funded projects; a budget of this size and scope requires constant monitoring and adjustment. As projects funded with past bond issues or cash CIP funds are completed and final expenditures recorded, new development or other circumstances occur, which cause new projects to be initiated or existing projects to change in scope. An amendment is required to complete the City's share of the funding for the Village of Rowlett project as previously agreed to with Integral Catalyst, allocate funding for the CIP Task Force and reallocate funding between various related projects.

BACKGROUND INFORMATION

On September 16, 2014, the City Council adopted the operating and capital improvements program budget for Fiscal Year 2014-15. One half of the fiscal year was completed as of March 31, 2014. These amendments reflect changes to the budget recommended as a result of an analysis of the first half of FY2015.

The FY2015 CIP totals \$30.1 million from utility revenue bonds and cash funded projects; a budget of this size and scope requires constant monitoring and adjustment. As projects funded with past bond issues or cash CIP funds are completed and final expenditures recorded, new development or other circumstances occur, which cause new projects to be initiated or existing projects to change in scope.

- A) An amendment is required to allocate the final amount of funding for the Village of Rowlett project in the Capital Improvement Program. The table below (from the May 20, 2014, agenda item) outlines what the City originally agreed to with regards to the funding of this project.

CITY INVESTMENT – SOURCE OF FUNDS		
Land Contribution (subject to appraisal)		\$1,650,000
Public Infrastructure		
Impact Fees		450,000
Existing Impact Fee Fund Balance		1,250,000
CIP Funds		700,000
Property Tax (380/TIF)		1,968,449
Total Public Investment		\$6,018,449

When subtracting the land contribution and the property tax from a 380 agreement/TIF, the total comes to \$2,400,000. Funds in the amount of \$775,550 were allocated to the Village of Rowlett project in the FY2014 3rd quarter budget amendment. This amendment will complete the funding for the project by adding the \$450,000 in impact fees and the \$1,174,450 in existing impact fee fund balance, bringing the total project budget to \$2,400,000.

- B) In the Spring of 2013, the developer of the Harmony Hills project approached the City regarding sewer infrastructure. The developer requested that the City build a gravity sewer main on the eastside of PGBT that would run south to the main line at Liberty Grove. The developer would contribute the \$500,000 that they would have had to spend to construct two separate lift stations. On September 17, 2013, during an Executive Session, Council agreed that the construction of the gravity line would not only benefit this project but other projects along PGBT and provided direction to staff to take that approach. The North Shore Sanitary Sewer project was originally created in the 1st quarter budget amendment of 2014 with funds from projects completed under budget in the amount of \$947,967. After going out for bid, the total construction cost for the project is \$1,665,868, plus design costs in the amount of \$194,522 for a total project cost of \$1,860,391. When the bid was approved on December 2, 2014, City Council was informed that the project funds would be amended in the first FY2015 budget amendment to utilize impact fees and re-allocate funds from other projects that have come in under budget to provide the total \$1,860,391 to construct the project.
- C) Funding is allocated to several projects in the CIP that are labeled as Miscellaneous where the money is used for various smaller repair and replacement projects throughout the City. This funding is also available to be moved to larger projects when needed. This amendment would move necessary funding from Miscellaneous Drainage to the Westwood Circle Drainage project, from Miscellaneous Drainage to Long Branch Creek Drainage, and from Miscellaneous Sanitary Sewer Line Repair and Replacement to the 24" Force Main and TV Inspection project.
- D) Recent events have brought to light the need for additional generators. As a result of these changing priorities, additional funds are being moved into the Backup Power project.

DISCUSSION

The FY2015 CIP totals \$30.1 million from utility revenue bonds and cash funded projects. Budgets of this size and scope require constant monitoring and adjustment. As projects funded with past bond issues or cash CIP funds are completed and final expenditures recorded, new development or other circumstances occur, which cause new projects to be initiated or existing projects to change in scope. Specifically, the proposed re-allocation of project funds is included in the table below.

- A) For the Village of Rowlett project, the total City commitment including land contribution and property tax from a 380/TIF is \$6,018,449. The total City funding commitment without the land contribution and 380/TIF is \$2,400,000. Funds in the amount of \$775,550 were allocated to the Village of Rowlett project in the FY2014 3rd quarter budget amendment. To complete the funding for this project, \$450,000 is being allocated from impact fees, and \$1,174,450 is being allocated from various bond fund balances that result from projects being charged to impact fees or from completed projects (e.g. ST2074 Merritt Road, CO2028 Miller Road Reconstruction, ST2076 Traffic Management Projects and WA2091 Castle Hills Waterline). This will complete the City's share of the funding.

- B) The North Shore Sanitary Sewer project was originally created in the 1st quarter budget amendment of 2014 with funds from projects completed under budget in the amount of \$947,967. Now that the project has been bid, the total construction cost for the North Shore Sanitary Sewer project (SS2103) is \$1,665,868 plus \$194,522 for design expenses for a total project cost of \$1,860,391. When the bid was approved on December 2, 2014, City Council was informed that the project funds would be amended in the first FY2015 budget amendment to utilize impact fees and re-allocate funds from other projects that have come in under budget to provide the total \$1,860,391 to construct the project.

- C) Funding is allocated to several projects in the CIP that are labeled as Miscellaneous where the money is used for various smaller repair and replacement projects throughout the City. This funding is also available to be moved to larger projects when needed.
 - a. This amendment would move necessary funding from Miscellaneous Drainage (DR2065) to the Westwood Circle Drainage project (DR2104) in the amount of \$100,760 to bring the total Westwood Circle to \$250,760. The project was bid at a cost of \$250,485.
 - b. This amendment would move necessary funding from Miscellaneous Drainage (DR2065) to the Long Branch Creek project (DR2105) in the amount of \$276,000. The funding will be used to install a box culvert for new retail development.
 - c. Another project requiring an additional allocation of funding is the 24" Force Main and TV inspection (SS2104). This project was the replacement of a force main on the east side of the lake identified with a potential for failure by video inspection. Total cost of the project was \$539,466, while the current budget is \$434,000. An additional \$110,000 in funding is needed from Miscellaneous Sanitary Sewer Line Repair and Replacement (SS1102).

D) The Backup Power project (SS2094) currently has available funds of \$73,917. Recent events have made the purchase of two additional generators a high priority. The current price for two generators is \$164,316. Additional needed funds are available in East Side Lift Station improvements (SS1159) and Manhole Rehabilitation (SS2088) in the amount of \$9,196 and \$81,203 respectively.

From/ To	Project Number	Project Title	Adjustment	Purpose
FROM	ST2074	Merritt Road Interconnector	(\$700,450)	Set aside amount agreed upon with developer for Village of Rowlett
		Unallocated Bond Funds	(\$474,000)	
	Fund 102	Impact Fees	(\$450,000)	
TO	CO2100	Village of Rowlett	\$1,624,450	
FROM	SS2093	Merritt Road Sanitary Sewer	(\$81,797)	Fund the total cost as bid for the North Shore Sanitary Sewer
	WA2092	Merritt Road Water Line	(\$80,518)	
	Fund 162	Impact Fees Utilities	(\$500,109)	
	Fund 598	Developer Contribution	(\$250,000)	
TO	SS2103	North Shore Sanitary Sewer	\$912,424	
FROM	DR2065	Misc. Drainage Improve.	(\$100,760)	Fund the total cost of the Westwood Circle drainage improvements
TO	DR2104	Westwood Circle Drainage	\$100,760	
FROM	DR2065	Misc. Drainage Improve.	(\$276,000)	Fund the total cost of the Long Branch Creek Drainage improvements
TO	DR2105	Long Branch Creek Drainage	\$276,000	
FROM	SS1102	Misc. Sanitary Sewer Lines	(\$110,000)	Fund the total cost of 24" Force Main and TV Inspection
TO	SS2104	24" Force Main and TV Insp.	\$110,000	
FROM	SS1159	East Side Lift Station Improvements	(\$9,196)	Fund the purchase of two generators
	SS2088	Manhole Rehabilitation	(\$81,203)	
TO	SS2094	Backup Power	\$90,399	

FINANCIAL/BUDGET IMPLICATIONS

As indicated, this ordinance adjusts revenues and expenditures identified for FY2015. Exhibit A to the proposed ordinance details the type and purpose.

RECOMMENDED ACTION

This item is for informational purposes. It will be presented to Council at a later date for consideration.

ATTACHMENT

Exhibit A – Capital Improvements Program Amendment FY2015

FY 2015 CITY OF ROWLETT BUDGET
CAPITAL IMPROVEMENTS PROJECTS

	PROJECT NUMBER	PROJECT NAME	ACCOUNT NUMBER	CHANGE
FROM	ST2074	Merritt Road Interconnector	309 8002	(\$700,450)
		Fund 407		(\$474,000)
		Impact Fees	401	(\$450,000)
TO	CO2100	Villages of Rowlett	Various	\$1,624,450
FROM	SS2093	Merritt Road Sanitary Sewer	524 8102	(\$81,797)
	WA2092	Merritt Road Water Line	524 8102	(\$80,518)
		Impact Fees Utilities	503	(\$500,109)
		Developer Contribution	520	(\$250,000)
TO	SS2103	North Shore Sanitary Sewer	Various	\$912,424
FROM	DR2065	Miscellaneous Drainage Improvements	702 8201	(\$100,760)
TO	DR2104	Westwood Circle Drainage Improvements	702 8201	\$100,760
FROM	DR2065	Miscellaneous Drainage Improvements	702 8201	(\$276,000)
TO	DR2105	Long Branch Creek Drainage	702 8201	\$276,000
FROM	SS1102	Miscellaneous Sanitary Sewer Line Repair	520 8102	(\$110,000)
TO	SS2104	24" Force Main and TV Inspection	520 8102	\$110,000
FROM	SS1159	East Side Lift Station	520 8102	(\$9,196)
	SS2088	Manhole Rehabilitation	520 8102	(\$81,203)
TO	SS2094	Backup Power	520 8102	(\$90,399)



City of Rowlett
Staff Report

4000 Main Street
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AGENDA DATE: 04/21/15

AGENDA ITEM: 3C

TITLE

Discuss the elimination of the \$6.97 monthly water surcharge effective May 1, 2015. (20 minutes)

STAFF REPRESENTATIVE

Brian Funderburk, City Manager

SUMMARY

As part of the adoption of the FY2015 Budget, the City approved a \$6.97 monthly water surcharge as a result of the expected continuation of Stage 3 water restriction by the North Texas Municipal Water District (NTMWD). The surcharge was intended to remain until the water restrictions were lifted. On April 9, 2015, the (NTMWD) announced that they would eliminate the Stage 3 water restrictions effective May 1, 2015. As a result, the purpose of this item is to discuss the elimination of the \$6.97 surcharge effective May 1, 2015.

BACKGROUND INFORMATION

The City of Rowlett Master Fee Schedule provides a schedule of fees and rates for various City services. The schedule is updated each year as part of the City's annual budget process and as needed from time to time. Typically, the fee schedule is updated at budget time to reflect increases in water, sewer and refuse rates, and any other fees that need to be increased due to increases in the cost of the service or be more in line with the fees other cities charge. This is also an opportunity to update any fees due to changes in operations, ordinances or state law and perform any administrative "clean up" of the schedule.

On August 5, 2014, Brian Funderburk, City Manager submitted the proposed budget for Fiscal Year 2015. On August 14 and 15, 2014, the City Council held two Budget Work Sessions to review the proposed budget. The City Council also held two public hearings on August 19, 2014, and September 2, 2014, on the budget.

On September 16, 2014, the City Council adopted the Master Fee Schedule with the changes to the various rates and fees, including a surcharge on water due to the expected continuation of Stage 3 water restrictions. The surcharge was for \$6.97 per month and was intended to remain until the water restrictions were lifted.

On April 9, 2015, the North Texas Municipal Water District (NTMWD) announced that they would eliminate the Stage 3 water restrictions effective May 1, 2015.

DISCUSSION

As indicated above, the City of Rowlett imposed a \$6.97 monthly water surcharge due to the expected continuation of Stage 3 water restrictions by the NTMWD. These restrictions have been in place since the fall of 2012 as north Texas managed the drought in the entire region. The impact of these restrictions were described in Challenge #5 in the FY2015 Proposed Budget (see below).

CHALLENGE #5: WATER RESTRICTIONS

Ongoing water restrictions continue to plague cities in the north DFW area, Rowlett included. Because the North Texas Municipal Water District (NTMWD) determines “how” cities must comply with the water restrictions (i.e. outside watering once every two weeks), communities such as Rowlett that are primarily residential are more significantly impacted. In FY2014, Rowlett is expected to lose about \$1.9 million in water revenues, which is being covered by a like reduction in our capital projects. For FY2014, the system will run out of money for improvements.

As a result, the FY2015 Adopted Budget includes a proposal to add a \$6.97 monthly surcharge for water rates in anticipation that Stage 3 water restrictions from NTMWD will remain in place. Staff is further recommending that the surcharge remain in place until such time as the restrictions are lifted.

CHART 18

Lake Level Modeling with Planned Measures – Near Term Summary

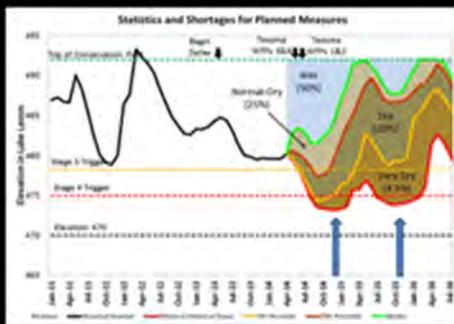


CHART 19

Drought Outlook



Recognizing the severity and intensity of the drought on area lakes, Rowlett’s customers heeded the call and have complied with the water restrictions imposed by the NTMWD. While we are fortunate that the precipitation we have received this Spring has had a dramatic impact on the lake levels used by the NTMWD, we cannot go without thanking our customers for their sacrifice and patience.

Now that the water restrictions have been lifted, the City can eliminate the monthly surcharge as shown below.

Monthly Water Rate Charges:		
	Monthly Surcharge per Location	Proposed \$6.97

FINANCIAL/BUDGET IMPLICATIONS

The surcharge went into effect on October 1, 2014, and was anticipated to earn about \$1.7 million during the year. This surcharge was necessary to recoup the lower water sales. At this time, the City has had the surcharge in place for seven months (October-April). Therefore, this action could be somewhat neutral (depending upon weather conditions this summer) through the elimination of the surcharge versus the expectation of selling more water.

RECOMMENDED ACTION

Provide consensus to amending the Master Fee Schedule to eliminate the \$6.97 monthly water surcharge.

ATTACHMENT

Attachment 1 – NTMWD Media Release 4-10-15



NEWS RELEASE

North Texas
Municipal Water
District

For Immediate Release
Media Contact:
Denise Hickey
(972) 442-5405

NTMWD to Ease Watering Restrictions Effective May 1st

After almost five years under drought restrictions, district to transition to 2014 Water Conservation Plan and allow twice per week watering, if needed.

For now, consumers are urged to keep automatic sprinkler systems off and run on manual mode when necessary

(Wylie, Texas-April 10, 2015) North Texas Municipal Water District (NTMWD) water supply reservoirs have reached sufficient levels and capacities to allow the District to ease watering restrictions earlier than previously planned. Beginning May 1, 2015, NTMWD will terminate all drought stages and will implement its Water Conservation Plan that limits landscape watering to no more than two days per week, and only if needed. This action is being implemented in accordance with State and District guidelines.

While the drought has not officially ended, runoff from recent rains helped increase the levels of both Lavon Lake and Chapman Lake, key water supplies for the district. The increasing lake levels along with the resumption of using water from Lake Texoma, the circumstances that caused the initiation of drought stages no longer prevail. Even with termination of drought contingency stages, NTMWD Executive Director Tom Kula recommends that consumers continue to keep their sprinklers off and use the manual mode to irrigate, only if needed.

“Conservation, as always, is vital to our water supply and the District will continue to emphasize watering wisely. Based on rainfall we normally receive this time of year, there may be no need for twice per week watering in May,” said Kula. “For the months ahead, when hot, dry conditions may require more frequent watering, only water if needed to maintain a healthy lawn,” Kula added.

Customers are encouraged to sign up for WaterMyYard.org which provides weekly updates regarding how much and when to water your lawn.

All water users need to check with their city or water provider to determine when outdoor watering is allowed and what other conditions apply. The NTMWD’s Conservation Plan (The Plan) outlines minimum District guidelines (e.g. prohibits lawn irrigation watering from 10 AM to 6 PM between April 1 and October 31) and prohibits activities such as outdoor watering during precipitation events. Each city enforces the measures included in their own adopted plans, so residents and customers can avoid enforcement measures by educating themselves on what is permissible.

NTMWD officials would like to again thank all cities and all consumers for their cooperation while in the drought stages and in particular for your extreme sacrifices last summer to conserve. There’s no doubt the tremendous support of the entire region allowed us all to get through some tough last few years with some of the strictest watering restrictions in the state.

Not boasting because it's a fact, NTMWD's cities and customers are some of most water-wise in the state. Research indicates that better than 50% of our consumers in the NTMWD's service area can cite Lavon Lake as their water source and therefore are willing to change their water use behaviors. Your continued conservation efforts are appreciated going forward, along with the cooperation of businesses, HOAs, and homeowners in order to support the needs of this fast growing region.

NTMWD has been operating in accordance with the 2008 Water Conservation and Drought Contingency/Water Emergency Response Plan (2008 Plan) since the drought began in 2010. With termination of all drought stages, NTMWD will, in accordance with state guidelines, retire the 2008 Plan and implement the 2014 Water Conservation Plan effective May 1, 2015. The 2014 Water Conservation and Water Resource and Emergency Management Plans can be found on the NTMWD website at http://www.ntmwd.com/water_resource_management_plans.html. The 2014 plans align NTMWD regionally with the other water providers in the metroplex.

As May 1st approaches, NTMWD asks that consumers "Don't Set It and Forget It" when it comes to your sprinkler systems. Turn it off during rain events and on days when lawn watering isn't necessary. ALL-IN Together!

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City of Rowlett
Staff Report

4000 Main Street
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AGENDA DATE: 04/21/15

AGENDA ITEM: 5A

TITLE

Proclamation recognizing the week of April 20-24, as Administrative Professional's Week.

STAFF REPRESENTATIVE

Evette Whitehead, Executive Assistant

BACKGROUND / HISTORY

Since 1952, the International Association of Administrative Professionals (IAAP) has honored office workers by sponsoring Administrative Professionals Week. Today, it is one of the largest workplace observances outside of employee birthdays and major holidays.

In the year 2000, IAAP announced a name change for Professional Secretaries Week and Professional Secretaries Day. The names were changed to Administrative Professionals Week and Administrative Professionals Day to keep pace with changing job titles and expanding responsibilities of today's administrative workforce.

Each year, administrative professionals are recognized for their skills and loyalty, attributes almost every office depends upon. Administrative Professionals Week celebrates and sheds light on administrative professionals' devoted, valued work.

Over the years, Administrative Professionals Week has become one of the largest workplace observances. The event is celebrated worldwide, bringing together millions of people for community events, educational seminars and individual corporate activities recognizing support staff.

There are more than 22 million administrative and office support professionals working in the United States. More than 475,000 administrative professionals are employed in Canada and millions more work in offices all over the world. Administrative Professional Week is always the last full week in April. In 2015, Administrative Professionals Week is April 20-24 with Administrative Professionals Day on Wednesday, April 22.

ATTACHMENT

Proclamation

ADMINISTRATIVE PROFESSIONAL DAY AND WEEK

WHEREAS, Administrative Professionals Day and Week began in 1952 to recognize the important workplace role of administrative professionals who make offices work; and

WHEREAS, over the six decades since the start of Administrative Professionals Week, the job has changed dramatically thanks to new technology, techniques, shifts in the economy, and culture itself; and

WHEREAS, there are more than 22 million people working in various administrative support roles in the United States today. More than 475,000 administrative professionals are employed in Canada and millions more work in offices all over the world; and

WHEREAS, admins have remained the steady center of efficiency through it all, helping ensure that jobs get done right, on time and under budget, ensuring the successes of their supervisors.

NOW THEREFORE, be it resolved that I, Todd W. Gottel, Mayor of the City of Rowlett, Texas, and on behalf of the City Council do hereby proclaim the week of April 20 – 24, 2015 as

ADMINISTRATIVE PROFESSIONALS WEEK

and Wednesday, April 22, 2015 as

ADMINISTRATIVE PROFESSIONALS DAY

in the City of Rowlett, Texas and encourage all citizens and employers to recognize the valuable work that is completed by these exceptional employees.



City of Rowlett
Staff Report

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

AGENDA DATE: 04/21/15

AGENDA ITEM: 5B

TITLE

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

STAFF REPRESENTATIVE

Brian Funderburk, City Manager



City of Rowlett
Staff Report

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

AGENDA DATE: 04/21/15

AGENDA ITEM: 7A

TITLE

Consider action to approve minutes from the April 7, 2015, City Council Regular Meeting and April 14, 2015, City Council Special Meeting.

STAFF REPRESENTATIVE

Laura Hallmark, City Secretary

SUMMARY

Section 551.021 of the Government Code provides as follows:

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

RECOMMENDED ACTION

Move to approve, amend or correct the minutes for the April 7, 2015, City Council Regular Meeting and April 14, 2015, City Council Special Meeting.

ATTACHMENT

04-07-15 City Council Meeting Minutes
04-14-15 Special Meeting Minutes



City of Rowlett

Meeting Minutes

City Council

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

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

Tuesday, April 7, 2015

5:30 P.M.

Municipal Building – 4000 Main Street

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

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

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

1. CALL TO ORDER

Mayor Pro Tem Gallops called the meeting to order at 5:32 p.m.

2. EXECUTIVE SESSION (5:30 P.M.)* Times listed are approximate.

- 2A.** The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.087 (Economic Development) and §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to discuss and deliberate an Economic Development Agreement with Bayside Land Partners LLC (a/k/a Donahue Development Corporation) for the Elgin B. Robertson property. (45 minutes)

Council convened in Executive Session at 5:32 p.m. Out at 6:25 p.m.

- 2B.** The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney about the lawsuit with Xerox concerning the automated red light camera enforcement system. (20 minutes)

Council convened in Executive Session at 6:25 p.m. Mayor Gottel arrived at 6:33 p.m. Out at 6:57 p.m.

- 2C.** The City Council shall convene into executive session pursuant to the Texas Government Code, §551.074 (Personnel) to deliberate on the evaluation and duties of the City Attorney. (30 minutes)
(THIS ITEM WILL BE DISCUSSED FOLLOWING THE REGULAR PORTION OF THE MEETING)

Due to the time, this item will be rescheduled for a later date.

3. WORK SESSION (6:30 P.M.)

3A. Update on 84th Texas Legislative Session. (15 minutes)

Due to the time, this item will be rescheduled for a later date.

3B. Discuss proposed ordinance to amend regulations pertaining to grease traps. (20 minutes)

Chuck Dumas, Environmental Services Manager, along with Jake Gilliland, Utilities Operations Manager, outlined the proposed changes to the Code of Ordinances along with an effective date of January, 2016. It was the consensus of Council to consider this item at a future meeting.

3C. Discuss amending the Fiscal Year 2014-15 Adopted Operating and Capital Improvements Program Budget. (20 minutes)

Due to the time, this item will be rescheduled for a later date.

4. DISCUSS CONSENT AGENDA ITEMS

Council took a short break at 7:18 p.m.

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

Council reconvened in Regular Session at 7:30 p.m.

INVOCATION – Cliff King – New Horizon Church

PLEDGE OF ALLEGIANCE

TEXAS PLEDGE OF ALLEGIANCE – Led by the City Council

5. PRESENTATIONS AND PROCLAMATIONS

5A. Proclamation recognizing National Library Week, April 12-18, 2015.

Deputy Mayor Pro Tem Pankratz presented the proclamation to Kathy Freiheit, Director of Library Services and her staff.

5B. Presentation of 2014 Achievement of Library Excellence Award from Texas Municipal Library Directors Association.

Deputy Mayor Pro Tem Pankratz presented the award to Kathy Freiheit, Director of Library Services and her staff.

5C. Proclamation recognizing National Public Safety Telecommunicators Week as April 12-18, 2015.

Mayor Pro Tem Gallops presented the proclamation to Beth English, Communications Director and Paul Sandman, Assistant Police Chief.

5D. Proclamation recognizing the month of April as National Organ Donor Awareness Month.

Councilmember Sheffield and Councilmember Dana-Bashian presented the proclamation to Beth English, Communications Director. Each commenting on how organ donation has affected their lives.

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

Mayor Gottel announced the following: Next Regular Council meetings will be held on Tuesday, April 21st; Special Council Meeting will be held Tuesday, April 14th. P & Z MEETINGS – Tuesday, April 14th and 28th – held in the City Hall Conference Room at 6pm. CIP (COMMUNITY INVESTMENT PROGRAM) TASK FORCE - Public Meetings will be held: Tuesday, April 14th at 6:30pm at the RCC. Telephone Town Hall Meeting conducted on Thursday, April 23rd between 6:30 and 7:30pm. Projects on the May 9th Ballot include: **Proposition 1 – Streets – \$18,932,340, **Proposition 2 – Parks – \$4,206,110, **Proposition 3 – Public Safety – \$2,631,050. 2015 Bond Election set for May 9, 2015 – is a three year program with \$25,769,500 of Community Investment Projects – AND NO TAX INCREASE! EARLY VOTING STARTS APRIL 27TH AND GOES THROUGH MAY 5TH. LAST DAY TO REGISTER TO VOTE IN THE UPCOMING ELECTION - Thursday, April 9th is the last day to register to vote for the upcoming election on May 9th. Fill out a form online by clicking on the City Secretary's Office tab, Elections then Register to Vote. Pick up a form in the City Secretary's Office at 4000 Main Street. Mail the form to the county election administrator in your county; addresses found online under Register to Vote tab. EARLY VOTING – Annex Conference Room located at 4004 Main Street. Monday, April 27 through Friday, May 1 - 8:00 am to 5:00 pm, Saturday, May 2 - 8:00 am to 5:00 pm, Sunday, May 3 - 1:00 pm to 6:00 pm, Monday, May 4 through Tuesday, May 5 - 7:00 am to 7:00 pm. KEEP ROWLETT BEAUTIFUL - Rowlett Great American Cleanup Day 2015, Saturday, April 11th has been cancelled due to anticipated inclement weather. Electronics Disposal and Document Shredding, Saturday, April 18th, 9am – 1pm @ Rowlett High School parking lot. ANIMAL SHELTER - Low Cost Vaccine Clinic at Animal Shelter – Saturday, April 18th, 1 – 3pm. Shelter is open Monday – Saturday, 10am – 5pm. PARKS AND RECREATION - Upcoming Events: Senior Health Fair – Tuesday, April 14th, 9am – noon @ RCC. Kid Fish – Saturday, April 25th, 9am – noon @ Community Park located at 8500 St. Andrews. Cardboard Boat Regatta – Saturday, April 25th, 1:30pm @ Community Park. Senior Event: Mother's Day Breakfast, Wednesday, May 6th @ 8:30 am. ROWLETT LIBRARY - Upcoming Events: Rowlett Library Closed the month of May. Checked out books should be returned at the RCC. Storytimes and Family Saturday Programs will be held @ RCC. National Library Week, April 13 – 18. Come by and enter to win a basket filled with books and prizes. Arts & Humanities Annual Writing Contest. Entries due by Monday, April 20th @ the Library. For complete rules and more information visit the Arts & Humanities page on rowlett.com. Family Saturday Games – April 18th, 2pm. One on One Tech Help – Every Friday at Rowlett Library, flexible times – call 972-412-6161 for times. FIRE RESCUE - Citizens Fire Academy - Kicks off on Thursday, April 30th. 8 week course offers adult residents an interactive, in-depth, insiders view of Fire Rescue. Call 972.412.6230 for more information. Safe Sitter Class - Saturday, May 31st @ RCC. Ages 11-16; \$60 each. POLICE DEPARTMENT - Youth and Teen Academies this summer. Academies are free and include lunch every day plus a free trip to the Wet Zone on the last day of each session. Available to students that live and attend school in

Rowlett. For more information, contact Office Brandon Herring at bherring@rowlett.com. TWICE A MONTH LANDSCAPE WATERING – *Watering once every other week still in effect* – through May 31st.

Mayor Pro Tem Gallops announced the Great Snail Race of Rowlett, presented by the Fire Corps Council and CERT. Saturday, April 11th from 2-4 p.m. at Main Street Event Center. \$10 Admission.

Councilmember Dana-Bashian announced that the Senior Health Fair being held on April 14th is open to everyone – not just seniors.

6. CITIZENS' INPUT

Hubert Howard, 7315 Maringo Drive, Dallas; asked for clarification regarding property owned by a family member.

7. CONSENT AGENDA

- 7A. Consider action to approve minutes from the March 17, 2015, City Council Regular Meeting, March 27, 2015, Special Meeting, and March 31, 2015 Work Session.

This item was approved on the Consent Agenda.

- 7B. Consider action to approve a resolution approving a bankruptcy trustee sale of real property on which delinquent ad valorem taxes are owed and accepting a compromised amount in satisfaction of the tax indebtedness for property at 6802 and 6804 Scenic Road, Rowlett, Texas.

This item was approved as RES-033-15 on the Consent Agenda.

- 7C. Consider action to approve a resolution accepting the bid of and awarding a contract to U.S. Bancorp Government Leasing and Finance, Incorporated in the amount of \$1,988,307.70, utilizing an interest rate of 2.01 percent for the ten year lease-purchase financing of one new E-One Aerial Fire Truck, one new Fire Pumper Truck, the refurbishment of our 2006 Engine/Pumper, and the refurbishment of our 2004 Ladder (Quint) Fire Truck for Fire Rescue and authorizing the City Manager, after City Attorney approval, to execute the necessary documents for said purchase.

This item was approved as RES-034-15 on the Consent Agenda.

- 7D. Consider action to approve a resolution accepting the bid of and awarding a contract to LKG Resources LLC in the amount of \$156,440.00 for the base bid plus ten percent (10%) contingency in the amount of \$15,644.00, and up to \$5,000.00 for an early completion bonus, resulting in a total project amount of \$177,084.00 for the 12-Inch Water Main along PGBT from Miller Heights Drive to Rowlett High School Project and authorizing the Mayor to execute the necessary documents.

This item was approved as RES-035-15 on the Consent Agenda.

- 7E. Consider action to approve a resolution exercising the third of four one-year renewal options for Section II mowing services to Carruthers Landscape Management in the unit amounts bid with an estimated annual amount of \$104,945 for the Parks and Recreation Department.

This item was approved as RES-036-15 on the Consent Agenda.

- 7F. Consider action to approve a resolution exercising the fourth of four one-year renewal options for Section IV mowing services to The Teter Group, Incorporated in the unit amounts bid with an estimated annual amount of \$120,831.80 and Change Order #1 for Katy Park in the amount of \$5,204.40 for an annual estimate of \$126,036.20 for the Parks and Recreation Department.

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

- 7G. Consider action to approve a resolution exercising the first of three one-year renewal options for continuation of Bank Depository and Merchant Card Services to American National Bank and authorize the City Manager to enter into an extension of services agreement after City Attorney approval.

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

- 7H. Consider action to approve a Resolution approving an Alternative Landscape Plan for Usuga Medical located at 8100 Lakeview Parkway further described as being 1.87 acres of land located in the James Saunders Survey, Abstract No. 1424, City of Rowlett, Dallas County, Texas (DP15-767).

This item was approved as RES-039-15 on the Consent Agenda.

- 7I. Consider a resolution authorizing final acceptance of a utility easement associated with 2201 Lakeview Parkway, being further described as Lot 1R, Block A, Home Depot Addition, City of Rowlett, Dallas County, Texas.

This item was approved as RES-040-15 on the Consent Agenda.

- 7J. Consider action to approve a resolution accepting the bid of and awarding a contract to Tri-Con Services in the amount of \$1,520,000.00 for the total base bid plus ten percent (10%) contingency in the amount \$152,000.00 and up to \$15,000.00 for the early completion bonus, resulting in a total project amount of \$ 1,687,000.00 for the Big A 20-Inch Water Transmission Project and authorize the Mayor to execute the necessary documents for said services.

This item was approved as RES-041-15 on the Consent Agenda.

- 7K. Consider action to approve awarding a contract to Fuquay, Inc. for the Sanitary Sewer Manhole Rehabilitation Project Phase 3 (SS2088) in the amount of \$500,000.00, through the interlocal purchasing agreement with Texas Local Government Purchasing Cooperative (BuyBoard) and authorizing the Mayor to execute the Standard Public Works Construction Contract for said service.

This item was approved as RES-042-15 on the Consent Agenda.

Passed the Consent Agenda

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

8. ITEMS FOR INDIVIDUAL CONSIDERATION

- 8A.** Conduct a public hearing and consider action to approve a Special Use Permit to allow an accessory structure and carport to exceed the size, side yard setback, height and architectural integration requirements for property located at 3802 Hidden Valley Circle. (SUP15-760).

Garrett Langford, Principal Planner, presented the background information on this item. The public hearing opened and closed with one speaker: Terry Milligan, 3802 Hidden Valley, Rowlett (applicant).

A motion was made by Councilmember Sheffield, seconded by Mayor Pro Tem Gallops, to approve the item as presented. The motion carried with a unanimous vote of those members present. This item was adopted as ORD-011-15.

- 8B.** Conduct a public hearing and consider an ordinance approving Major Warrants related to the following Form Based Code standards: lighting, residential building types, ceiling height, flex-space, building materials (including signage), stairwell treatment, and continuous building frontage for property located at 3900 and 3908 Main Street.

Daniel Acevedo, Urban Designer, provided the information on this item. Paris Rutherford, with Catalyst Development, provided additional information regarding the requests. The public hearing opened and closed with one speaker: Elizabeth Cantu, 4314/4402 Commerce Street, Rowlett, asked for clarification. Council discussion regarding the requests for no stoops and ADA requirements.

A motion was made by Councilmember Dana-Bashian, seconded by Mayor Pro Tem Gallops, to approve Major Warrant requests #1, 2, 3, 5, 6, and 8. The motion carried with a vote of 6 in favor and 1 opposed (Pankratz). This item was adopted as ORD-012-15.

After a short break at 10:38 p.m., Council reconvened at 10:45 p.m.

- 8C.** Conduct a public hearing and consider action to adopt an ordinance creating the Tax Increment Reinvestment Zone Number Two, City of Rowlett, Texas.

This item was presented fourth.

Jim Grabenhorst, Director of Economic Development, presented this item. The public hearing opened and closed with no speakers.

A motion was made by Deputy Mayor Pro Tem Pankratz, seconded by Councilmember Sheffield, to approve the item as presented. The motion carried with a unanimous vote of those members present. This item was adopted as ORD-013-15.

- 8D.** Consider action to approve a resolution appointing a Board of Directors of the Tax Increment Reinvestment Zone Number Two, City of Rowlett, Texas.

This item was presented last.

Jim Grabenhorst, Director of Economic Development, along with David Berman, City Attorney, presented this item.

A motion was made by Mayor Pro Tem Gallops, seconded by Councilmember Dana-Bashian, to appoint the members of City Council as the Board of Directors and Councilmember Sheffield as the Board Chair. The motion carried with a unanimous vote of those members present. This item was adopted as RES-043-15.

- 8E.** Conduct a public hearing and consider an ordinance imposing Form Based Code zoning with New Neighborhood, Urban Village, and Commercial Center/Special District subdistrict zoning for the Elgin B. Robertson property.

This item was presented third.

Marc Kurbansade, Director of Development Services, presented the information for this item. Kent Donahue, developer, and Ky Stephens with Kimley Horn, presented additional information regarding the development. The public hearing opened and closed with two speakers:

1. Suzanne Webster, 2214 Fuqua Road, Rowlett.
2. Steven Holcomb, 2117 Rockbluff Drive, Rowlett.

Council discussion regarding a timeline for the development.

A motion was made by Deputy Mayor Pro Tem Pankratz, seconded by Councilmember van Bloemendaal, to approve the item as presented with street section C as modified and maximum 5-story building height in the Urban Village. The motion carried with a unanimous vote of those members present. This item was adopted as ORD-014-15.

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

There was no action taken.

9. ADJOURNMENT

Mayor Gottel adjourned the meeting at 11:03 p.m.



City of Rowlett

Special Meeting Minutes

City Council

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

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

Tuesday, April 14, 2015

6:30 P.M.*

Annex Building – 4004 Main Street

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

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

This meeting will begin immediately upon the conclusion of the TIRZ Number Two Board of Directors meeting being held at 5:30 p.m.

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

1. CALL TO ORDER

Mayor Gottel called the meeting to order at 6:56 p.m.

2. INDIVIDUAL CONSIDERATION (6:30 P.M.)* Times listed are approximate.

2A. Consideration and action to adopt an ordinance approving the project and financing plans for the Tax Increment Reinvestment Zone Number Two, City of Rowlett.

Jim Grabenhorst, Director of Economic Development, reviewed the highlights of the project and financing plans of the TIRZ.

A motion was made by Mayor Pro Tem Gallops, seconded by Councilmember Sheffield, to approve the item as presented. The motion carried with a unanimous vote of those members present. This item was adopted as ORD-015-15.

2B. Consideration and action on a resolution approving a development agreement with Bayside Land Partners LLC (a/k/a Donahue Development Corporation) on the Elgin B. Robertson property and authorizing the City Manager to execute all necessary documents on the City's behalf.

Jim Grabenhorst, Director of Economic Development, reviewed the key points of the development agreement.

A motion was made by Deputy Mayor Pro Tem Pankratz, seconded by Councilmember Bobbitt, to approve the item as presented. The motion carried with a unanimous vote of those members present. This item was adopted as RES-044-15.

3. WORK SESSION

3A. Discuss municipal regulations for sale of packaged liquor. (30 minutes)

David Berman, City Attorney, reviewed issues that can and cannot be regulated relating to businesses that sell alcoholic beverages. Council discussion regarding conversion of current businesses.

3B. Discuss staff recommendation for the purchase of the new SCADA System. (15 minutes)

Jake Gilliland, Utility Operations Manager, and Tim Rogers, Director of Public Works, provided information on the current system's limitations and the current availability of funds to replace the entire system now – based on the RFP results and the lower cost than originally anticipated. It was the consensus of Council to implement the entire system and consider this item at a future Council meeting.

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

4. ADJOURNMENT

There being no further business, the meeting was adjourned at 8:14 p.m.



City of Rowlett
Staff Report

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

AGENDA DATE: 04/21/15

AGENDA ITEM: 7B

TITLE

Consider a resolution authorizing the City Manager to release and terminate a Facilities and Construction Agreement between the City and Home Depot USA, Inc., a Delaware corporation, recorded January 23, 2004, as Document No. 200401407225 in the Real Property Records of Dallas County, Texas.

STAFF REPRESENTATIVE

Marc Kurbansade, Director of Development Services

SUMMARY

In 2004, the City of Rowlett entered into a Facilities and Construction Agreement with Home Depot, which provided for a grant under Chapter 380, Texas Local Government Code, in exchange for the construction of certain portions of Gordon Smith Drive. The terms of the agreement have been fulfilled. The resolution associated with this item will authorize the City Manager to release and terminate the previously approved agreement.

BACKGROUND INFORMATION

N/A

DISCUSSION

Upon approving the Facilities and Construction Agreement in 2004, it was recorded with Dallas County and continues to be reflected on Home Depot's title searches. Since the terms of the agreement have been met, a Release and Termination Agreement is needed in order to remove it from the title search.

This particular Chapter 380 agreement provided a rebate of 37 percent of sales taxes not to exceed \$449,452.50 for the full calendar years of 2005, 2006, 2007, and 2008. In this case, the time period elapsed before Home Depot fully recouped the cost. As a result, Home Depot received 62 percent of the allowable recoupment.

FINANCIAL/BUDGET IMPLICATIONS

N/A

RECOMMENDED ACTION

Staff recommends approval of the resolution authorizing the City Manager to release and terminate the Facilities and Construction Agreement between the City and Home Depot USA, Inc., a Delaware corporation, recorded January 23, 2004, as Document No. 200401407225 in the Real Property Records of Dallas County, Texas.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, ACCEPTING THE TERMINATION AND RELEASE OF A FACILITIES AGREEMENT AND APPROVING FINAL RELEASE THEREOF; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Rowlett, Texas finds and determines that the City entered into a Facilities Construction/Development Agreement (“Agreement”) on January 22, 2004, with Home Depot USA, Inc., which provided for a grant under Chapter 380, Texas Local Government Code, in exchange for the construction of certain portions of Gordon Smith Drive; and

WHEREAS, the Agreement was fully performed by Home Depot USA, Inc., all grant amounts provided for under the Agreement have been paid, and all conditions and requirements imposed by the Agreement have been met and satisfied; and

WHEREAS, the successor-in-interest to Home Depot USA, Inc., HD Development Properties, LP, has requested that the Agreement be released and that the release be in recordable form, which request, the City hereby grants.

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

Section 1: That the recitals contained hereinabove are true and correct.

Section 2: That the City Council does hereby approve and accept the Termination and Release of Facilities Construction/Development Agreement, attached hereto and incorporated herein as Exhibit “A,” and hereby authorizes the City Manager to execute the Termination and Release on behalf of the City of Rowlett, after City Attorney approval.

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

ATTACHMENT

Exhibit A – Termination and Release Agreement

AFTER RECORDING RETURN TO:

Kane Russell Coleman & Logan PC and
 1601 Elm Street, Suite 3700
 Dallas, Texas 75201
 Attn: Raymond J. Kane

City of Rowlett, Texas
 4000 Main Street
 Rowlett, Texas 75088
 Attn: City Manager

TERMINATION AND RELEASE OF FACILITIES CONSTRUCTION/DEVELOPMENT AGREEMENT

THIS TERMINATION AND RELEASE OF FACILITIES CONSTRUCTION/DEVELOPMENT AGREEMENT (this "*Termination and Release*") is made as of the 2nd day of April, 2015 (the "*Effective Date*") between the **CITY OF ROWLETT, TEXAS** (the "*City*") and **HD DEVELOPMENT PROPERTIES, L.P.**, a Georgia limited partnership ("*Owner*"), acting by and through their duly authorized representatives.

R E C I T A L S

A. The City and Home Depot U.S.A., Inc., a Delaware corporation ("*Developer*"), entered into that certain Facilities Construction/Development Agreement, dated January 22, 2004 (the "*Agreement*") and recorded January 23, 2004 as Document No. 200401407225 in the Real Property Records of Dallas County, Texas, pursuant to which Developer applied to the City for a grant to assist with the design and construction of certain elevation upgrades and roadway improvements in connection with Developer's construction of a home improvement center on property owned by Developer within the City.

B. The Agreement has been consummated and the City and Owner, as successor in interest to Developer, now desire to formally terminate the Agreement in accordance with Section 5.1 of the Agreement.

A G R E E M E N T

In consideration of the following covenants, the parties agree as follows:

1. The City and Owner acknowledge and agree that all of the terms and conditions of the Agreement have been fully satisfied.
2. The City and Owner have agreed to terminate the Agreement and release each other effective as of the Effective Date.
3. Upon the Effective Date, the City and Owner do each release the other from any and all further obligations and duties arising under the Agreement and all claims, demands, dues, debts, rights, or causes of action that each has or may have against the other arising before or after the Effective Date with respect to the Agreement.

4. This Termination and Release contains all the representations and the entire agreement between the parties with respect to the subject matter hereof. Upon execution of this Termination and Release, any prior correspondence, memoranda, warranties or representations, and prior to or contemporaneous oral agreements are superseded in total by this Termination and Release. Neither the conduct nor actions of the parties, nor the course of dealing or other custom or practice between the parties, shall constitute a waiver or modification of any term or provision of this Termination and Release.

5. This Termination and Release may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document.

(separate signature pages follow)

IN WITNESS WHEREOF, the City and Owner have caused this Termination and Release to be executed as of the Effective Date.

CITY:

CITY OF ROWLETT, TEXAS

By: _____
Brian Funderburk, City Manager

ATTEST:

By: _____
Laura Hallmark, City Secretary

APPROVED AS TO FORM:

By: _____
Name: _____
Title: City Attorney

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the _____ day of _____, 2015, by Brian Funderburk, City Manager of the City of Rowlett, Texas, on behalf of said municipality.

Notary Public, State of Texas
My Commission expires: _____

OWNER:

HD DEVELOPMENT PROPERTIES, L.P.,
a Georgia limited partnership

By: Home Depot U.S.A., Inc.,
a Delaware corporation,
its General Partner

By: Suzanne Russo
Name: Suzanne Russo
Title: Senior Corporate Counsel

STATE OF GEORGIA §
 §
COUNTY OF COBB §

This instrument was acknowledged before me on the 2nd day of April, 2015, by Suzanne Russo, as Sr. Corp Counsel of Home Depot U.S.A., Inc., a Delaware corporation, General Partner of **HD DEVELOPMENT PROPERTIES, L.P.**, a Georgia limited partnership, on behalf of said entities.

Evelyn R. Clayton
Notary Public, State of Georgia

My Commission expires: 8-17-15





City of Rowlett
Staff Report

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

AGENDA DATE: 04/21/15

AGENDA ITEM: 7C

TITLE

Consider action to approve a resolution accepting the bid of and awarding a contract to Data Flow Systems, Inc. (DFS) in the amount of \$285,000 for the total base bid and \$396,000 for the alternate bid items plus three percent contingency in the amount of \$20,430 and up to \$3,000 for the early completion bonus for the total base bid, resulting in a total project amount of \$704,430 for the Supervisory Control and Data Acquisition (SCADA) Project and authorize the Mayor to execute the necessary documents for said services.

STAFF REPRESENTATIVE

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

SUMMARY

The Supervisory Control and Data Acquisition (SCADA) System (Motorola) has become antiquated and is in need of replacement due to the inability to upgrade the current system. The parts and technical support is not available to enhance or upgrade our system. The purpose of this agenda item is to discuss awarding the bid to Data Flow Systems, Inc. for the installation of the new SCADA system.

BACKGROUND INFORMATION

Our current SCADA System was purchased approximately 15 years ago (FY1999). The system is now obsolete, increasing the risk of failure without notification. There is limited technical support available and replacement parts are difficult to find. In addition, the system has become unreliable (i.e. initiating false alarms, not reporting failures, etc.). Finally, the communication system is out of compliance with FCC as the system is currently utilizing an inadequate bandwidth and is required to convert to a narrow bandwidth.

In FY2011, staff developed a SWOT (Strengths, Weaknesses, Opportunities, and Threats) Analysis and Action Plan that identified 23 action items in the Utility system. One such item was the need to address the obsolescence of the SCADA system and its shortcomings. The current system prevents efficient monitoring and the ability to address system failure in a timely manner. This was identified as a weakness of the Utility system, which again increases the risk of failure without notification.

In March 2012, staff presented to Council an evaluation of the Utility System identifying issues with the aging infrastructure. This included the inadequacies of the SCADA System and its unreliability.

In October 2012, Council approved a rate increase to ensure the improvement of the utility infrastructure to include the replacement of our existing SCADA System.

Since the rate increase, staff began developing a plan to replace the existing system. The first step was to update the current software to maintain operations. Since the updating of the software, staff has researched the different products available and have had demonstrations with different manufacturers (Xylem & Data Flow Systems) of the product.

In June 2014, staff entered into a contract with Kimley-Horn, Inc. to create a Request for Proposal (RFP) with specifications, a ranking element and bidding out the replacement of the SCADA system.

At a July 2014, work session, staff updated Council on the direction for replacement of the SCADA system.

This specific item was discussed with City Council on April 14, 2015. The consensus was to bring back for formal approval the option to fund the entire project of \$285,000 for the total base bid and \$396,000 for the alternate bid items plus three percent contingency in the amount of \$20,430 and up to \$3,000 for the early completion bonus for the total base bid, resulting in a total project amount of \$704,430 rather than phasing it out.

DISCUSSION

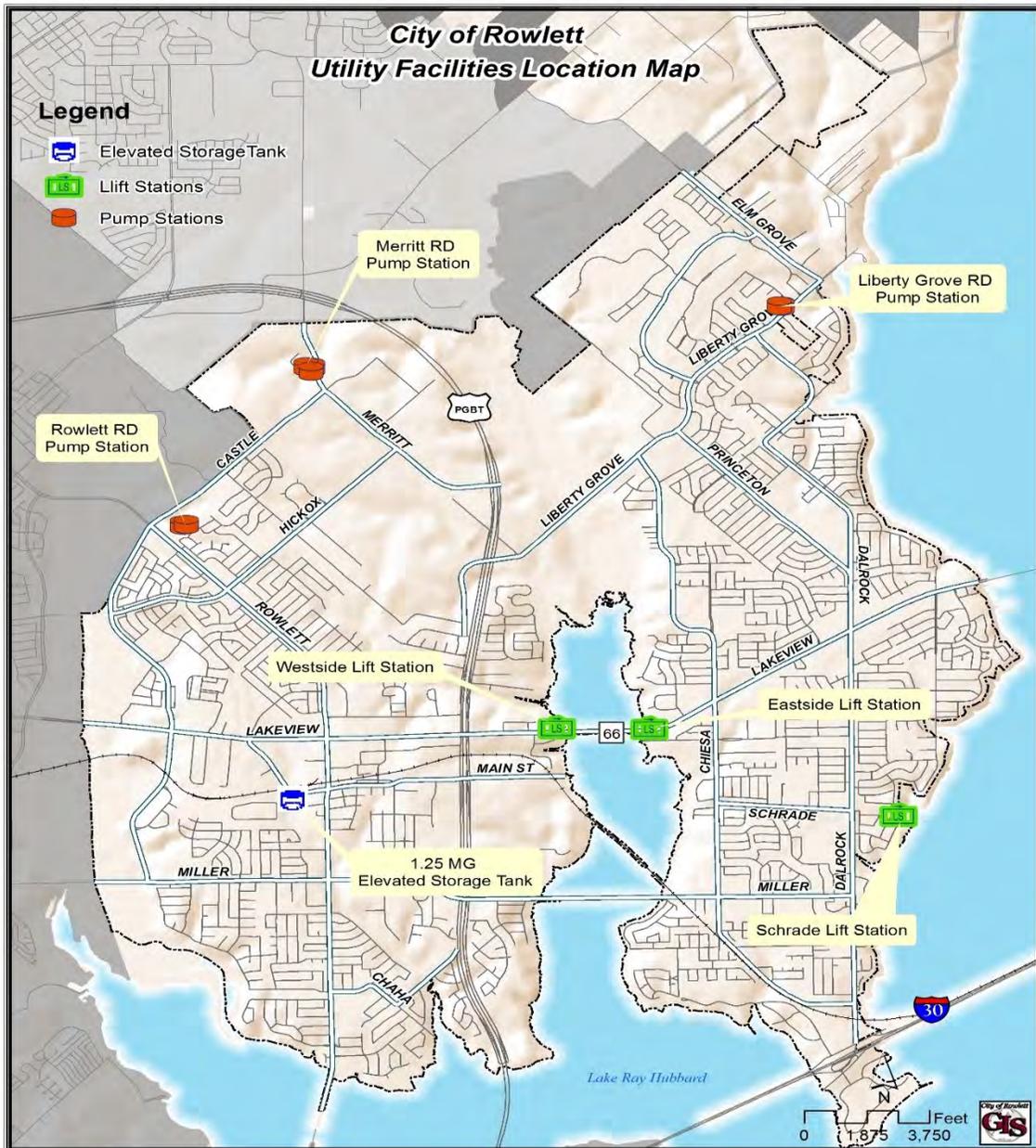
Rowlett's distribution and collection system consists of a total of 34 remote sites: 26 Sanitary Sewer Lift Stations, three Potable Water Pumping Stations, and four Elevated Storage Tanks with an additional Elevated Storage Tank under construction on Main Street. It also includes a central site located at 4310 Industrial Street.

Notice to bidders for the SCADA System was advertised in the *Rowlett Lakeshore Times* on January 8 and 15, 2015. The bid documents were also placed on the City website. Sealed competitive proposals were received in the Purchasing Office until 2:00 p.m., January 27, 2015, and then publicly opened and read aloud in the City Council Conference Room in accordance with Texas Local Government Code. A total of four participants responded to the advertisement [Dataflow Flow Systems, Inc. (DFS), Bloc Design, WHECO and Richardson Logic Control, LLC (RLC)].

The RFP consisted of a two-phase plan to purchase SCADA system improvements – the base bid (phase one), including nine water and sewer facilities as listed below, with provisions made to incorporate all other facilities in an alternate bid. The project included the installation and integration of system communications equipment and software. The locations within the base bid are indicated in the map shown below.

- **Service Center (Public Works Building) SCADA System Update and Integration**
 1. Rowlett City Public Works (4310 Industrial Street)
- **Elevated Tank SCADA System Update**

- 2. Main Street 1.25 MG Elevated Water Storage Tank (3106 Main Street)
- **Potable Water Pump Station SCADA System Update**
 - 3. Merritt Road (9606 Merritt Rd)
 - 4. Old Rowlett Road (7716 Rowlett Rd)
 - 5. New Rowlett Road (7716 Rowlett Rd)
 - 6. Liberty Grove Road (10217 Liberty Grove Rd)
- **Sanitary Sewer Lift Station SCADA System Update**
 - 7. Schrade (4118 Lakeside Dr)
 - 8. East Side (6828 Lakeview Pkwy)
 - 9. West Side (5701 Lakeview Pkwy)
- **Xylem Panel Conversion**



Staff initially planned to complete system-wide SCADA upgrades in two phases due to the estimated cost of \$1.1 million for the system upgrade. The first consisting of an initial setup to install at nine prioritized water and sewer facility locations with the second phase to lease-purchase the remaining facilities.

Due to the significance of this infrastructure, it is held highest in priority for replacing the existing SCADA System. The cost of the proposal has come in substantially lower than expected, over \$400,000 less than the estimated \$1.1 million for the base and alternate bids and licensing renewal fees. There are adequate funds available in this fiscal year to expedite the installation of the complete system, which will reduce our risk of failure earlier than expected. The total estimated completion timeline for both phases is 18-24 months.

The base bid, alternate bid and license renewal fees for the total cost of installation of the SCADA System is identified in the chart below.

Contractor	Base Bid	Alternate Cost	License Renewal Cost (15 Years)	Total Project Cost	Annual Software Maintenance Cost
BLOC C (Disqualified)	\$177,469.00	\$440,620.00	\$53,200.00	\$671,289.00	\$3,800.00 (2nd Year)
DFS	\$285,000.00	\$396,000.00	\$0.00	\$681,000.00	\$0.00
BLOC B	\$191,426.00	\$440,620.00	\$53,200.00	\$685,246.00	\$3,800.00 (2nd Year)
BLOC A	\$220,345.00	\$440,620.00	\$53,200.00	\$714,165.00	\$3,800.00 (2nd Year)
WHECO	\$308,000.00	\$364,000.00	\$53,200.00	\$725,200.00	\$3,800.00 (2nd Year)
RLC	\$329,992.88	\$725,600.00	\$53,200.00	\$1,108,792.88	\$3,800.00 (2nd Year)

BLOC “C” was disqualified because their proposal did not include items required in the bid.

The RFP included a comprehensive rating system developed by Kimley-Horn, Inc. The bid participants were rated on price*, contract time, products, previous experience, technical qualifications, financial stability, service availability and geographic location. The ranking committee consisted of Kimley-Horn, Inc. and City staff.

*Note: Price was ranked utilizing base bid only.

Project Name: SCADA System Improvements RFP #2015-07

Proposal Submission Date: 1/27/15

Selection Criteria			Contractors					
			DFS	WHECO	BLOC A	BLOC B	BLOC C	RLC
A. Price (25 Points)	Bid Price		\$ 285,000.00	\$ 308,000.00	\$ 220,345.00	\$ 191,426.00	\$ 177,469.00	\$ 329,992.88
	Points		15	10	20	25	Disqualified	5
B. Contract Time (20)	Total Days		170	180	110	110	110	180
	Points		11	10	20	20	0	10
C. Products (20 Points)	Points		20	20	16	12		20
D. Contractor Qualifications (35 Points)	1. Previous Exp. (10 Points)	Points	10	10	4	4	0	10
	2. Technical Qual. (5 Points)	Points	5	5	4	4	0	5
	3. Finacial Stb. (5 Points)	Points	5	5	3	3	0	5
	4. Service Avail. (10 Points)	Points	9	10	1	1	0	10
	5. Geographic Loc. (5 Points)	Points	3	4	4	4	0	5
Total Points			78	74	72	73	0	70

Over the past 34 years, Data Flow Systems' (DFS) only business has been the design, manufacture, installation and service of TAC II SCADA systems. DFS is offering a TAC II SCADA System, which is designed specifically for the Water and Wastewater Industry. This system is pre-engineered, completely pre-assembled and tested prior to delivery, and all SCADA components are readily available in stock. The TAC II SCADA System will provide superior functionality, usability, cost effectiveness and product life cycle.

At the present time, there are over 300 individual TAC II SCADA Systems with more than 20,000 Remote Terminal Units (RTUs) installed and operational throughout the United States. Nearly 60 individual SCADA systems are located in Texas. System installations range from small Water Control Districts to large WW Collection Systems, and Automated Plant Control Systems.

The product is easily expandable, easy to troubleshoot, and very dependable in harsh environments. DFS stands behind a three-year warranty that covers damage due to lightning. DFS is willing to train staff to know their system as well as they do. The installation procedures do not include practices that require their customers contact DFS to service and troubleshoot the system. This training will enable staff to perform the installation of the product themselves.

Data Flow Systems' corporate headquarters is located in Melbourne, Florida and consists of a 30,843 square foot facility (DFS-owned facility) encompassing sales, engineering, radio study and licensing, customer service, product manufacturing, certified UL-508A panel shop, and warehousing. DFS employs local support and service employees based out of home-offices located in Flint, Lindale and Cedar Park, Texas. The Flint office also provides local fabrication, programming and testing capabilities. DFS currently employs nearly 80 full-time employees – all dedicated to water and wastewater SCADA systems and applications.

PRODUCT HIGHLIGHTS:

- **Obsolescence-Proof design** - assures long-term cost effectiveness. **All new DFS products are downward compatible with older versions.** “If DFS built it, DFS will service it.” DFS is still determining the life cycle of their systems. Numerous customers have been in continuous operation for over 25 years.
- **Open Architecture and Network Centric System** - DFS hardware and software supports industry common protocols such as Modbus ASCII, Modbus RTU, Modbus TCP/IP and others. Access is browser-based utilizing DFS’ user-friendly, open source, site licensed HT3 SCADA software installed on DFS’ HSM002 solid-state drive, which is housed in a lockable, secure, wall mounted enclosure. The server is dedicated to SCADA system operation and not used for any other purpose. This approach mitigates most concerns over spyware, malware, viruses, etc., affecting the mission critical functions of the SCADA server. DFS’ approach also eliminates future software licensing costs and can be securely accessed across the City’s enterprise network as well as remotely accessed, if desired. HT3 is designed to gather raw data from the water and collection system and distribute this over a standard TCP/IP or Ethernet network. **No other software licensing is required.**
- **Money Saving Features** - **No annual user fees. No software license fees. No required maintenance contracts.** The system includes unlimited I/O points (tags). The system includes unlimited client seats (workstations) with full development capability (view, configure, build screens, reports, etc.).
- **Exceptional Warranty** – HT3 SCADA Software is warranted for as long as it is in use by the Owner. Hardware, when installed with factory required surge protection, all Plug-in Function Modules, Telemetry Control Units, Power Supply Modules, and Radio Interface Modules are covered, **including lightning and surge events, for three years.**
- **Support and Service** from DFS is available for the life of the system. **NO** maintenance contracts or annual support programs are required. Telephone support during normal working hours is offered without charge for the life of the system.
- **Outstanding Reliability and Serviceability** - Built for continuous ease of use, ease of troubleshooting, and ease of repair, when required.
- **Training** - **Quality training programs and documentation** are available for all users of the system. **Training is offered for free two times each year.**
- **Easy to Use and Troubleshoot** - DFS equipment has been designed for use by operators and technicians who are focused on the operation of the utility’s process and are not specialized telemetry technicians. DFS is focused on helping the operator understand and manage their process and not requiring extra attention to manage the SCADA tools. Telephone and online support give operators the confidence needed to get all the benefits of DFS’s factory-integrated, comprehensive, SCADA System.
- **Turn-key package** – All DFS products are designed to work together as a cohesive system.
- **Scalability** - One server supports up to 3,584 RTUs and can handle up to 645,120 physical hardwired points (and included with every system).
- **Modular design** - All DFS function modules, TAC Pack RTUs, Power Supply Modules and Radios are **built in the USA and factory tested before shipment for installation.**
- **Radio Communications Capabilities** - **DFS personnel are radio communications experts - when installed using our radio design, we guarantee its performance.** Licensed FCC

frequencies are used (license in name of owner) and designed with a minimum of 20 dB fade margin to insure reliable communications links.

- **User Security** – A valid user account – login and password – are required to access the SCADA system. Account Lock-Out policies are a standard feature to prevent unauthorized access. All passwords are MD5 encrypted for optimum security protection.

The system currently being demonstrated by Data Flow Systems, Inc. (DFS) provides a multitude of functions which allow the user to view pump activities, derived flow, control logs and alarm logs for the purposes of reporting. Additional tools include remote pump control, voltage and amperage monitoring and wet well levels. All of these functions are invaluable to a system operator for troubleshooting and diagnosis. They allow us to ensure that each lift station and water distribution station is operating properly, thus providing uninterrupted service to our community. Additionally, the service and customer support from DFS has been nothing short of phenomenal. They are always extremely responsive and able to resolve any concerns quickly and effectively.

Why Replace the Entire System now?

Staff continues discovering failures throughout the existing system making it unreliable due to false alarms or no reports when an issue actually has occurred. SCADA is a critical component for the success of the operations of our distribution and collection system.

The current system does not provide for full control at all of our lift stations. In fact, there are only two (Liberty Grove & Mallard Reserve) out of 26 lift stations that currently have this function – this reduces our ability to manage overflow due to power outages. Due to the geographical location of the City and its pumping stations (proximity to Lake Ray Hubbard), it becomes paramount to ensure an increased reliability for overflow management of our system, thereby enabling staff the ability to control pumps and valves almost instantaneously without having to be onsite.

The system also provides for system pressure management within the distribution system. Staff currently controls three potable water pumping stations within this system to ensure water levels are adequate to maintain system pressure. As the SCADA system is becoming more unreliable, it is increasingly difficult to ensure adequate pressure.

The purchase of this SCADA system ensures efficiencies, resulting in cost savings through shorter response times addressing failures within the distribution and collection systems.

The system will not replace the need for staff as these systems still require physical monitoring, managing and maintenance; but allows staff to troubleshoot the system remotely. It will reduce overtime as the utility system can be controlled, adjusted, and attended remotely reducing the need for employees to respond after hours. This will also contribute to the reduction in the risk factor to our employees needing to work after hours.

Conclusion

Due to the significance of this infrastructure and the risk of failure without notification, replacing the entire SCADA system is our highest priority. The cost of the proposal is substantially lower

than original anticipated, over \$400,000 less than the estimated \$1.1 million for the base and alternate bids and licensing renewal fees. Finally, funds are available during this fiscal year; therefore, staff recommends utilizing the DFS SCADA System to complete the base and alternate bids in one phase within the contract.

FINANCIAL/BUDGET IMPLICATIONS

Funds are available in the FY2015 Utility Fund Cash CIP. Projects WA2106, SS2097, and WA2103 were originally budgeted for the upgrade of the SCADA System. Funds from WA2095 are being used for the portion of the new SCADA system that will be at the Rowlett Road Pump Station.

The Data Flow Systems, Inc. (DFS) proposal is in the amount of \$285,000 for the total base bid and \$396,000 for the alternate bid items plus three percent contingency in the amount of \$20,430 and up to \$3,000 for the early completion bonus for the total base bid, resulting in a total project amount of \$704,430 for the Supervisory Control and Data Acquisition (SCADA) Project

Project Code	Project Title	Budget Amount	Proposed Amount
WA2106	Capital Equipment Leasing	\$110,000	\$110,000
SS2097	SCADA	89,533	89,533
WA2103	Preventative Maintenance	481,587	398,688
WA2095	Rowlett Road Pump Station Improvements	106,209	106,209
Total		\$787,329	\$704,430

RECOMMENDED ACTION

Recommend City Council approval of a resolution accepting the bid of and awarding a contract to Data Flow Systems, Inc. (DFS) in the amount of \$285,000 for the total base bid and \$396,000 for the alternate bid items plus three percent contingency in the amount of \$20,430 and up to \$3,000 for the early completion bonus for the total base bid, resulting in a total project amount of \$704,430 for the Supervisory Control and Data Acquisition (SCADA) Project and authorize the Mayor to execute the necessary documents for said services.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, ACCEPTING THE BID OF AND AWARDING CONSTRUCTION CONTRACT TO DATA FLOW SYSTEMS IN THE AMOUNT OF \$285,000 FOR THE TOTAL BASE BID AND \$396,000 FOR THE ALTERNATE BID ITEMS PLUS THREE PERCENT CONTINGENCY IN THE AMOUNT OF \$20,430 AND UP TO \$3,000 FOR THE EARLY COMPLETION BONUS FOR THE TOTAL BASE BID, RESULTING IN A TOTAL PROJECT AMOUNT OF \$704,430 FOR THE PURCHASE AND INSTALLATION OF THE NEW SCADA SYSTEM; AUTHORIZING THE MAYOR TO EXECUTE THE CONTRACT ON THE CITY’S BEHALF; AUTHORIZING THE ISSUANCE OF PURCHASE ORDERS PURSUANT TO APPROVAL AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is necessary to install a new SCADA system for the Utility Division of the Public Works Department and the City of Rowlett; and

WHEREAS, the Purchasing Division has taken sealed bids as per bid #2015-06; and

WHEREAS, City staff and Kimley-Horn, Inc. representatives recommend that the contract be awarded to Data Flow Systems, Inc.; and

WHEREAS, the City Council of the City of Rowlett, Texas desire to accept said proposal and award such contract to Data Flow Systems, Inc.;

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

Section 1: That the City Council of the City of Rowlett does hereby accept the bid of and award a contract to Data Flow Systems, Inc. (DFS) for the installation of the Supervisory Control and Data Acquisition (SCADA) Project to include the total base bids of \$285,000 and \$396,000 for the alternate bid items plus three percent contingency in the amount of \$20,430 and up to \$3,000 for the early completion bonus for the total base bid, resulting in a total project amount of \$704,430.

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

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



City of Rowlett
Staff Report

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

AGENDA DATE: 04/21/15

AGENDA ITEM: 7D

TITLE

Consider action to approve a resolution accepting the bid for the annual crack seal program in the unit amounts bid as attached hereto and incorporated herein by reference as Exhibit A and in an estimated annual amount of \$150,000.00 as work is required for the materials for the Public Works Department to Cholla Pavement Maintenance, Inc. and authorizing the Mayor to execute the necessary documents for said services.

STAFF REPRESENTATIVE

Tim Rogers, Director of Public Works
Robbin Webber, Assistant Director of Public Works.

SUMMARY

The City's annual crack seal contract has expired; therefore, the City has solicited new bids. Crack sealing is an important maintenance technique that helps protect the road's sub-grade. The purpose of this item is to accept a bid for the annual crack seal program for the next twelve months and up to two, one-year renewals.

BACKGROUND INFORMATION

This crack sealing services contract will accelerate the preventative maintenance program. Crack sealing is accomplished by sealing surface cracks with rubberized crack sealant to prevent moisture from penetrating into the sub-grade and causing pavement failure. This process extends the life of the pavement up to five years.

Over the past two years, the City has contracted with Delta Prime Specialty Services, Incorporated to crack seal 43 lane miles of streets and alleys. Due to the fact that the large cracks in the alleys consumed a considerable amount of materials to seal the area, the lane miles are lower than prior years. Three years prior to this contract over 200 lane miles of roads and alleys were sealed through a similar contract; however, the materials spread further due to the smaller crack sizes.

DISCUSSION

The Street Department will provide a list of streets to the contractor that are scheduled for crack sealing services for the contract year. The annual bid for crack seal services is for an initial one-year period with two (2) one-year renewal options if both parties are in agreement. The first period will begin on approximately May 1, 2015, and end on April 30, 2016. All orders are on an **“as needed basis only”**.

Notice to bidders was published in the *Rowlett Lakeshore Times* on March 12 and 19, 2015. Sealed bids were received in the Purchasing Office until March 26, 2015, and then publicly opened and read aloud in the Annex Conference Room in accordance with Texas Local Government Code.

Bids were received from three bidders. The estimated totals based on estimated quantities range from \$155,005.00 to \$230,350.00. The Public Works Construction Project contract as written by the City Attorney will be utilized for this project. The description of the project in the contract documents will include ““This is a Requirements Upon Request Contract with work ordered on an as needed basis in which the unit price prevails”. It will also include an estimated annual total amount of \$150,000.00. The low bidder is Cholla Pavement Maintenance, Inc. This Contractor has done work for the City in the past, with excellent results. They have successfully completed a three year contract (2011-2013).

FINANCIAL/BUDGET IMPLICATIONS

Funding in the amount of \$150,000.00 is available for the purchase of the crack seal services in CIP account 3028002-6702 project code ST2078.

Budget Account Number and/or Project Code	Account or Project Title	Budget Amount	Proposed Amount
ST2078	Annual Crack Seal Program 3028002-6701	\$209,845.00	\$150,000.00
Total		\$209,845.00	\$150,000.00

RECOMMENDED ACTION

City staff recommends City Council to approve a resolution accepting the bid for the annual crack seal program in the unit amounts bid as attached hereto and incorporated herein by reference as Exhibit A and in an estimated annual amount of \$150,000.00 as work is required for the City of Rowlett Public Works Department to Cholla Pavement Maintenance, Inc. and authorizing the execution of the necessary documents for said purchase.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, AWARDING THE ANNUAL CONTRACT FOR CRACK SEAL SERVICES IN THE UNIT AMOUNTS BID AS ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE AS EXHIBIT A AND IN AN ESTIMATED ANNUAL AMOUNT OF \$150,000.00 AS WORK IS REQUIRED FOR THE CITY OF ROWLETT STREET DEPARTMENT TO CHOLLA PAVEMENT MAINTENANCE, INC., AND AUTHORIZING THE MAYOR TO EXECUTE THE NECESSARY DOCUMENTS FOR SAID SERVICES; AND AUTHORIZING THE ISSUANCE OF PURCHASE ORDERS PURSUANT TO APPROVAL; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, in order to properly maintain and prolong the usefulness of streets and alleys, it is necessary to procure services for placement of rubberized crack seal material at various street and alley locations within the City of Rowlett; and

WHEREAS, the City Staff has obtained competitive bids and recommends the award of bids to the lowest responsible bidder meeting specifications in the unit amounts bid as needed as per Bid # 2015-50; and

WHEREAS, the original term of the proposed contract is for twelve months beginning approximately May 1, 2015 with options for two one-year renewals if both parties are in agreement; and

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

Section 1: The City of Rowlett does hereby award the annual bid for placement of rubberized crack seal material at various street and alley locations within the City of Rowlett in the unit amounts bid as attached hereto and incorporated by reference as Exhibit A, and in an estimated annual amount \$150,000.00 as work is required, for the City of Rowlett Street Department to Cholla Pavement Maintenance, Inc.

Section 2: The City of Rowlett does hereby authorize the Mayor to execute the necessary documents for said purchase and authorizing the issuance of purchase orders to conform to this resolution as appropriate.

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

ATTACHMENT

Exhibit A – Bid Tab

City Of Rowlett Bid Tabulation Annual Crack Seal Program, #2015-50
 4004 Main Street, Rowlett, TX 75088
 Purchasing Phone 972-412-6189 Fax 972-412-6144
 March 27, 2015

			Cholla Pavement Maintenance Judy Briggs 480-893-1044		Curtco Curtis Wheatcraft 830-634-3434		SCR Construction Thomas M. Jahnke 281-344-0700	
		Bid Bond Included	Yes		Yes		Yes	
			Unit	Total	Unit	Total	Unit	Total
1	80,000	Placement of rubberized crack seal material using the Clean & Seal (squeegee) method per pound complete and in place.	\$1.76	\$140,800.00	\$2.20	\$176,000.00	\$2.55	\$204,000.00
2	11,000	Route & seal method rubberized crack seal material complete and in place per linear feet.	\$1.06	\$11,660.00	\$1.00	\$11,000.00	\$2.15	\$23,650.00
3	1,500	Install backer rod in cracks 3/4 inch or large, complete and in place per linear feet.	\$0.53	\$795.00	\$0.50	\$750.00	\$0.50	\$750.00
4	10	Deploy portable message board per day.	\$175.00	\$1,750.00	\$200.00	\$2,000.00	\$195.00	\$1,950.00
		Cooperative Purchasing Agreement	Yes		Yes		Yes	
		GRAND TOTAL BID ITEMS 1-4	\$155,005.00		\$189,750.00		\$230,350.00	



City of Rowlett
Staff Report

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

AGENDA DATE: 04/21/15

AGENDA ITEM: 7E

TITLE

Consider action to approve a resolution authorizing acceptance of the Annual Contract for Concrete Repair/Maintenance and final payment plus the release of retainage in the amount of \$171,583.85 to Tri-Con Services Incorporated which includes Change Order #1 in the amount of \$21,583.85 and authorizing the Mayor to execute the necessary documents herein.

STAFF REPRESENTATIVE

Tim Rogers, Director of Public Works
Robbin Webber, Assistant Director of Public Works

SUMMARY

This contract consisted of replacing concrete pavement section on streets and alleys.

BACKGROUND INFORMATION

On April 1, 2014, the City Council adopted Resolution Number RES-028-14 awarding the annual bid for concrete repair/replacement for streets and alleys to Tri-Con Services, Incorporated in the unit amounts bid and in an estimated annual amount of \$1,500,000.

The initial contract period is April 15, 2014, through April 15, 2015, and includes three one-year renewal options if both parties are in agreement.

DISCUSSION

The City is very satisfied with Tri-Con Services, Incorporated who provide quality work, is efficient and provides timely response to customer issues. The City and the contractor established a very good working relationship over the past six years on several projects. The contractor completed the following projects with the City of Rowlett:

Thoroughfares Streets

Miller Road from Rowlett Road to PGBT
North Dalrock Road from SH66 to Lexington Drive
Princeton Road & Danridge Drive/Park Lane Intersection
Rowlett Road from South City Limits to Beech Street

Residential Streets

Aberdeen Drive
Allen Lane

Armstrong Lane
Auburn Drive
Luna Drive
Stone Meadow Circle (Curb & Gutter)

City staff has inspected and verified that all work has been completed to the City's satisfaction.

FINANCIAL/BUDGET IMPLICATIONS

The project's original contract was \$1,500,000.00. Funding in the amount of \$21,853.85 for Change Order #1 is available and included for the purchase of these services and is included in the approved CIP budget in account #3028002-6701, project code ST2052. There will be no impact on other programs because the additional funds were used for concrete panel replacement.

Budget Account Number and/or Project Code	Account or Project Title	Budget Amount	Proposed Amount
ST2052	Concrete Repair /Maintenance Program 3028002-6701	\$1,521,853.85	\$171,583.85
Total		\$1,521,853.85	\$171,583.85

RECOMMENDED ACTION

Staff recommends the City Council approve a resolution authorizing acceptance of the Annual Contract for Concrete Repair/Maintenance and final payment plus the release of retainage in the amount of \$171,583.85 to Tri-Con Services Incorporated, which includes Change Order #1 in the amount of \$21,583.85 and authorizing the Mayor to execute the necessary documents.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, AUTHORIZING PROJECT ACCEPTANCE OF THE ANNUAL CONTRACT FOR CONCRETE REPAIR/MAINTENANCE AND AUTHORIZING FINAL PAYMENT PLUS THE RELEASE OF RETAINAGE IN THE AMOUNT OF \$171,583.85 TO TRI-CON SERVICES INCORPORATED, WHICH INCLUDES CHANGE ORDER #1 IN THE AMOUNT OF \$21,583.85; AUTHORIZING THE MAYOR TO EXECUTE THE NECESSARY DOCUMENTS FOR PAYMENT PURSUANT TO APPROVAL; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on April 1, 2014 the City Council adopted Resolution Number RES-028-14 awarding the annual bid for concrete repair/replacement for streets and alleys to Tri-Con Services, Incorporated in the unit amounts bid and in an estimated annual amount of \$1,500,000.00; and

WHEREAS, Tri-Con Services, Incorporated has completed the project; and

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

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

Section 1: That the City Council of the City of Rowlett, Texas, hereby accepts the completion of the work called for in the annual contract for concrete repair/maintenance for streets and alleys, and approves the release of retainage in the amount of \$171,583.85, to Tri-Con Services, Incorporated, which includes Change Order #1 in amount of \$21,538.85.

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

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

ATTACHMENT

Exhibit A - Release of Retainage and Affidavit of All Bills Paid

PROJECT:	<u>2014-10 Annual Contract for Concrete Repair & Maint.</u>	PAYMENT REQUEST
OWNER:	<u>City of Rowlett, TX</u>	PROJECT NUMBER
CONTRACTOR:	<u>Tri-Con Services</u>	<u>2014-10</u>
ENGINEER:	<u></u>	<u></u>

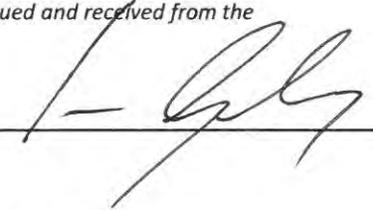
PAYMENT PERIOD FROM: 4/6/2015 **TO** 4/7/2015 **ESTIMATE NO:** 9

SUMMARY OF PAYMENT ESTIMATE VALUES FROM ATTACHED INVOICE

Original Contract Amount	\$1,500,000.00
Approved Change Orders	\$21,583.85
Current Contract Amount	\$1,521,583.85
Total Value of Original Contract Performed (Attachment "A" consisting of 1 pages)	100.00%
Extra Work on Approved Change Orders	\$21,583.85
Materials on Hand	\$0.00
Total Value of Work to Date	\$1,521,583.85
Less Amount Retained at 0 %	\$0.00
Net Amount Earned on Contract	\$1,521,583.85
Less Amount of Previous Payments	\$1,350,000.00
BALANCE DUE THIS STATEMENT	\$171,583.85
Percentage of Contract Paid to Date	101.44%

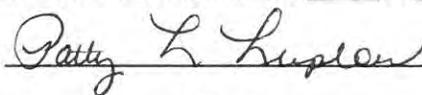
The undersigned Contractor certifies that all work, including materials on hand, covered by this Periodical Payment has been completed and delivered and stored in accordance with the Contract Documents, that all amounts have been paid by him for work, materials, and equipment for which previous Periodical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

Contractor: Tri-Con Services

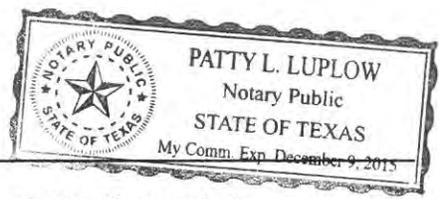
By: 

Date: 4/7/2015

Subscribed and sworn to before me this 7th day of April, 2015

Notary Public: 

My Commission expires: 12-9-15



Recommended for Payment by

By  Date 4-8-15

Recommended for Payment by
City of Rowlett Inspector

By  Date 4-8-15

Recommended for Payment by

By  Date 4-8-15

Approved for Payment by
City of ROWLETT

By  Date

ATTACHMENT "A"

PROJECT: Annual Contract for Concrete Repair &
Maintenance (Bid # 2014-10)

Pay Request

OWNER: City of Rowlett

CONTRACTOR: Tri-Con Services

Date: up to 4-7-15

DESCRIPTION	Total QTY to date	QTY this Estimate 4-7-15	UNIT	UNIT PRICE	Total \$ This Pay Request
Saw Cut Concrete Pavement	9664.74		LFT	1.50	0.00
Remove and install 8" class "C" concrete Street Pavement	10335.8		SY	46.00	0.00
Remove and install 10" class "C" concrete Street Pavement	136.95		SY	59.00	0.00
Remove existing pavement and install 8" class "K" concrete using high early concrete	240.24		SY	53.00	0.00
Remove and install 10" class "K" concrete pavement using high early concrete	31.39		SY	61.00	0.00
Remove and install class "C" concrete Alley pavement	106.7		SY	58.00	0.00
Remove and install class "C" concrete Alley approach	0		SY	42.00	0.00
Class "A" Integral concrete curb six inches (6")	6140.2	40.4	LFT	39.00	1,575.60
Remove and install class "A" separate concrete curb & gutter 30" or match existing curb and gutter	228.33		SY	30.00	0.00
Remove and install class "C" Concrete Driveway	726.74	97.43	SY	100.00	9,743.00
Remove and install class "A" concrete 4 ft sidewalk at minimum depth of four inches	2164.8		LFT	32.00	0.00
Remove and install class "A" concrete 5ft sidewalk at minimum depth of four inches	123.2	31.6	LFT	40.00	1,264.00
Construct Retaining wall (variable height) up to 36 inches install Stamped Colored concrete (match existing color and pattern)	159.55		SF	6.00	0.00
Remove and install Barrier free ramps	13		EA	650.00	0.00
Remove and install Barrier free double barrier free ramps	0		EA	700.00	0.00
Install Topsoil to grade between sidewalk and curb	125		CY	50.00	0.00
Excavation of failed sub-grade and install Cement Treated Base (CTB) and re-compact to STD proctor density. Native material shall be compacted to 95% STD proctor prior to installation of CTB	0		CY	96.00	0.00
Excavation of failed sub-grade and install Flex Base and re-compact to STD proctor density. Native material shall be compacted to 95% STD proctor prior to installation of Flexbase.	5624.66	94.75	CY	95.00	9,001.25
Remove and install Inlet top and throat to the proper elevation	11		LFT	115.00	0.00
Remove and install 10ft Inlet to the proper elevation	0		EA	3,200.00	0.00
Remove and install 15ft Inlet to the proper elevation.	0		EA	3,600.00	0.00
Remove and Install 20 ft Inlet to the proper elevation.	0		EA	4,500.00	0.00
Remove and install Concrete Flume to the proper elevation.	1.67		SY	30.00	0.00
Install Sod and match existing grass	1226.36		SY	18.00	0.00
Remove and install Median Nose.	20.85		SY	50.00	0.00
Remove and install New Manhole cover and ring elevation.	0		EA	600.00	0.00
Install new water valve cover and stack (base flays 340-1) to the proper elevation	1		EA	190.00	0.00
Adjust existing Water valve cover and stack to the proper elevation.	0		EA	150.00	0.00
Adjust existing Water valve cover and stack to the proper elevation.	2		EA	150.00	0.00
Deploy Portable Message Board	134		DAYS	100.00	0.00
Furnish and install 24 inch root barrier by Deep Root	630		LFT	8.00	0.00
RESET 18" to 31" RCP (storm pipe) to grade and place collar (Min width 12") around each joint. Utility Ditch depth not to exceed 4' in de	0		LFT	30.00	0.00
Install Type A dry rock rip rap (12" thick)	0		SY	40.00	0.00
Adjust Sprinkler heads to the proper height.	72		EA	50.00	0.00
Relocate Irrigation system.	666		LFT	10.00	0.00
Furnish and install all pavement Markings removed during construction. This includes raise pavement markers and thermoplastic striping	0		LFT	15.00	0.00

Total value this Pay Request	21,583.85
-------------------------------------	------------------

TRI-CON

SERVICES, INC.

GENERAL CONSTRUCTION

PO BOX 472867 • GARLAND, TEXAS 75047-2867

3010 W. MAIN • ROWLETT, TEXAS 75088

Office phone (972) 475-5207 • Fax # (972) 475-7416

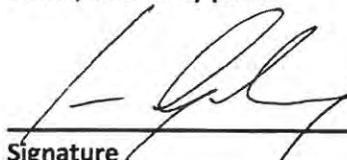
CONTRACTOR'S AFFIDAVIT OF BILLS PAID

STATE OF TEXAS

COUNTY OF DALLAS

Personally, before me the undersigned authority, on this day appeared *Ian Gerber*, who, being duly sworn, on oath, says that he is a legal representative of Tri-Con Services, Inc. and that the contract for the construction of the project, designated as *2014-10 ANNUAL CONTRACT FOR CONCRETE REPAIR & MAINTENANCE, PROJECT NUMBER 2014-10*

Has been satisfactorily completed and that all bills for materials, apparatus, fixture, machinery and labor used in connection with the construction of this project have, to the best of my knowledge and belief, been fully paid.



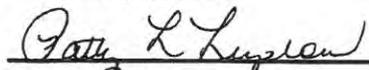
Signature

MANAGER

Title

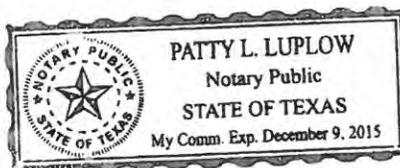
Sworn to and subscribed before me this

7 day of April, 2015



Patty L. Luplow

Notary Public in and for
Dallas County, Texas
Expires 12-9-15





City of Rowlett
Staff Report

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

AGENDA DATE: 04/21/15

AGENDA ITEM: 7F

TITLE

Consider action to approve a resolution to replace the existing Fuel Management System (FMS) through General Services Administration Award Management Identification #062869508 in the amount of \$101,546.00 to B & J Equipment, LTD and authorizing the City Manager to execute the necessary documents for said purchase.

STAFF REPRESENTATIVE

Tim Rogers, Director of Public Works
Sol Moore, Fleet Maintenance Supervisor

SUMMARY

This project consists of the installation of a new FMS for the Fleet Service Division. This project will provide fuel system enhancements with current technology and hardware to ensure that a more effective data tracking maintenance system and proper service intervals are met for City Fleet.

BACKGROUND INFORMATION

The current FMS was originally installed in 1986. Its purpose is to provide fuel and data tracking services for City Fleet. Due to the age (**29 years**) of the existing system, it has become antiquated and obsolete as it is a manual input system and difficult to find replacement parts (circuit boards, processors, keypads, etc.).

City Council approved the purchase Fuel Management System as part of the FY2015 Budget on September 16, 2014.

Notice to bidders for the seven year lease-purchase financing was advertised in the *Rowlett Lakeshore Times* on March 12 and 19, 2015. The bid documents were also placed on the City website. Sealed bids were received in the Purchasing Office until 2:00 p.m., March 26, 2015, and then publicly opened and read aloud in the City Annex Conference Room in accordance with Texas Local Government Code.

Bids were received from two (2) vendors ranging from \$107,407.65 to \$108,134.74 with interest rates from 1.79 percent to 2.01 percent. The low bid was received from Clayton Holdings, LLC in the amount of \$107,407.65, utilizing an interest rate of 1.79 percent.

The annual payment is \$15,343.95, which will be due beginning July 10, 2015, and on the same month and day for each subsequent year thereafter.

The City of Rowlett has conducted business previously with Clayton Holdings, LLC. Modifications will be made to the agreement for this transaction that are acceptable to and approved by City Attorney David Berman.

The cost of the financing is \$5,861.65 for the seven year term of the lease.

DISCUSSION

The City's current Fuel Management System's data tracking is inefficient. When fueling vehicles/equipment, the system will enable the user to pump up to 50 gallons of fuel without tracking what the intended use of the fuel is [i.e., the user can fuel the vehicle/equipment and fuel containers upon activation of the pump up to 50 gallons without tracking the separate (fuel container) use of the fuel]. This inefficiency makes it impossible to determine the fuel consumption of each unit; thus, having an effect on Fleet's maintenance and service levels.

The new system is adaptable for future expansions in the number of fuel sites, vehicles, drivers, dispensers and nozzles.

The system can be utilized for automated or manual fueling. In the fully automated mode, all control, authorization and accounting operations will be conducted automatically by the fuel management system with no manual input required by the operator using the fuel facility.

To ensure fuel consumption tracking is accurate, the system will turn on the corresponding fuel dispenser only if the vehicle is authorized for fueling as determined by the site controller and will automatically suspend fueling if the nozzle is removed from the vehicle fuel inlet or no pulses are detected from the fueling pump; therefore the user will not be able to fill fuel containers while filling the vehicle/equipment.

In manual fueling, a contactless Mifare tag or Mifare card and/or Magnetic stripe card and a keypad shall be available as an alternative method for initiating a fueling transaction for fuel containers.

The new system has the capability to capture other vehicle data such as idle time, distance, oil pressures, hour timers, engine temperature, tire pressure, fuel consumption and fuel level, and other On-Board Diagnostic (OBD) vehicle error codes into a centralized management and reporting system.

FINANCIAL/BUDGET IMPLICATIONS

Total purchase price of the Fuel Management System (Gasboy), including financing is \$107,407.65. Funds are available in the FY2015 operating budget of the Vehicle Maintenance Division, account #101-3-50-5010-0000-6281 for the lease purchase in the amount of \$15,343.95.

The FY2015 budget includes \$17,400.00 for the first year lease payment. This is sufficient to fully cover this expenditure.

The annual payment of \$15,343.95 will be due beginning July 10, 2015, and on the same month and day for each subsequent year thereafter.

Budget Account Number and/or Project Code	Account or Project Title	Budget Amount	Actual Amount
1015010-7010	Purchased Services – Contractual Lease Payments	\$17,400.00	\$15,343.95
Total		\$17,400.00	\$15,343.95

RECOMMENDED ACTION

City staff recommends the City Council adopt a resolution to upgrade the City's Gasboy Fuel Management System through General Services Administration Award Management Identification Number #062869508 in the amount of \$101,546.00 to B & J Equipment, LTD and authorizing the City Manager to execute the necessary documents for said purchase.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, AUTHORIZING THE ACQUISITION OF A REPLACEMENT TO THE CITY'S FUEL MANAGEMENT SYSTEM (GASBOY) AND AWARDING A CONTRACT TO B & J EQUIPMENT, LTD, THROUGH GENERAL SERVICES ADMINISTRATION AWARD MANAGEMENT IDENTIFICATION #062869508 IN THE AMOUNT OF \$101,546.00; AUTHORIZING THE CITY MANAGER TO EXECUTE THE NECESSARY DOCUMENTS FOR SAID PURCHASE AND THE ISSUANCE OF PURCHASE ORDERS PURSUANT TO APPROVAL; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is necessary to replace the existing Fuel Management System (Gasboy) with new equipment for the City of Rowlett Fleet Services Division; and

WHEREAS the City is eligible to utilize contracts through General Services Administration Award Management; and

WHEREAS the General Services Administration has awarded contract #062869508 to B & J Equipment, LTD for said products; and

WHEREAS the Purchasing Division has obtained competitive bids for the lease-purchase finance of the fuel system upgrade; and

WHEREAS , the City Council of the City of Rowlett, Texas desires to award the contract for the purchase of a fuel management system to B & J Equipment, LTD for the Gasboy replacement.

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

Section 1: The City of Rowlett does hereby approve the replacement of the City's Fuel Management System (Gasboy) and award a contract to B & J Equipment, LTD, through General Services Administration Award Management Identification #062869508 in the amount of \$101,546.00.

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

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

ATTACHMENT

Exhibit A – B & J Equipment, LTD Quotation

B & J EQUIPMENT, LTD

3647 East Loop Drive
 Longview, TX 75602
 (903) 757-4765



Quote

Order Number: 0023790

Order Date: 1/12/2015

Salesperson: 0001

Customer Number: ROWLETT

Sold To:

City of Rowlett
 4000 Main Street
 Rowlett, TX 75088

Ship To:

City of Rowlett
 4000 Main Street
 Rowlett, TX 75088

Confirm To:

Customer P.O.	Ship VIA	F.O.B.	Terms
			DUE ON RECEIPT

Item Number	Unit	Ordered	Shipped	Back Order	Price	Amount
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General Services Administration (GSA) Award Management Identification Number # 062869508

Gasboy Fuel Management System						
KS612K001	EACH	1.00	0.00	0.00	1,300.00	1,300.00
Fleet Head Office 1/150						
099045	EACH	1.00	0.00	0.00	200.00	200.00
Annual Support Agreement						
PA04020000	EACH	2.00	0.00	0.00	940.00	1,880.00
Mifare Pod						
M09679B002	EACH	10.00	0.00	0.00	75.00	750.00
Red milfare tags box/10						
PA04010000	EACH	1.00	0.00	0.00	3,020.00	3,020.00
Wireless Vehicle Programmer						
PA039400201	EACH	1.00	0.00	0.00	7,800.00	7,800.00
Islander PLUS 2 Mech Cont.						
099039	EACH	1.00	0.00	0.00	530.00	530.00
Annual Software Support for Is						
PA04000000	EACH	1.00	0.00	0.00	966.00	966.00
Wireless Gateway Terminal						
M09677B001	EACH	4.00	0.00	0.00	410.00	1,640.00
Nozzle Reader						
1-OPW 1A Leaded, 1-Vapor Vac Unleaded						
M09678B012	EACH	250.00	0.00	0.00	44.00	11,000.00
Heavy Duty Ring						
M09678B008	EACH	2.00	0.00	0.00	93.00	186.00
LD Vehicle Tank Ring Kit - 100						

Continued

B & J EQUIPMENT, LTD

3647 East Loop Drive
 Longview, TX 75602
 (903) 757-4765



Quote

Order Number: 0023790
 Order Date: 1/12/2015
 Salesperson: 0001
 Customer Number: ROWLETT

Sold To:
 City of Rowlett
 4000 Main Street
 Rowlett, TX 75088

Ship To:
 City of Rowlett
 4000 Main Street
 Rowlett, TX 75088

Confirm To:

Customer P.O.	Ship VIA	F.O.B.	Terms
			DUE ON RECEIPT

Item Number	Unit	Ordered	Shipped	Back Order	Price	Amount
M09693B001 Vehicle Data Pass	EACH	250.00	0.00	0.00	163.00	40,750.00
PA039500001 Islander Plus Gate Termin	EACH	2.00	0.00	0.00	3,467.00	6,934.00
*PA04000002 Wireless Gateway Terminal	EACH	3.00	0.00	0.00	1,586.00	4,758.00
PA04000001 Outdoor Wireless Gateway Termini	EACH	2.00	0.00	0.00	1,361.00	2,722.00

/UPGRAD 17,110.00

Installation and Start-Up

Includes Site Electrical required for Install Fuel Island and Data Pass Reader at both Gates. Customer to Provide High Speed Internet. Includes installing Data Pass and Fuel Tank Rings. System operation, data entry, and maintenance training.

Payment Terms - 50% Down at time of order. Equipment balance due when equipment is Shipped from the factory. Remaining balance due on completion. Equipment remains property of B&J Equipment until paid in full. B & J Equipment retains the right to remove or return equipment if terms are not met. Cancellation carries a 25% restocking fee. Proposal may be withdrawn if not accepted within 30 days. The above prices, specifications, and conditions are satisfactory and hereby accepted.

Accepted By: _____ Date: _____
 Please sign, date, and fax to 903-757-9538

Net Order:	101,546.00
Less Discount:	0.00
Freight:	0.00
Fuel Surcharge:	
Sales Tax:	0.00
Order Total:	101,546.00



City of Rowlett
Staff Report

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

AGENDA DATE: 04/21/15

AGENDA ITEM: 7G

TITLE

Consider action to approve a resolution authorizing the ratification of emergency repairs to the sanitary sewer line and structure at 5100 Edgewater Drive Lift Station and approving payment to Tri-Con Services, Inc. in the amount of \$127,538.64 for said services; and authorizing the City Manager to issue purchase orders for said services.

STAFF REPRESENTATIVE

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

SUMMARY

Initially, a suction line between the wet well and the pump enclosure (dry well) ruptured, causing effluent to discharge into the dry well. Upon excavating the failure, in addition to the pipe failure, staff discovered failures in the wet well structure.

BACKGROUND / HISTORY

Edgewater Lift Station was installed in 1968. Just recently, due to its age, failures have begun occurring more frequently. This station will be replaced due to the fact that the old Can-Tex style lift stations are difficult to maintain and have safety issues associated with them due to the requirement of staff having to enter into a confined space.

Staff has been working with Grantham and Associates, Inc. to determine the possibility of completely eliminating the Edgewater Lift Station from our collection system. The Consultant provided the study identifying the Edgewater Lift Station can, in fact, be eliminated from the system.

Staff is currently in negotiations with Grantham and Associates, Inc. for the design to eliminate Edgewater Lift Station.

On February 24, 2015, a suction line running from the wet well to the pump enclosure ruptured, causing effluent to discharge into the pump enclosure. It was necessary to rent a bypass pump to ensure continued operations of the lift station.

Staff employed Tri-Con Services, Inc. to excavate the area and perform the repair. The Contractor replaced both suction lines while the trench was open as the condition of the second line was showing signs of distress. As a result of the excavation and repairs, the installation of a new concrete pedestal for the SCADA antenna was required. Tri-Con completed the repairs to the

infrastructure on April 3, 2015. The total cost for the emergency repairs is \$127,538.64. The invoice of the detailed line items for the work performed is provided in Exhibit A.

DISCUSSION

The Edgewater Lift station was originally constructed in 1968. Increased inflow into the station in the late 1980's made it necessary to retrofit the pump components to move more effluent. In 1990, the interior piping and pumps were changed. All piping outside of the wells (suction line and forcemain) remained original.

Due to our active soils, the recent increased rainfall has taken its toll on the 47 year old corroded cast iron pipe. The shifting soils have begun to stress the fittings and pipe itself, causing cracks and other failures.

The most recent failures experienced at the station were outside the scope of abilities for City staff to repair. It was necessary to employ the services of TriCon Services, Inc. to perform emergency repairs to the suction pipes in order to ensure continued operation of the system.

Staff is currently in the process of negotiating the design to eliminate this lift station from the collection system this fiscal year and begin construction in FY2016. The estimated cost to completely eliminate the structure from the system is \$500,000.

FINANCIAL/BUDGET IMPLICATIONS

Funds are available in the amount of \$127,538.64 in the FY2015 Utility Fund Cash CIP, Project Code – SS2095.

Project Code	Project Title	Budget Amount	Proposed Amount
SS2095	Lift & Pump Stations	\$520,511.00	\$125,538.64
Total		\$520,511.00	\$125,538.64

RECOMMENDED ACTION

Staff recommends City Council adopt a resolution authorizing the ratification of emergency repairs to the sanitary sewer line and structure at 5100 Edgewater Drive Lift Station and approving payment to Tri-Con Services, Inc. in the amount of \$127,538.64 for said services; and authorizing the City Manager to issue purchase orders for said services.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, AUTHORIZING AND RATIFYING EMERGENCY REPAIRS AT 5100 EDGEWATER DRIVE LIFT STATION AND APPROVING PAYMENT TO TRI-CON SERVICES, INC., IN THE AMOUNT OF \$127,538.64 FOR SAID SERVICES; AUTHORIZING THE CITY MANAGER TO ISSUE PURCHASE ORDERS FOR SAID SERVICES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Edgewater Drive Lift Station plumbing has deteriorated due to hydrogen sulfide gas attack to the point of failure; and

WHEREAS, the repairs of the Edgewater Drive Lift Station were an emergency circumstance and were needed to prevent potential overflow into Lake Ray Hubbard; and

WHEREAS, the emergency repairs to the plumbing were in the best interest of the public health, safety and welfare; and

WHEREAS, the City Council of the City of Rowlett, Texas has determined, after due consideration and study, that it was necessary to make these emergency repairs and desires to declare the project an emergency situation and approve purchase orders to Tri-Con Services, Inc., for payment for the repairs of the Edgewater Drive Lift Station.

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

Section 1: The City Council of the City of Rowlett does hereby find that the premises hereof are true and correct and does further accept and ratify the emergency repairs to the Edgewater Drive Lift Station completed by Tri-Con Services, Inc.

Section 2: The City Council does hereby approve and ratify purchase orders for payment for emergency repairs of the Edgewater Drive Lift Station to Tri-Con Services, Inc., in an amount of \$127,538.64.

Section 3: The City Council does hereby authorize the Mayor to execute the necessary documents pursuant to approval and authorize the issuance of purchase orders by the City Manager to conform to this resolution as appropriate.

Section 4: This resolution shall become effective immediately upon its passage.

ATTACHMENT

Exhibit A – Tri-Con Invoice



TRI-con

SERVICES, INC.

GENERAL CONSTRUCTION

P. O. BOX 472867 - GARLAND, TEXAS 75047-2867

3010 W. MAIN ST. , ROWLETT, TEXAS 75088

Office (972) 475-5207 — FAX (972) 475-7416



April 7, 2015

Invoice M-10773

Mr. Robin Webber / Mr. Mark Leal

City of Rowlett

3910 Main St.

Rowlett, TX 75088

Tel: 469-853-2889

Re: Invoice – Emergency Sanitary Sewer repairs

Mr. Webber,

The following is a bill for sanitary sewer lift station improvements/repairs at 5100 Edgewater Dr. The existing lift station, wet well manhole & surrounding plumbing had deteriorated needing several repairs (March 23rd – April 3rd); after repairs (+24 feet deep) the area was backfilled with soil & aggregate (crushed concrete), restored/graded and pavement sections replaced new (flume & curb/gutter; - fence to be restored by others):

Mobilization	QTY	Unit	Price (\$) / Unit	Total (\$)
Construction Equipment	4	ea	1,389.00	5,556.00
TXDOT transport permit (Excavator only - in/out)	1	ea	762.00	762.00
Trench Safety equipment & tools	1	ea	897.00	897.00
Labor				
Skilled Foreman & 4 man Crew w/ hand tools	90	Reg. hrs	315.00	28,350.00
Additional pipe crew member, operator or Labor	72	Reg. hrs	42.00	3,024.00
Superintendent	36	Reg. hrs	78.00	2,808.00
Equipment				
LG Excavator	72	Reg. hrs	219.00	15,768.00
Med Excavator	60	Reg. hrs	128.00	7,680.00
LG Track Loader	72	Reg. hrs	188.00	13,536.00
LG Rubber tire Loader	80	Reg. hrs	175.00	14,000.00
Trench Safety equipment & tools	60	Reg. hrs	69.00	4,140.00
Import / Haul off / Stand By OR Concrete (Trucking)	78	Reg. hrs / ea	155.00	12,090.00
6 inch By-pass Pump	1	LS	2,789.00	2,789.00
Materials				
4, 6 & 8 inch Sewer repair parts	1	LS	2,018.58	2,018.58
Pipe patch (cement)	10	ea	18.40	184.00
Concrete Blocking (6-sack strength-seal MH)	4	CY	126.00	504.00
Crushed Conc. Embedment	483	TN	8.25	3,984.75
Overhead & Profit (%)	1	LS	9,447.31	9,447.31

Total due \$ 127,538.64

We appreciate your business please contact us with any questions.

Sincerely,

Van Gerber

Project Manager



City of Rowlett
Staff Report

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

AGENDA DATE: 04/21/15

AGENDA ITEM: 7H

TITLE

Consider action to approve a resolution accepting the bid of and awarding a contract to Clayton Holdings, LLC, in the amount of \$107,407.65, utilizing an interest rate of 1.79 percent for the seven year lease-purchase financing of a GasBoy fuel management system for the Public Works Department and authorizing the City Manager, after City Attorney approval, to execute the necessary documents for said purchase.

STAFF REPRESENTATIVE

Tim Rogers, Director of Public Works
Allyson Wilson, Purchasing Agent

SUMMARY

The purpose of this item is to provide seven year lease-purchase financing of a GasBoy fuel management system for Public Works. Approval of the Fuel Management System is also on the agenda this evening. The cost of purchasing the system is \$101,546.00.

BACKGROUND INFORMATION

The current FMS was originally installed in 1986. Its purpose is to provide fuel and data tracking services for City Fleet. Due to the age (**29 years**) of the existing system, it has become antiquated and obsolete as it is a manual input system and difficult to find replacement parts (circuit boards, processors, keypads, etc.).

DISCUSSION

The Purchasing Division proceeded with processing competitive sealed bids for the seven year lease-purchase financing of GasBoy fuel management system.

Notice to bidders for the seven year lease-purchase financing was advertised in the *Rowlett Lakeshore Times* on March 12 and 19, 2015. The bid documents were also placed on the City website. Sealed bids were received in the Purchasing Office until 2:00 p.m., March 26, 2015, and then publicly opened and read aloud in the City Annex Conference Room in accordance with Texas Local Government Code.

Bids were received from two (2) vendors ranging from \$107,407.65 to \$108,134.74 with interest rates from 1.79 percent to 2.01 percent. The low bid was received from Clayton Holdings, LLC in the amount of \$107,407.65, utilizing an interest rate of 1.79 percent.

The annual payment is \$15,343.95, which will be due beginning July 10, 2015, and on the same month and day for each subsequent year thereafter.

The City of Rowlett has conducted business previously with Clayton Holdings, LLC. Modifications will be made to the agreement for this transaction that are acceptable to and approved by City Attorney David Berman.

The cost of the financing is \$5,861.65 for the seven year term of the lease.

FINANCIAL/BUDGET IMPLICATIONS

The FY2015 budget includes \$17,400.00 for the first year lease payment. This is sufficient to fully cover this expenditure.

The annual payment of \$15,343.95 will be due beginning July 10, 2015 and on the same month and day for each subsequent year thereafter.

Budget Account Number and/or Project Code	Account or Project Title	Budget Amount	Actual Amount
1015010-7010	Purchased Services – Contractual Lease Payments	\$17,400.00	\$15,343.95
Total		\$17,400.00	\$15,343.95

RECOMMENDED ACTION

City staff recommends the City Council adopt a resolution accepting the bid of and awarding a contract to Clayton Holdings, LLC in the amount of \$107,407.65, utilizing an interest rate of 1.79 percent for the seven year lease-purchase financing of a GasBoy fuel management system for the Public Works Department and authorizing the City Manager, after City Attorney approval, to execute the necessary documents for said purchase.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, ACCEPTING THE BID OF AND AWARDING A CONTRACT TO CLAYTON HOLDINGS, LLC, IN THE AMOUNT OF \$107,407.65 FOR THE SEVEN YEAR LEASE-PURCHASE FINANCING OF A GASBOY FUEL MANAGEMENT SYSTEM FOR PUBLIC WORKS UTILIZING AN INTEREST RATE OF 1.79 PERCENT; AUTHORIZING THE CITY MANAGER, AFTER CITY ATTORNEY APPROVAL, TO EXECUTE THE NECESSARY DOCUMENTS FOR SAID PURCHASE AND THE ISSUANCE OF PURCHASE ORDERS PURSUANT TO APPROVAL; AND, PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is necessary to finance through a lease-purchase agreement a fuel management system (GasBoy) for Public Works; and

WHEREAS, the Purchasing Division has obtained competitive bids and recommends the award for the seven year lease-purchase financing of a GasBoy fuel management system to Clayton Holdings, LLC, the lowest bidder meeting specifications as per Bid # 2015-40; and

WHEREAS, the City Council of the City of Rowlett, Texas desires to accept the bid of and award a contract to Clayton Holdings, LLC, in the amount of \$107,407.65 utilizing an interest rate of 1.79 percent and annual payments of \$15,343.95 for years one through seven beginning July 10, 2015.

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

Section 1: That the City Council of the City of Rowlett does hereby accept the bid of and award a contract to Clayton Holdings, LLC, in the amount of \$107,407.65, for the seven year lease-purchase financing, utilizing an interest rate of 1.79 percent, of a GasBoy Fuel Management System for Public Works.

Section 2: That the City Council of the City of Rowlett does hereby authorize the City Manager, after City Attorney approval, to execute the necessary documents for said purchase, and to issue purchase orders, to conform to this resolution as appropriate thereto.

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

ATTACHMENTS

Exhibit A – Bid Tabulation

Exhibit B – Bid Document & Sample Contract

Bid #2015-40 – Lease Purchase Financing of GasBoy Fuel Management System - Bid Tabulation
4004 Main St., Rowlett, TX 75088
Purchasing Phone - 972/412-6189 - Fax 972/412-6144
3/26/2015

			BB&T	Clayton Holdings/Commerce Bank
			Mary Coley	Frank Hill
			704-954-1706	785-587-1541
		Amortization schedule?	Yes	Yes
		Sample lease agreement?	Yes	Yes
ITEM NO.	QTY	DESCRIPTION		
1.	1 Ea	Finance \$101,546.00 for 7 years First payment due 7/10/2015		
		Effective Interest Rate:	2.01%	1.79%
		Payment Factor:		0.151103
		Annual Payment:	\$ 15,447.82	\$ 15,343.95
		Other costs:	0	0*
		Describe other costs:		
		TOTAL 7 YEAR COST	\$ 108,134.74	\$ 107,407.65
		Cost of financing:	\$ 6,588.74	\$ 5,861.65
1A.	1 Ea	Finance \$101,546.00 for 5 years First payment due 7/10/2015		
		Effective Interest Rate:		1.57%
		Payment Factor:		0.206918
		Annual Payment:	\$	\$ 21,011.69
		Other costs:		0*
		Describe other costs:		
		TOTAL 5 YEAR COST	\$	\$ 105,058.45
		Cost of financing:	\$	\$ 3,512.45
				*No additional costs are expected, however, if the City elects to use an escrow account, a one-time \$250 escrow fee will be due from the Lessee to the Escrow Agent. This fee is not applicable if an escrow is not required.



Clayton Holdings, LLC

8000 Forsyth Boulevard
St. Louis, Missouri 63105-1797
(314) 746-3678

03/26/2015

Allyson Wilson
Purchasing Agent
City of Rowlett, TX
4004 Main St.
Rowlett, TX 75088

Dear Ms. Wilson:

On behalf of Clayton Holdings, LLC, we would like to offer the following lease-purchase proposal for your consideration:

Type of Financing:	A tax-exempt, State and Municipal Lease/ Purchase Agreement (the "Lease").
Lessor:	Clayton Holdings, LLC – An equity subsidiary of Commerce Bank
Lessee:	City of Rowlett, TX
Equipment:	GasBoy Fuel Management System as per quote order No. 0023790 from B & J Equipment, LTD attached to bid No. 2015-40.
Total Finance Amount:	\$101,546.00
Commencement Date:	On or before 04/30/2015
Base Term:	Option 1: 5 years (Actual 50 months) Option 2: 7 years (Actual 74 months)
Interest Rate:	Option 1: 1.57% fixed, rate locked until 04/30/2015 Option 2: 1.79% fixed, rate locked until 04/30/2015
Payment Amount:	Option 1: \$21,011.69 (5 payments, first due 07/10/2015) Option 2: \$15,343.95 (7 payments, first due 07/10/2015)
Payment Factor:	Option 1: 0.206918 Option 2: 0.151103
Payment Frequency:	Annual/Arrears <i>*The first payment is due 07/10/2015.</i>
Interest Rate Adjustment:	The above quoted interest rate is locked until 04/30/2015 and if closing occurs prior to that date, the interest rate will be set for the term of the financing. The above quoted interest rate is based on a spread over the Five (5) and Seven (7) year Interest Rate Swaps as quoted in the Federal Reserve Statistical Release H.15 (the "Index"). For Purposes of this proposal, as of 03/25/2015 the Five (5) year interest rate swap is 1.53% and the Seven (7) Year interest rate swap is 1.79%.

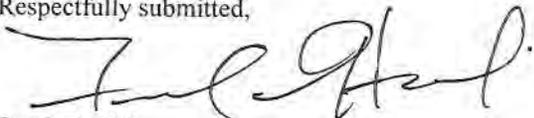
In the event the transaction does not close by 04/30/2015, Lessor reserves the right, but has no obligation, to adjust the Interest Rate after 04/30/2015 based on changes in the Index between the Quote Date and the Commencement Date. The adjustment, if made, would preserve Lessor's original lease investment assumption on a nominal pre-tax yield basis.

- Early purchase Option:** In the event Lessee desires to prepay this lease, they may do so in whole, but not in part at a premium of the then current outstanding principal balance, calculated as follows; 3% in year (1), 2% in year (2), and 1% in each year thereafter until maturity. Provided however, that the Lessee is using internally generated funds to prepay the lease, the prepayment penalty would be waived and there would be no prepayment penalty on the agreement.
- General Terms:** This financing structure, rate and payment are based on the Transaction being designated as Tax Exempt and Non Bank Qualified under the IRC Section 103 and 265 b (3). The Lessee intends to issue more than \$10 million dollars in tax-exempt obligations in the current calendar year.
- Titles/Liens:** Lessor shall have a perfected security interest in the Equipment.
- Non-appropriation:** The Lease shall provide for Lessee to terminate the agreement at the end of any fiscal period if insufficient funds are available to make the scheduled Rental Payments due in the following fiscal period.
- Documentation:** Shall be provided by Lessor. Funding of the Lease is contingent, in part; upon receipt and review by Lessor and Lessee of executed Lease documentation in form acceptable to both Lessor and Lessee. Documentation will be in compliance with Texas Law- The Texas Public Property Finance Act affecting this type of transaction.
- Escrow:** Upon closing, funds shall be disbursed into an escrow account to be maintained by Commerce Trust as escrow agent. Upon final delivery and acceptance of all of the equipment, and receipt of Lessee's authorization to release funds, escrow agent shall disburse payment to the vendors. Terms, conditions, and procedures regarding escrow and escrow agreement are subject to mutual approval by Lessee and Lessor. It is intended that the interest earnings on un-disbursed funds shall accrue for the benefit of Lessee. An escrow account shall be established at Commerce Trust. There is a **\$250.00 fee** for the escrow account. This fee is not applicable if an escrow is not required. Commerce Trust does assess a cash management fee which is deducted from the Escrow Earnings.
- Net Lease:** The lease shall be a net lease in all respects, and Lessee shall be responsible for all fees, charges, assessments or other costs and expenses of every nature whatsoever arising from the lease of the Equipment.
- Not a Commitment:** The terms set forth herein reflect a proposed, preliminary structure and are subject to final credit approval and the negotiation of mutually acceptable documentation. These terms are being provided to the Lessee with the understanding that neither the terms nor their substance shall constitute a definitive agreement or an exhaustive statement of all terms and conditions which may ultimately be included in a transaction among Lessee and Lessor. This is a proposal only and not a commitment to lend. Final approval and funding of the transaction is based on a formal credit review by Lessor, including final lease documentation acceptable to both Lessee and Lessor.

This proposal is not intended to, and does not create, in any way, a legally binding or any other type of commitment or obligation on the part of Clayton Holdings, LLC, or any of its/their subsidiaries, and/or any of its/their employees. Information regarding this proposal, including the financial statements of Lessee necessary to complete the credit process, may be provided to third party funding sources in either written or electronic format.

The representative shown below is "not" a Municipal advisor, financial advisor, agent or fiduciary to any person or entity. The Bank and its representatives are responding to an RFP issued by the Lessee. Lessee acknowledges that it is entitled to engage municipal advisory services should it elect to do so. Clayton Holdings, LLC is acting for its own loan account; this communication consists solely of general information under which Clayton Holdings, LLC may be willing to fund a loan. Thank you for the opportunity to offer this proposal. We appreciate your consideration and look forward to your favorable response. Should you have any questions, please do not hesitate to contact us.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Frank Hill", written in a cursive style.

Frank D. Hill
Officer of Clayton Holdings, LLC
Senior Vice President, Tax Exempt-Leasing – Commerce Bank
Phone: 785-587-1541
frank.hill@commercebank.com



Clayton Holdings, LLC

8000 Forsyth Boulevard
St. Louis, Missouri 63105-1797
(314) 746-3678

03/25/2015

Allyson Wilson
Purchasing Agent
City of Rowlett, TX
4004 Main St.
Rowlett, TX 75088

**Re: Bid No. 2015-40 - 7 Year Lease Purchase Financing of GasBoy Fuel Management System
Due March 26, 2015 by 2:00 PM**

Dear Ms. Wilson:

Thank you for considering Clayton Holdings, LLC as your financial partner!

Statement of Qualifications

Clayton Holdings, LLC is an equity subsidiary of Commerce Bancshares, Inc.

Commerce Bank operates as a super community bank offering an array of sophisticated financial products delivered with high quality, personal, customer service.

Commerce Bank at a glance:

- Super-Community Bank in the industry for 150 years
- \$24.0 Billion in assets
- 195 locations
- 4,744 full-time equivalent employees
- The majority of the Company's pre-tax profit is generated from eight key markets including; Kansas City, St. Louis, and Springfield, Missouri; Central Missouri; Central Illinois; Wichita, Kansas; Tulsa, Oklahoma and Denver, Colorado

Commerce Bank, Clayton Holdings, LLC and CBI Equipment Finance, Inc., its leasing division, have provided funding for governmental entities across the entire footprint of the Bank. The tax-exempt leasing portfolio is currently in excess of \$91 million. The Bank possesses the necessary capital, experience and product knowledge to meet and exceed the requirements necessary for the proposed transaction.

Please find enclosed our proposal and accompanying required documents. Below, as part of this letter you will also find a brief BIO of the principal parties' involved in the closing of the lease with the City.

Frank D. Hill, Vice President, Tax-Exempt Leasing and Finance

Mr. Hill has been providing tax-exempt lease financing to State and Local Government entities for over 28 years. He was the former, Vice President, President and Chairman of the AGLF-Association of Governmental Leasing and Finance. Mr. Hill has provided funding to governmental clients in all 50 states for both real and personal property. Transactions have ranged in size from as small as \$5,000 to over \$100,000,000.00. Mr. Hill directs the tax-exempt leasing and finance product offering over the entire Bank footprint. Mr. Hill possesses the market knowledge and skill set necessary to provide the required funding to the City.

Ashley J. Stout, Government Finance Representative, Leasing and Finance

Ms. Stout works to facilitate and coordinates all governmental lease transactions for Municipal customers in the Bank's market area. She received a Bachelor's degree in Business Administration from Wichita State University and has over 8 years of experience in Banking. She specializes in handling customer service requests, with a particular emphasis in the lease process, data collection, proposal preparation, funding/closing and client/vendor relations. She works directly with the Bank's customers to develop financing structures specifically tailored to meet our customer's varied financial requirements.

Scott Jankowski, Senior Leasing Coordinator, Leasing and Finance

Mr. Jankowski has over 14 years experience in the finance/banking industry with 12 of those years in the leasing sector and holds a BA in Finance from St. Louis University. He joined Commerce Bank in 1999 and joined the Leasing Department in 2001. Mr. Jankowski began his banking career with Commerce in the Credit Department as an underwriter/credit analyst. Upon his move to the Leasing Department he is involved with all facets of the leasing process such as pricing, structuring, compliance, and customer service, in addition to tax and accounting issues specific to leasing.

Financial Information

Please find the Bank's Annual Report and Form 10-K to include the Bank's History and Financial information available on the Bank's website:

<http://www.commercebank.com/about/get-to-know-us/annual-reports.asp>

Clayton Holdings intends to hold the lease until maturity. Our proposal is subject to final credit underwriting and approval, as well as final documents acceptable to both parties.

Clayton Holdings acknowledges the receipt of Addendum 1 and Addendum 2. The equipment may be combined as one Lease per the terms and conditions of the proposals provided for RFP No. 2015-33, 2015-39, and 2015-40.

Please do not hesitate to contact me with any questions or clarifications regarding our response to this RFP.

Thank you again for your consideration.

Kind Regards,



Frank D. Hill
Officer of Clayton Holdings, LLC
Senior Vice President, Tax Exempt-Leasing-
Commerce Bank
Phone: 785-587-1541
frank.hill@commercebank.com



**CITY OF ROWLETT
INVITATION TO BID**

**7 Year Lease Purchase Financing of
GasBoy Fuel Management System**

BID NO. 2015-40

**BIDS OPEN
2:00 P.M., March 26, 2015**

DELIVER TO:
CITY OF ROWLETT
PURCHASING OFFICE
4004 MAIN STREET
ROWLETT, TX 75088

BID SUBMITTED FROM:

<u>Clayton Holdings, LLC</u>	<u>Contact: Frank Hill</u>
<u>8000 Forsyth Boulevard, Suite 510</u>	<u>727 Poyntz Avenue</u>
<u>St. Louis, MO 63105</u>	<u>Manhattan, KS 66502</u>

Legal Advertisement

THE CITY OF ROWLETT, TEXAS
PUBLIC NOTICE
INVITATION FOR BID

Sealed bids addressed to the City of Rowlett Purchasing Agent for lease purchase financing of a GasBoy Fuel Management System, Fire Rescue Fire Protective Clothing/Bunker Gear, Financing of 2 New Fire Trucks and 2 Refurbished Fire Trucks will be received until 2:00 PM, March 26, 2015 at the Rowlett Purchasing Office, 4004 Main St, Rowlett, TX 75088. At said time and place all bids that have been duly received will be publicly opened and read aloud.

Bid documents are available at the Purchasing Office located in the Rowlett Municipal Center Complex, 4004 Main St, Rowlett, TX 75088 and on the City Website <http://www.rowlett.com/Bids.aspx>. Specifications are available at the above address or can be forwarded to interested bidders. For information contact purchasing@rowlett.com or phone (972) 412-6131 or (972) 412-6198. The City reserves the right to reject all bids, waive informalities, and to reject nonconforming or conditional bids.

Publish Dates in Rowlett Lakeshore Times: March 12 and 19, 2015
Bids 2015-33, 2015-39, 2015-40

CITY OF ROWLETT GENERAL CONDITIONS OF BIDDING

READ CAREFULLY:

1. **INSTRUCTIONS:** These instructions apply to all quotations and become a part of the terms and conditions of any bid submitted unless bidder takes exception in writing when submitting quotations.
2. **FORM:** Quotations must be submitted on the forms provided.
3. **BID RETURNS:** The original bid form must be sealed in an envelope clearly marked on the (outside) front with "**BID ENCLOSED, BID #2015-40 Lease Purchase Financing of GasBoy Fuel Management System, 2 PM, March 26, 2015**) and addressed to City of Rowlett, Purchasing Agent, 4004 Main St., Rowlett, TX 75088. Bidder shall indicate his company's name and address on the outside of the envelope.
4. **LATE BIDS & FAX BIDS:** Bids must be in the Purchasing Agent's office prior to the closing date and time. LATE BIDS WILL NOT BE ACCEPTED for any reason and will be returned to bidder unopened. Bids which are faxed (transmitted by facsimile) or transmitted electronically will not be accepted for any reason.
5. **ACCEPTANCE:** The City reserves the right to accept or reject any or all of the bid(s), and to accept the offer considered most advantageous to the City.
6. **ERROR-QUANTITY:** Bids must be submitted on units of quantity specified - extend and show total. In the event of discrepancies in extension, the unit prices shall govern.
7. **FIRM PRICES:** Bid prices must be firm for 45 days after the bid closing.
8. **AUTHORIZED SIGNATURE:** Bids MUST show full firm name and address of bidder, and be manually signed. Failure to sign will disqualify bid. Person signing bid must show title or AUTHORITY TO BIND HIS FIRM IN A CONTRACT.
9. **WITHDRAWAL - ALTERATION OF BIDS:** Bids CANNOT be altered or amended after bid closing. Alterations made before bid closing must be initialed by bidder guaranteeing authenticity. No bid may be withdrawn after bid closing without acceptable reason in writing and with the approval of the Purchasing Office.
10. **INVOICES:** Invoices must be submitted by the successful bidder in duplicate to the City of Rowlett Accounts Payable, 4004 Main Street, Rowlett, TX 75088.
11. **TAXES:** The City of Rowlett is exempt from Federal Manufacturer's Excise, and State Sales taxes. TAX MUST NOT BE INCLUDED IN BID. Tax exemption certificates will be executed and furnished upon request.
12. **INSURANCE:** If insurance and/or worker's compensation is required by the City for said bid item(s), proof of insurance and/or worker's compensation should be submitted with the bid proposal. The City reserves the right to review all insurance policies pertaining to bid item(s) to guarantee that the proper coverage is obtained by the bidder.

City of Rowlett General Conditions of Bidding

13. **TIE BIDS:** Consistent and continued tie bidding on any commodity could be cause for rejection of all bids by the Purchasing Agent and/or investigation by the Attorney-General to determine possible Anti-Trust violations.
14. **BID EVALUATION:** All bids are evaluated for compliance with specifications before the low bid price is considered. Response to specification is primary in determining the lowest responsible bid.
15. **NEGOTIATION:** Any attempt to negotiate or give information on the contents of this bid with the City or its representatives prior to award shall be grounds for disqualification.
16. **GRATUITIES:** The City may, by written notice to the successful bidder, cancel this contract without liability to successful bidder if it is determined by the City that gratuities in the form of entertainment, gifts, or otherwise, were offered or given by the successful bidder, or any agent or representative of the successful bidder, to any officer or employee of the City with a view toward securing or amending, of the making of any determinations with respect to the performing of such a contract.
17. **PROPRIETARY INFORMATION:** All material submitted to the City becomes public property and is subject to the Texas Open Records Act upon receipt. If a Bidder does not desire proprietary information in the bid to be disclosed, each page must be identified and marked proprietary at the time of submittal. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decisions as to what information must be disclosed, however, lies with the Texas Attorney General. Failure to identify proprietary information will result in all unmarked sections being deemed non-proprietary upon public request.
18. **BID AWARD:** **The City of Rowlett reserves the right to award and accept separate items in a bid unless this right is denied by the bidder. The City reserves the right to award by line item, section, or total bid, whichever is in the best interest of the City.**
The bid award shall be based on, but not limited to, the following factors:
 - a. Unit Price
 - b. Total Price
 - c. Special needs and requirements of the City of Rowlett
 - d. Results of testing samples (if needed)
 - e. Delivery Time
 - f. City of Rowlett's experience with the products or services bid
 - g. Bidder's past performance record
 - h. City of Rowlett's evaluation of the bidder's ability to perform

The City of Rowlett may make such investigations as it deems necessary to determine the ability of the bidder to provide satisfactory performance in accordance with specifications, and the bidder shall furnish to the City all such information and data for this purpose as the City may request.

**City of Rowlett Request for Lease Purchase Financing of
GasBoy Fuel Management System, Bid 2015-40**

General Information

The City of Rowlett is accepting quotations from financial institutions to lease purchase finance the acquisition of GasBoy Fuel Management System for a **seven (7) year term**. The cost of the system is **\$101,546** through B & J Equipment, LTD. Please refer to their attached quote.

It is our intent to obtain City Council approval on April 21, 2015 and execute contracts with the successful vendor on or about April 30, 2015. The first payment from the City to successful firm will be made on July 10, 2015.

This transaction should be structured as a Municipal Lease Purchase Agreement under the Guidelines of the Texas Public Property Finance Act and will contain the usual clauses required to include \$1.00 purchase option, early payoff privileges, suitable appropriations, etc. This is a non-qualified bank transaction. **The City does expect to issue more than \$10,000,000 worth of obligations in this 2015 calendar year.**

The obligation of the City to make payments under the agreement will be subject to appropriation in its annual budget of amounts of non-ad valorem revenues sufficient to satisfy the repayment schedule required by the agreement.

The City is issuing this Request for Quotation to provide potential Bidders with information, guidelines and rules to prepare and submit a bid. A quote must satisfy all criteria in this request to qualify for evaluation of its merit.

The selection of a bid shall be based on the bid that is, in the sole opinion of the City, in the best interest of the City considering among other factors the interest rate, term and other features of the quotations. The issuance of the Request for Quotation constitutes only an invitation to make bid proposals to the City.

A sample of the standard municipal lease agreement and proposed Amortization Schedule shall be attached by the proposer. The agreement shall be subject to the City's legal counsel review and acceptance.

All costs directly or indirectly related to preparation of a response to the request for quotation shall be the sole responsibility of and shall be borne by the bidder.

Technical questions about this RFP should be directed in writing to purchasing@rowlett.com

City of Rowlett purchasing guidelines and formalities questions should be directed to Allyson Wilson by phone at 972-412-6131 or purchasing@rowlett.com.

**City of Rowlett Request for Lease Purchase Financing of
GasBoy Fuel Management System, Bid 2015-40**

The City of Rowlett is interested in seven (7) year financing of a GasBoy Fuel Management System in the amount of \$101,546 as shown on the attachment. The successful Financing firm will process multiple payments to B & J Equipment; LTD following delivery, invoicing, and acceptance of the equipment.

The first payment to the successful financing firm will be made on July 10, 2015 and each year thereafter on the same month and day (July 10, 2015 and the same in 2016, 2017, and so on.)

Each firm shall attach a proposed Amortization Schedule and Sample Lease Purchase Agreement.

This transaction should be structured as a Municipal Lease Purchase Agreement under the Guidelines of the Texas Public Property Finance Act and will contain the usual clauses required to include \$1.00 purchase option, early payoff privileges, suitable appropriations, etc. This is a non-qualified bank transaction. **The City does expect to issue more than \$10,000,000 worth of obligations in this 2015 calendar year.**

LESSEE:	City of Rowlett, Texas
EQUIPMENT:	GasBoy Fuel Management System
EQUIPMENT COST:	\$101,546
CONTRACT CLOSING DATE:	On or about April 30, 2015 is anticipated
EQUIPMENT DELIVERY:	June 2015
PURCHASE OPTION:	\$1.00 due upon completion of contract (This may be included with final payment amount)
TERM, ANNUAL PAYMENTS:	<u>7 Year</u>
PAYMENTS COMMENCING:	7/10/2015 & same month and day in 2016, 2017, etc.
EFFECTIVE INTEREST RATE:	<u>1.79</u> %
PAYMENT FACTOR:	<u>0.151103</u>
ANNUAL PAYMENT	\$ <u>15,343.95</u>
OTHER COSTS	\$ <u>0.00*</u>

Describe other Costs

*No additional costs are expected, however, if the City elects to use an escrow account, a one-time \$250 escrow fee will be due from the Lessee to the Escrow Agent. This fee is not applicable if an escrow is not required.

Company Name Clayton Holdings, LLC

City of Rowlett, TX - GasBoy - 7 Year

Compound Period: Annual

Nominal Annual Rate: 1.790%

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	4/30/2015	101,546.00	1		
2 Payment	7/10/2015	15,343.95	7	Annual	7/10/2021

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	4/30/2015				101,546.00
1	7/10/2015	15,343.95	358.49	14,985.46	86,560.54
2015 Totals		15,343.95	358.49	14,985.46	
2	7/10/2016	15,343.95	1,549.43	13,794.52	72,766.02
2016 Totals		15,343.95	1,549.43	13,794.52	
3	7/10/2017	15,343.95	1,302.51	14,041.44	58,724.58
2017 Totals		15,343.95	1,302.51	14,041.44	
4	7/10/2018	15,343.95	1,051.17	14,292.78	44,431.80
2018 Totals		15,343.95	1,051.17	14,292.78	
5	7/10/2019	15,343.95	795.33	14,548.62	29,883.18
2019 Totals		15,343.95	795.33	14,548.62	
6	7/10/2020	15,343.95	534.91	14,809.04	15,074.14
2020 Totals		15,343.95	534.91	14,809.04	
7	7/10/2021	15,343.95	269.81	15,074.14	0.00
2021 Totals		15,343.95	269.81	15,074.14	
Grand Totals		107,407.65	5,861.65	101,546.00	

**City of Rowlett Request for Lease Purchase Financing of
GasBoy Fuel Management System, Bid 2015-40**

In submitting the attached quotation, the vendor agrees that acceptance of any of the scenarios by the City of Rowlett within a reasonable period of time constitutes a contract.

Authorized Signature 

Printed Name and Title Frank D. Hill, Officer of Clayton Holdings, LLC

Company Name Clayton Holdings, LLC Date 03/25/2015

Street Address or PO Box 8000 Forsyth Boulevard, Suite 510

City, State, Zip St. Louis, MO 63105

Contact Representative Frank Hill

Telephone & Fax Number Ph: 785-587-1541 Fax: 785-587-1586

Email Address frank.hill@commercebank.com

Thank you for your interest in servicing the City of Rowlett.

Please refer to the attached quotation on the GasBoy Fuel Management System.



City of Rowlett Addendum 1
Lease Purchase Financing of a GasBoy Fuel Management System,
Fire Rescue Bunker Gear, and Fire Trucks
RFP #2015-33, 2015-39, 2015-40
2 PM, March 26, 2015

Question

1. Will the city consider a proposal for putting both equipment packages on one lease?
You may submit an alternative bid for a combination lease provided the terms and conditions are the same. The City will consider an alternative bid combination lease provided the terms and conditions are the same.

End of Addendum 1
By Allyson Wilson
Purchasing Agent

A handwritten signature in black ink, appearing to be the initials "AW" or similar, written in a cursive style.



City of Rowlett Addendum 2

Lease Purchase Financing of a GasBoy Fuel Management System

RFP # 2015-40

2 PM, March 26, 2015

Question

1. Will the city consider an alternate proposal for financing the gas boy fuel management system for 5 years rather than 7 years?

Yes, you may submit an alternative proposal for 5 years financing of the gas boy management fuel system. Please use the attached form.

End of Addendum 2
By Allyson Wilson
Purchasing Agent

A handwritten signature in black ink, appearing to be "AW" or similar initials, enclosed within a circular scribble.



CLAYTON HOLDINGS, LLC

STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT

Lease Number: 1000000-000/5000000-000

This State and Municipal Lease/Purchase Agreement (the "Lease") is made and entered into on this, the _____ day of _____ 20____ by and between Clayton Holdings, LLC with offices at 8000 Forsyth Boulevard, St. Louis, Missouri 63105 (herein called the "Lessor"), and _____ with its principal address at _____ (herein called the "Lessee"), wherein it is agreed as follows:

1. **LEASE OF EQUIPMENT:** Lessee hereby requests Lessor to acquire the equipment described in Exhibit A attached hereto and made a part hereof. Subject to the terms and conditions hereof, Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor the equipment described in Exhibit A, with all replacement parts, repairs, additions and accessories incorporated therein or affixed thereto (herein collectively called the "Equipment").
2. **DELIVERY AND ACCEPTANCE:** Lessee agrees to order the Equipment from the supplier of such Equipment, but will not be liable for specific performance of this Lease or for damages if for any reason the supplier delays or fails to fill the order. Lessee will cause the Equipment to be delivered at the location specified in Exhibit A (the "Equipment Location"). Lessee will pay all transportation and other costs, if any, incurred in connection with the delivery and installation of the Equipment. Any delay in such delivery will not affect the validity of this Lease. Lessee will accept the Equipment as soon as it has been delivered and is operational, or as soon as any manufacturer or vendor preacceptance test period has expired. Lessee will have no more than thirty (30) days from the date of delivery of the Equipment to accept such Equipment. In the event the Equipment is not accepted by Lessee within thirty (30) days from the date of its delivery, Lessor, at Lessor's sole option, will have the right to terminate this Lease. Lessee will evidence its acceptance of the Equipment by executing and delivering to Lessor a delivery and acceptance certificate in the form of Exhibit B attached hereto and made a part hereof (the "Acceptance Certificate"). Lessee hereby authorizes the Lessor to add to this Lease and to any other description of the Equipment the serial number of each item of Equipment when available.
3. **TERM:** This Lease will become effective upon the execution hereof by Lessee and Lessor. The initial term of this Lease will commence on the earlier of the date Lessee executes the Acceptance Certificate or the date funds sufficient to purchase the Equipment are deposited with a bank or trust company in an escrow fund (the "Start Date") and will extend through the end of Lessee's fiscal year containing the Start Date. Unless earlier terminated as expressly provided for in this Lease, the term of this Lease will be automatically renewed on a year-to-year basis for the number of annual fiscal periods necessary to comprise the lease term as set forth in Exhibit C attached hereto and made a part hereof (the "Lease Term").
4. **RENT:** Lessee agrees to pay Lessor or any Assignee (as defined in Section 22 below), the rental payments for the Equipment as set forth in Exhibit C (the "Rental Payments"). A portion of each Rental Payment is paid as and represents the payment of interest as set forth in Exhibit C. The Rental Payments will be payable without notice or demand, at the office of Lessor (or such other place as Lessor or any Assignee may designate in writing, from time to time) and will commence on the Start Date or as otherwise set forth in Exhibit C, and the remaining Rental Payments will be payable on the same day of each consecutive month or quarter or semiannual or annual period thereafter (as designated in Exhibit C) for the duration of the Lease Term. Any notice, invoicing, purchase orders, quotations or other forms or procedures requested by Lessee in connection with payment will be fully explained and provided to Lessor or any Assignee sufficiently in advance of the payment due date for the completion thereof by Lessor or any Assignee prior to such payment date, but none of the foregoing will be a condition to Lessee's obligation to make any such payment. If Lessee fails to pay any monthly rental payment or any other sums under the Lease within ten (10) days when the same becomes due, Lessee agrees to accept all provisions of the Texas "Prompt Payment Act" (Sec. 2251- the "Act") regarding liability for late or nonpayment of the rental payments as due under Exhibit C of this agreement. In addition, Lessee agrees to waive sovereign immunity for the purpose of an adjudicating a claim, by Lessor, under the the Act for late or non payment. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments hereunder will constitute a current expense of Lessee and will not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Lessee. EXCEPT AS SPECIFICALLY PROVIDED IN SECTION 8 HEREOF, THE RENTAL PAYMENTS SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS AND WILL NOT BE SUBJECT TO ANY SETOFF, DEFENSE, COUNTERCLAIM, ABATEMENT OR RECOUPMENT FOR ANY REASON WHATSOEVER.

Notwithstanding the foregoing, in the event that Lessee, by its use of the Equipment or by its actions or omissions or by any means whatsoever, causes any interest payments as set forth in Exhibit C to be included in Lessor's gross income, Lessee agrees that the interest portion of the Rental Payments on Exhibit C will be adjusted commencing with the first day of the next succeeding fiscal year of the Lessee, but only if this Lease is renewed for such fiscal year, and thereafter, so that Lessor, its

Assignees and any participants with such, will be in the same after-tax position they would have been in had such payment been excluded from the gross income of Lessor, its Assignees and any participants with such under Section 103 of the Code.

5. **AUTHORITY AND AUTHORIZATION:** Lessee represents, warrants and covenants that (a) it will do or cause to be done all things necessary to preserve and keep in full force and effect (i) its existence, and (ii) subject to Section 8 hereof, the Lease; (b) it has complied with all bidding and budgeting requirements where necessary and by due notification has presented this Lease for approval and adoption as a valid obligation on its part and that all requirements have been met and procedures have been followed to ensure the enforceability of the Lease; (c) it has sufficient appropriations or other funds available to pay all amounts due hereunder for the current fiscal year period; (d) no event has occurred and no condition exists which, upon the execution of this Lease or with notice or the passage of time or both, would constitute a default under any debt, revenue or purchase obligation which it has issued or to which it is a party (the "Obligation") nor has it been in default under any Obligation at any time during the past five (5) years, and (e) no lease, rental agreement or contract for purchase, to which Lessee has been a party, at any time during the past five (5) years, has been terminated by Lessee as a result of insufficient funds being appropriated in any fiscal period.
6. **LESSEE CERTIFICATION:** Lessee warrants and covenants that (i) it is a state, or a political subdivision thereof, within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and the related regulations and rulings thereunder; (ii) subject to Section 8 hereof, Lessee's obligation under this Lease constitutes an enforceable obligation issued by or on behalf of a state, or political subdivision thereof, such that any interest income derived under this Lease and due Lessor or its Assignee, including, but not limited to, those amounts designated as interest in Exhibit C, will not be includable in the gross income of Lessor, its Assignee or any participants with such for the purposes of federal income taxation; (iii) this Lease represents a valid deferred payment obligation of Lessee for the amount herein set forth; (iv) Lessee has the legal capacity to enter into this Lease and is not in contravention of any state, county, district, city or town statute, rule, regulation or other governmental provision; (v) during the Lease Term, the Equipment will not be used in a trade or business of any other person or entity; (vi) Lessee will complete and file on a timely basis, Internal Revenue Service form 8038G or 8038GC, as appropriate, in the manner set forth in Section 149(e) of the Code; and (vii) Lessee will not take any action or permit the omission of any action reasonably within its control which action or omission will cause the interest portion of any Rental Payment hereunder to be includable in gross income for federal income taxation purposes.
7. **APPROPRIATIONS AND ESSENTIAL USE:** Lessee reasonably believes that sufficient funds can be obtained to make all Rental Payments during the Lease Term. The responsible financial officer of Lessee will do all things lawfully within his or her power to obtain funds from which the Rental Payments, including any Rental Payments required by Section 4 hereof, may be made, including making provisions for such payments, to the extent necessary, in each proposed annual budget submitted for approval in accordance with applicable procedures of Lessee. Notwithstanding the foregoing, the decision whether or not to budget or appropriate funds or to extend this Lease for any subsequent annual fiscal period is solely within the discretion of the then current governing body of Lessee. It is Lessee's current intent to make the Rental Payments for the full Lease Term if funds are legally available therefore, and in that regard Lessee represents that (a) the use of the Equipment is essential to its proper, efficient, and economic functioning or to the services that it provides to its citizens; (b) Lessee has an immediate need for and expects to make immediate use of substantially all the Equipment, which need is not temporary or expected to diminish in the foreseeable future; and (c) the Equipment will be used by the Lessee only for the purpose of performing one or more of its governmental or proprietary functions consistent with the permissible scope of its authority.
8. **NONAPPROPRIATION OF FUNDS:** In the event no funds or insufficient funds are appropriated and budgeted or otherwise made available for Rental Payments, including any Rental Payments required by Section 4 hereof, for any fiscal period in which the Rental Payments for the Equipment are due under this Lease, then, without penalty, liability or expense to Lessee, this Lease will thereafter terminate and be rendered null and void on the last day of the fiscal period for which appropriations were made, except as to (i) the portions of the Rental Payments herein agreed upon for which funds have been appropriated and budgeted or are otherwise available and (ii) Lessee's other obligations and liabilities under this Lease relating to, accruing or arising prior to such termination. Lessee will, not less than sixty (60) days prior to the end of such applicable fiscal period, in writing, notify Lessor and any Assignee of such occurrence, but failure to give such notice will not prevent such termination. In the event of such termination, Lessee agrees to peaceably surrender possession of the Equipment to Lessor or its Assignee on the day of such termination, or to transport the Equipment to any reasonable location designated by Lessor within a 50 mile radius of Lessee's principle place of business, all at the expense of Lessee, Lessor or its Assignee may exercise all available legal and equitable rights and remedies in retaking possession of the Equipment.
9. **EXCLUSION OF WARRANTIES; LIMITATIONS OF LIABILITY; DISCLAIMER OF CONSEQUENTIAL DAMAGES:** LESSEE HAS SELECTED BOTH THE EQUIPMENT AND THE VENDOR(S) FROM WHOM LESSOR IS TO PURCHASE THE EQUIPMENT IN RELIANCE HEREON. LESSEE ACKNOWLEDGES AND AGREES THAT THE EQUIPMENT IS OF A SIZE, DESIGN AND CAPACITY SELECTED BY LESSEE, THAT LESSOR IS NOT A MANUFACTURER, VENDOR, DISTRIBUTOR OR LICENSOR OF SUCH EQUIPMENT, AND THAT LESSOR LEASES THE EQUIPMENT AS IS AND HAS NOT MADE, AND DOES NOT HEREBY MAKE, ANY REPRESENTATION, WARRANTY OR COVENANT, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALITY, DURABILITY, DESIGN, OPERATION, FITNESS FOR USE, OR SUITABILITY OF THE EQUIPMENT IN ANY RESPECT WHATSOEVER OR IN CONNECTION WITH OR FOR THE PURPOSES AND USES OF LESSEE, OR ANY OTHER REPRESENTATION, WARRANTY OR COVENANT OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT THERETO INCLUDING ANY WARRANTIES OF TITLE OR AGAINST

INFRINGEMENT OR ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR PRACTICE, ALL OF WHICH ARE SPECIFICALLY DISCLAIMED BY LESSOR AND IN NO EVENT SHALL LESSOR BE OBLIGATED OR LIABLE FOR ACTUAL, INCIDENTAL, CONSEQUENTIAL OR OTHER DAMAGES OF OR TO LESSEE OR ANY OTHER PERSON OR ENTITY ARISING OUT OF OR IN CONNECTION WITH THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO THE SALE, LEASE, USE, PERFORMANCE OR MAINTENANCE OF THE EQUIPMENT, INCLUDING INTERRUPTION OF SERVICE, LOSS OF DATA, LOSS OF REVENUE OR PROFIT, LOSS OF TIME OR BUSINESS, OR ANY SIMILAR LOSS, EVEN IF ANY SUCH PERSON IS ADVISED IN ADVANCE OF THE POSSIBILITY OR CERTAINTY OF SUCH DAMAGES AND EVEN IF LESSEE ASSERTS OR ESTABLISHES A FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY PROVIDED IN THIS LEASE.

Lessee acknowledges that neither the original vendor nor licensor of the Equipment (including the salespersons of any of them) is an agent of Lessor, nor are they authorized to waive or alter any terms of this Lease. Lessee hereby waives any claim (including any claim based on strict or absolute liability in tort) it might have against Lessor or any assignee of the Lessor for any loss, damage or expense caused by or with respect to the Equipment. Lessor hereby assigns to Lessee during the Lease Term, to the extent permitted by law, and to the extent received by Lessor, all manufacturer's warranties, if any, that it may have with respect to the Equipment, and Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties at Lessee's expense. Lessor authorizes Lessee, to the extent permitted by law, to enforce in its own name any warranty, representation or other claim enforceable against the manufacturer. Lessor assumes no responsibility for shipment, delivery, installation or maintenance, and all claims of Lessee with respect thereto, whether for delay, damage or otherwise, will be made against the manufacturer. Lessor, at its option, may provide in its purchase order that the manufacturer agrees that any of such claims may be made by Lessee directly against the manufacturer. The obligation of Lessee to pay the Rental Payments as defined in Section 4 will not be abated, impaired or reduced by reason of any claims of Lessee with respect to the Equipment, including but not limited to its condition, quality, workmanship, delivery, shipment, installation, defects or otherwise.

10. **TITLE, SECURITY INTEREST:** Title to the Equipment is deemed to be in Lessee so long as no Event of Default pursuant to section 19 below has occurred and/or this Lease has not been terminated pursuant to the provisions of Section 8 above. Upon the earlier of (i) termination of this Lease in accordance with Section 8 above or (ii) the occurrence of an Event of Default by Lessee pursuant to Section 19 below, title will immediately revert to Lessor free of any right, title or interest of Lessee unless Lessor elects otherwise. In order to secure all of Lessee's obligations hereunder, Lessee hereby (a) to the extent permitted by law, grants to Lessor a first and prior security interest in any and all rights, titles and interest of Lessee in the Lease, the Equipment and in all additions, attachments, accessions, accessories, replacements, improvements and substitutions thereto, now or hereafter acquired, together with all rents, issues, income, profits and proceeds thereof, including insurance proceeds; (b) agrees that financing statements evidencing such security interest may be filed; and (c) agrees to execute and deliver all certificates of title and other instruments necessary or appropriate to evidence and perfect such security interest. Lessee further agrees that the Uniform Commercial Code will apply as between the parties hereto and Assignees of Lessor.
11. **PERSONAL PROPERTY:** The Equipment is, and will remain, personal property and will not be deemed to be affixed or attached to real property or any building thereon. If requested by Lessor, Lessee will, at Lessee's expense, furnish to Lessor landlord or mortgagee waiver with respect to the Equipment.
12. **USE; REPAIRS:** Lessee will use the Equipment in a careful manner for the use contemplated by the manufacturer of the Equipment and will comply with all laws, ordinances, insurance policies and regulations relating to, and will pay all costs, claims, damages, fees and charges arising out of, its possession, use or maintenance. Lessee, at its sole costs and expense, will maintain the Equipment according to the manufacturer's recommended guidelines or the equivalent and meet any and all recertification requirements and will furnish proof of such maintenance, if requested by Lessor and will furnish all needed servicing and parts, which parts will become part of the Equipment. If the Equipment is such as is customarily covered by a maintenance agreement, Lessee will furnish Lessor with a maintenance agreement with a party satisfactory to Lessor.
13. **ALTERATIONS:** Lessee will not make any alterations, additions or improvements to the Equipment without Lessor's prior written consent, and any permitted alteration or attachment which cannot be readily removed without damaging the Equipment's originally intended function or value will become part of the Equipment.
14. **LOCATION; INSPECTION:** The Equipment will not be removed from, or if the Equipment consists of rolling stock, its permanent base will not be changed from the Equipment Location without Lessor's prior written consent, which consent will not be unreasonably withheld. Lessor will be entitled to enter upon the Equipment Location or elsewhere during reasonable business hours to inspect the Equipment or observe its use and operations.
15. **LIENS AND TAXES:** Lessee will keep the Equipment free and clear of all levies, liens and encumbrances except those created under this Lease. Lessee will pay, when due, all charges and taxes (federal, state and local) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Equipment, excluding however, all taxes on or measured by Lessor's income. If Lessee fails to pay said charges and taxes when due, Lessor will have the right, but will not be obligated, to pay said charges and taxes. If Lessor pays any charges or taxes for which Lessee is responsible or liable under this Lease, Lessee will, upon demand, reimburse Lessor therefor.

- 16. RISK OF LOSS; DAMAGE; DESTRUCTION:** Lessee assumes all risk of loss of or damage to the Equipment from any cause whatsoever, and no such loss of or damage to the Equipment will relieve Lessee of the obligation to make the Rental Payments or to perform any other obligation under this Lease. In the event of damage to any item of Equipment, Lessee will immediately place the same in good repair (the proceeds of any insurance recovery will be applied to the cost of such repair). If Lessor determines that any item of Equipment is lost, stolen, destroyed or damaged beyond repair, Lessee, at the option of Lessor, will (a) replace the same with like equipment in good repair; or (b) on the next Rental Payment date pay to Lessor (i) all amounts owed by Lessee under this Lease, including the Rental Payment due on such date, and (ii) an amount not less than the balance of the Rental Payments then remaining unpaid hereunder. In the event that Lessee is obligated to make such payment with respect to less than all of the Equipment, Lessor will provide Lessee with the pro rata amount of the Rental Payment and the balance of the Rental Payments then remaining unpaid hereunder, as applicable, to be made by Lessee with respect to the Equipment which has suffered the event of loss.
- 17. INSURANCE:** Lessee will, at its expense, maintain at all times during the Lease Term (a) fire and extended coverage, public liability and property damage insurance with respect to the Equipment in such amounts, covering such risks, and with such insurers as will be satisfactory to Lessor. In no event will the insurance limits be less than the greater of (i) an amount equal to the balance of the Rental Payments then remaining for the Lease Term or (ii) any minimum required by any co-insurance provisions of such insurance, (b) liability insurance that protects Lessor from liability in all events in form and amount satisfactory to Lessor, and (c) workers' compensation coverage as required by the laws of the state in which Lessee is located. Each insurance policy required by clause (b) of the preceding sentence will name Lessee as an insured and Lessor or its assigns as an additional insured and loss payee, as appropriate, and each insurance policy required by the preceding sentence will contain a clause requiring the insurer to give Lessor or its Assignee at least thirty (30) days prior written notice of any alteration in the terms of such policy or the cancellation thereof. The proceeds of any such policies will be payable to Lessee and Lessor or its assigns, as their interest may appear. Upon acceptance of the Equipment and upon each insurance renewal date, Lessee will deliver to Lessor a certificate evidencing such insurance. In the event of any loss, damage, injury or accident involving the Equipment, Lessee will promptly provide Lessor with written notice hereof and make available to Lessor all information and documentation relating thereto. Notwithstanding the foregoing, with Lessor's prior written consent, Lessee may self-insure against any and all risks for which insurance is required.
- 18. INDEMNIFICATION:** To the extent permitted by law, and solely from legally available funds, Lessee agrees to indemnify Lessor against, and hold Lessor, its Assignees, or any participants with such, harmless from, any and all claims, actions, proceedings, expenses, damages, liabilities or losses (including, but not limited to, attorneys' fees and court costs) arising in connection with the Equipment, including, but not limited to, its selection, purchase, delivery, possession, use, operation or return and the recovery of claims under insurance policies thereon.
- 19. EVENTS OF DEFAULT:** The Term "Event of Default" as used in this Lease, means the occurrence of any one or more of the following events: (a) Lessee fails to make any Rental Payment (or any other payment) as it becomes due in accordance with the terms of this Lease, and any such failure continues for ten (10) days after the date thereof; (b) Lessee fails to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder and such failure is not cured within ten (10) days after written notice thereof by Lessor; (c) the discovery by Lessor that any statement, representation or warranty made by Lessee in this Lease or in any document delivered by Lessee pursuant hereto or in connection herewith is false, misleading or erroneous in any material respect; (d) Lessee becomes insolvent, is unable to pay its debts as they become due, makes an assignment for the benefit of creditors, applies or consents to the appointment of a receiver, trustee, conservator or liquidator of Lessee or of all or substantial part of its assets, a petition for relief is filed by Lessee under federal bankruptcy, insolvency or similar laws, or a petition in a proceeding under any bankruptcy, insolvency or similar laws, is filed against Lessee and is not dismissed within thirty (30) days thereafter; (e) Lessee suffers an adverse material change in its financial condition or operations from the date hereof and, as a result, Lessor deems itself insecure; or (f) Lessee is in default under any other agreement executed at any time with Lessor, its affiliates or Lessor's Assignee or under any other agreement or instrument by which it is bound.
- 20. REMEDIES:** Upon the occurrence of an Event of Default, Lessor may, at its option, exercise any one or more of the following remedies: (a) by written notice to Lessee, declare an amount equal to all amounts then due under this Lease and all remaining Rental Payments which will become due during the then current fiscal year of Lessee to be immediately due and payable, whereupon the same will become immediately due and payable; (together with interest on such amount at the lesser of one and one-half (1 ½ %) percent per month or the maximum permitted by law from the date on which Lessor has declared this Lease to be in default; (b) by written notice to Lessee, request Lessee to (and Lessee agrees that it will), at Lessee's expense, promptly return the Equipment to Lessor in the manner set forth in Section 8 hereof, or Lessor, at its option, may enter upon the premises where the Equipment is located with Lessee's consent, which shall not be unreasonably withheld and during normal business hours, and take immediate possession of and remove the same without liability to Lessor or its agents; (c) to the best of Lessor's ability, make a commercially reasonable disposition of the Equipment, sell or lease the Equipment or sublease it for the account of Lessee, holding Lessee liable for (i) all Rental Payments and other payments due to the effective date of such selling, leasing or subleasing, and (ii) for the difference between the purchase price, rental and other amounts paid by the purchaser, lessee or sublessee pursuant to such sale, lease or sublease and the remaining amounts payable by the Lessee through the end of the then current fiscal year of Lessee hereunder; and (d) exercise any other right, remedy or privilege which may be available to it under applicable law, including the right to (i) proceed by appropriate court action to enforce the terms of this Lease, (ii) recover damages for the breach of this Lease, and (iii) rescind this Lease as to any or all of the Equipment.

In addition, Lessee will remain liable for all covenants and indemnities under this Lease and for all legal fees and other costs and expenses, including court costs, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor.

- 21. EARLY PURCHASE OPTION:** Lessee may, upon sixty (60) days prior written notice to Lessor, and provided Lessee has fully paid and performed all other obligations hereunder and provided no Event of Default has occurred and is continuing, pay to Lessor the applicable amount set forth on Exhibit C attached hereto, whereupon title to the Equipment will become unconditionally vested in Lessee, and Lessor will transfer any and all of its right, title and interest in the Equipment to Lessee as is, where is, without warranty, express or implied, except that Lessor will warrant to Lessee that the Equipment is free and clear of any liens created by Lessor.
- 22. ASSIGNMENT:** Except as expressly provided herein, Lessee will not (a) assign, transfer, pledge, hypothecate or grant any security interest in, or otherwise dispose of, this Lease or the Equipment or any interest in this Lease or the Equipment or (b) sublet or lend the Equipment or permit the Equipment to be used by anyone other than Lessee or Lessee's employees unless Lessee obtains the prior written consent of Lessor and an opinion of nationally recognized counsel in the area of tax-exempt municipal obligations satisfactory to Lessor that such action will not adversely affect the exclusion of the interest portions of the Rental Payments from gross income for federal income tax purposes.

Lessor, without the consent of Lessee, may assign all or any portion or portions of its right, title and interest in and to this Lease, the Equipment and any other documents executed with respect to this Lease, and/or grant or assign all or any portion or portions of its security interest in this Lease and the Equipment, in whole or in part to various assignees, their agents or trustees (each and any one hereinafter referred to as an "Assignee"). Any such assignment to an Assignee may provide that the Lessor or the Assignee will act as a collection and paying agent for owners of certificates of participation in this Lease, or may provide that a third-party trustee or agent will act as collection and paying agent for any Assignee, provided that any such trustee or agent will maintain registration books as a register of all persons who are owners of certificates of participation or other interest in Rental Payments and Lessee receives written notification of the name and address of the trustee or agent and a copy of the pooling and fractionalization agency or trustee agreement, if any. Any such Assignee will have all of the assigned rights of Lessor under this Lease. Subject to the foregoing, this Lease will inure to the benefit of and will be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto. Any assignment or reassignment of any of Lessor's right, title or interest in this Lease or the Equipment will be effective upon receipt by Lessee of a duplicate original of the counterpart document by which the assignment or reassignment is made, disclosing the name and address of each such Assignee and, where applicable, to whom further payments hereunder should be made. During the Lease Term, Lessee covenants that it will keep a complete and accurate record of all assignments in form necessary to comply with Section 149(a) of the Code and the regulations, proposed or existing, from time to time promulgated thereunder. Lessee agrees to acknowledge in writing any assignments if so required.

Lessee agrees that, upon notice of assignment, if so instructed it will pay directly to the Assignee, or its Trustee or Agent without abatement, deduction or setoff all amounts which become due hereunder. Lessee further agrees that it will not assert against any Assignee, Trustee or Agent any defense, claim, counterclaim or setoff on account of any reason whatsoever with respect to any Rental Payments or other amounts due hereunder or with respect to any action brought to obtain possession of the Equipment pursuant to this Lease.

- 23. FINANCIAL STATEMENTS:** Each year during the term of this Lease, Lessee hereby agrees to deliver to Lessor a copy of: (i) annual audited financial statements within one hundred twenty (120) days of Lessee's fiscal year-end; and (ii) within a reasonable period of time, any other financial information Lessor requests from time to time.
- 24. NATURE OF AGREEMENT:** Lessor and Lessee agree that upon the due and punctual payment and performance of the installments of Rental Payments and other amounts and obligations under this Lease, title to the Equipment will vest permanently in Lessee as provided in this Lease, free and clear of any interest, lien or security of Lessor therein.
- 25. AMENDMENTS:** This Lease may be amended or any of its terms modified for the purpose of adding Equipment, with the written consent of the parties hereto. In such event, additions to or additional exhibits attached hereto will be executed by Lessee. All other amendments or modifications of the terms of this Lease (except for the addition or serial numbers for the Equipment as set forth in the Acceptance Certificate) must be accomplished by written consent of Lessee and Lessor, or its Assignee, if any; provided, however, that no amendment of this Lease will operate to reduce or delay any Rental Payments to be made hereunder without the consent of Lessor, or its Assignee, at the time of such amendment.
- 26. NOTICES:** All notices to be given under this Lease must be made in writing and mailed by certified mail to the other party at its address set forth herein or at such address as the party may provide in writing from time to time. Any such notice will be deemed to have been received five (5) days subsequent to mailing.
- 27. SECTION HEADINGS:** All section headings contained herein are for the convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

- 28. **GOVERNING LAW:** This Lease will be governed by the provisions hereof and by the laws of the State of Texas and will comply with the Texas Public Property Finance Act.
- 29. **FURTHER ASSURANCES:** Lessee will deliver to Lessor (i) an opinion of counsel in substantially the form of Exhibit D attached hereto or as Lessor may otherwise request; and (ii) if applicable, a certificate of a duly authorized official as to designation as a qualified tax-exempt obligation. Moreover, Lessee will execute or provide, as requested by Lessor, any documents and information that are reasonably necessary with respect to the transaction contemplated by this Lease.
- 30. **ENTIRE AGREEMENT:** This Lease, together with the exhibits attached hereto and made a part hereof and other attachments hereto and other documents or instruments executed by Lessee and Lessor in connection herewith, constitute the entire agreement between the parties with respect to the lease of the Equipment, and this Lease will not be modified, amended, altered or changed except with the written consent of Lessee or Lessor.
- 31. **SEVERABILITY:** Any provision of this Lease found to be prohibited by law will be ineffective to the extent of such prohibition without invalidating the remainder of this Lease.
- 32. **WAIVER:** The waiver by Lessor of any breach by Lessee of any term, covenant or condition, hereof will not operate as a waiver of any subsequent breach hereof.
- 33. **CERTIFICATION AS TO ARBITRAGE:** Lessee hereby represents as follows:
 - (a) The estimated total costs of the Equipment will not be less than the total principal amount of the Rental Payments.
 - (b) The Equipment has been ordered or is expected to be ordered within six months of the effective date of this Lease, and the Equipment is expected to be delivered and installed, and the Vendor fully paid, within one (1) year of the effective date of this Lease.
 - (c) Lessee has not created or established, and does not expect to create or establish, any sinking fund or other similar fund (i) that is reasonably expected to be used to pay the Rental Payments, or (ii) that may be used solely to prevent a default in the payment of Rental Payments.
 - (d) The Equipment has not been, and is not expected to be, sold or otherwise disposed of by Lessee, either in whole or in major part, prior to the final Rental Payment.
 - (e) To the best of Lessee's knowledge, information and belief, the above expectations are reasonable.
- 34. **ELECTRONIC TRANSACTIONS.** The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT, ARE NOT ENFORCEABLE. TO PROTECT YOU (LESSEE(S) AND US (LESSOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

BY SIGNING BELOW, YOU AND WE AGREE THAT THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN US.

LESSOR: Clayton Holdings, LLC _____ LESSEE: _____

DATE: _____ DATE: _____
 BY: (PRINTED NAME AND TITLE) BY: (PRINTED NAME AND TITLE)

Authorized Signature and Title: _____ Authorized Signature and Title: _____

EXHIBIT A TO
STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT
Lease No. _____

Description of Equipment	
DESCRIPTION OF LEASED EQUIPMENT (Make, Kind, Model Number, Serial Number, Any other pertinent identification)	
TOTAL	\$

Location of Equipment

Street Address:

City:

County:

State:

Zip Code:

Lessee hereby certifies that the description of the property set forth above constitutes an accurate account of the Equipment as referred to in the Lease.

LESSEE:

BY: (AUTHORIZED SIGNATURE) | (PRINTED NAME & TITLE)

X

DATE:

EXHIBIT B TO
STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT
Lease No. _____

DELIVERY AND ACCEPTANCE CERTIFICATE

TO: Clayton Holdings, LLC

Reference is made to the State and Municipal Lease/Purchase Agreement between the undersigned _____ ("Lessee"), and Clayton Holdings, LLC ("Lessor"), dated _____ ("Lease") and to the Equipment as such term is defined therein. In connection therewith we are pleased to confirm to you the following:

1. All of the Equipment has been delivered to and received by the undersigned; all installation or otherwork necessary prior to the use thereof has been completed; said Equipment has been examined and/or tested and is in good operating order and condition and is in all respects satisfactory to the undersigned and as represented, and said Equipment has been accepted by the undersigned and complies with all terms of the Lease. Consequently, you are hereby authorized to pay for the Equipment in accordance with the terms of any purchase orders for the same.
2. In the future, in the event the Equipment fails to perform as expected or represented we will continue to honor the Lease in all respects and continue to make our rental and other payments thereunder in the normal course of business and we will look solely to the vendor, distributor or manufacturer for recourse.
3. We acknowledge that Lessor is neither the vendor nor manufacturer or distributor of the Equipment and has no control, knowledge or familiarity with the condition, capacity, functioning or other characteristics of the Equipment
4. The serial number for each item of Equipment which is set forth on Exhibit A to the Lease is correct.

This certificate will not be considered to alter, construe, or amend the terms of the Lease.

LESSEE:

WITNESS:

BY: (AUTHORIZED SIGNATURE) | (PRINTED NAME & TITLE)

X

DATE:

Federal Tax ID #:

EXHIBIT C

Lessee: _____
 Lessor: _____
 Lease Number: _____
 Lease Term in Months: _____
 Rental Periods: _____
 First Payment Date: _____

 Capital Cost of Equipment: _____

Rental Payment Date	Payment Amount	Amount Credited to Interest	Amount Credited to Capital Cost	*Outstanding Principal Balance
	\$ -	\$ -	\$ -	-

*Modified - Standard Prepayment - In the event Lessee desire to prepay the Lease, they may do so in whole, but not in part at a premium of the then current outstanding principal balance, calculated as follows; 3% in year (1), 2% in year (2), and 1% in each year thereafter until maturity. There is no prepayment penalty if Lessee is using internally generated funds for prepayment.

Interest, if any, accruing from the Start Date to the actual date of funding shall be retained by Lessor as additional consideration for entering into this Lease Purchase Agreement.

LESSEE: _____
 SIGNED BY: _____
 TITLE: _____

EXHIBIT D TO
STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT

Lease No. _____

OPINION OF COUNSEL
(To be on Letterhead of Lessee's Counsel)
[Date]

Re: State and Municipal Lease/Purchase Agreement No. _____, dated _____, 20__ (the "Lease"),
between Clayton Holdings, LLC ("Lessor") and _____ ("Lessee")

Ladies and Gentlemen:

As legal counsel to Lessee, I have examined (a) the Lease, which, among other things, provides for the sale to and purchase by the Lessee of the Equipment, (b) an executed counterpart of the ordinance or resolution of Lessee which, among other things, authorizes Lessee to execute the Lease and (c) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinions.

Based on the foregoing, I am of the following opinions:

1. Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) police power.
2. Lessee has the requisite power and authority to purchase the Equipment and to execute and deliver the Lease and to perform its obligations under the Lease.
3. The Lease and the other documents either attached thereto or required therein have been duly authorized, approved and executed by and on behalf of Lessee, and the Lease is a valid and binding obligation of Lessee enforceable in accordance with its terms.
4. The authorization, approval and execution of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable state and federal laws.
5. There is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Lease or the security interest of Lessor or its assigns, as the case may be, in the Equipment.

Furthermore, I confirm that the name of the Lessee as stated in the Lease, as _____ is the exact legal name of the Lessee for all purposes contemplated herein.

All capitalized terms herein shall have the same meanings as in the Lease. Lessor, its successors and assigns and any counsel rendering an opinion on the tax-exempt status of the interest components of Rental Payments are entitled to rely on this opinion.

Very truly yours,

EXHIBIT E TO
STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT

Lease No. _____

[ORDINANCE][RESOLUTION] OF LESSEE'S GOVERNING BODY

The undersigned, being the officer identified below of _____ (the "Lessee"), hereby certifies that the following is a true and correct copy of [an ordinance][a resolution] adopted by the governing body of the Lessee at a meeting duly held on _____, 20__.

* * * *

WHEREAS, in order to facilitate the acquisition of certain equipment for use by the Lessee and to pay the cost thereof, it is necessary and desirable for the Lessee to enter into a State & Municipal Lease/Purchase Agreement (together with all Exhibits and Schedules, the "Lease") with Clayton Holdings, LLC (together with its successors and assigns, the "Lessor"), pursuant to which the Lessee will lease the Equipment from the Lessor with an option to purchase; and

NOW, THEREFORE, BE IT [ORDAINED][RESOLVED] BY THE GOVERNING BODY OF LESSEE, AS FOLLOWS:

Section 1. Approval of the Lease. The Lease is hereby approved in substantially the forms submitted to and reviewed by the governing body of the Lessee on the date hereof, with such changes therein as shall be approved by the following officer of the Lessee, said officer's execution thereof to be conclusive evidence of the approval thereof:

<u>Title</u>	<u>Printed Name</u>	<u>Signature</u>
_____	_____	_____
_____	_____	_____

Said officer is hereby authorized and directed to execute and deliver the Lease on behalf of and as the act and deed of the Lessee, and to affix the seal of the Lessee, if applicable.

Section 2. Further Authority. The Lessee shall, and the officials and agents of the Lessee are hereby authorized and directed to, take such action, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this [ordinance][resolution] and to carry out, comply with and perform the duties of the Lessee with respect to the Lease and the Equipment.

* * *

I further certify that the foregoing ordinance has not been modified, amended or repealed and is in full force and effect as of the date hereof.

WITNESS my hand this _____ day of _____ 20__.

Lessee:

Title: _____

STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT

Lease No. _____

ESSENTIAL USE/SOURCE OF FUNDS LETTER

[Date]

Clayton Holdings, LLC
8000 Forsyth Boulevard
St. Louis, Missouri 63105

Re: State and Municipal Lease/Purchase Agreement No. _____, dated _____, 20__ (the "Lease"), between Clayton Holdings, LLC ("Lessor") and _____ ("Lessee")

Ladies and Gentlemen:

This confirms and affirms that the Equipment described in the Lease is essential to the function of the undersigned or to the service we provide to our citizens.

Further, we have an immediate need for, and expect to make immediate use of, substantially all such Equipment, which need is not temporary or expected to diminish in the foreseeable future. Such Equipment will be used by us only for the purpose of performing one or more of our governmental or proprietary functions consistent with the permissible scope of our authority. Specifically, such Equipment was selected by us to be used as follows: _____

The estimated useful life of such Equipment based upon manufacturer's representations and our projected needs is _____ years.

Our source of funds for payments of the Rental Payments due under the Lease for the current fiscal year is _____.

We currently expect and anticipate adequate funds to be available for all future payments of rent due after the current fiscal year for the following reasons:

Very truly yours,

LESSEE: _____

WITNESS: _____

BY: (AUTHORIZED SIGNATURE)

| (PRINTED NAME & TITLE)

X _____

DATE: _____

Proof of Insurance

Insurance Agent Name: _____
Agency Name: _____
Address: _____
Phone Number: _____
E-Mail: _____

Ladies and Gentlemen:

Please add Clayton Holdings, LLC, as both sole loss payee under property insurance covering the equipment listed on attached Exhibit A and additional insured under the general liability insurance policy. The minimum liability coverage is \$1,000,000.00. Please mail or fax an insurance certificate to:

Clayton Holdings, LLC
P.O. Box 11309
St. Louis, MO 63105
Fax # 314-746-3744

Please note that the Bank requires 30 day written notice of cancellation of the policy covering leased equipment.

Lessee:

By: _____

Title: _____

Date: _____

DISBURSEMENT LETTER

To: Clayton Holdings, LLC

RE: Lease Number:

Date:

Gentlemen:

Please disburse the proceeds of the above lease as follows:

[INSERT DISBURSEMENT OF PROCEEDS HERE]

TOTAL DISBURSUREMENT: \$

Sincerely,

[LESSEE'S NAME HERE]
LESSEE

By: _____

ESCROW AGREEMENT

This Escrow Agreement (the "Escrow Agreement"), dated as of _____, and entered into among **CLAYTON HOLDINGS, LLC**, (together with its successors and assigns, "Lessor"), _____, existing under the laws of Texas ("Lessee"), and **COMMERCE BANK**, a Missouri banking corporation, as escrow agent (together with its successors and assigns, the "Escrow Agent").

Name of Acquisition Fund: " _____ Acquisition Fund"
Amount of Deposit into the Acquisition Fund: \$ _____

TERMS AND CONDITIONS

1. This Escrow Agreement relates to and is hereby made a part of the State and Municipal Lease/Purchase Agreement No. _____ dated as of _____, (the "Lease"), between Lessor and Lessee.
2. Except as otherwise defined herein, all terms defined in the Lease shall have the same meaning for the purposes of this Escrow Agreement as in the Lease.
3. Lessor, Lessee and the Escrow Agent agree that the Escrow Agent will act as sole Escrow Agent under the Lease and this Escrow Agreement, in accordance with the terms and conditions set forth in this Escrow Agreement. The Escrow Agent shall not be deemed to be a party to the Lease, and this Escrow Agreement shall be deemed to constitute the entire agreement between Lessor and Lessee and the Escrow Agent.
4. There is hereby established in the custody of the Escrow Agent a special trust fund designated as set forth above (the "Acquisition Fund") to be held and administered by the Escrow Agent in trust for the benefit of Lessor and Lessee in accordance with this Escrow Agreement.
5. Lessor shall deposit in the Acquisition Fund the amount specified above. Moneys held by the Escrow Agent hereunder shall be invested and reinvested by the Escrow Agent upon written order of an authorized Lessee representative, in accordance with the Arbitrage Instructions attached as **Exhibit A**, in Qualified Investments (as defined below) maturing or subject to redemption at the option of the holder thereof prior to the date on which it is expected that such funds will be needed. If an Authorized Lessee Representative fails to timely direct the investment of any moneys held hereunder, the Escrow Agent shall invest and reinvest such moneys in Qualified Investments described in 6(vi) below. Such investments shall be held by the Escrow Agent in the Acquisition Fund; any interest and gain earned on such investments shall be deposited in the Acquisition Fund, and any losses on such investments shall be charged to the Acquisition Fund. The Escrow Agent may act as purchaser or agent in the making or disposing of any investment. Qualified Investments described in 6(vi) below will be subject to an annualized sweep fee charged monthly to the earnings on monies invested.
6. "Qualified Investments" means, to the extent the same are at the time legal for investment of the funds being invested: (i) direct general obligations of the United States of America; (ii) obligations the timely payment of principal of and interest on which is fully and unconditionally guaranteed by the United States of America; (iii) general obligations of the agencies and instrumentalities of the United States of America acceptable to Lessor; (iv) certificates of deposit, time deposits or demand deposits with

any bank or savings institution including the Escrow Agent or any affiliate thereof, provided that such certificates of deposit, time deposits or demand deposits, if not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, are fully secured by obligations described in (i), (ii) or (iii) above; or (v) repurchase agreements with any state or national bank or trust company, including the Escrow Agent or any affiliate thereof, that are secured by obligations of the type described in (i), (ii) or (iii) above, provided that such collateral is free and clear of claims of third parties and that the Escrow Agent or a third party acting solely as agent for the Escrow Agent has possession of such collateral and a perfected first security interest in such collateral; or (vi) money market mutual funds that are invested in securities described in (i), (ii) or (iii) and that are rated "Aaa" by Moody's Investors Service or "AAAm-G" by Standard & Poor's Ratings Services or the comparable rating by Fitch IBCA, Inc.

7. Moneys in the Acquisition Fund shall be used to pay for the cost of acquisition of the Equipment listed in the Lease. Such payment shall be made from the Acquisition Fund upon presentation to the Escrow Agent of one or more properly executed Payment Request and Acceptance Certificates, a form of which is attached as **Exhibit B**, executed by Lessee and approved by Lessor, together with an invoice for the cost of the acquisition of said Equipment and a written approval by Lessor of the Vendor be paid. In making any disbursement pursuant to this **Section 7**, the Escrow Agent may conclusively rely as to the completeness and accuracy of all statements in such Payment Request and Acceptance Certificate, and the Escrow Agent shall not be required to make any inquiry, inspection or investigation in connection therewith. The approval of each Payment Request and Acceptance Certificate by the Lessor shall constitute unto the Escrow Agent an irrevocable determination by the Lessor that all conditions precedent to the payment of the amounts set forth therein have been completed.

8. The Acquisition Fund shall terminate upon the occurrence of the earlier of (a) the presentation of a proper Payment Request and Acceptance Certificate and the Final Acceptance Certificate, a form of which is attached as **Exhibit C**, properly executed by Lessee, or (b) the presentation of written notification by the Lessor, or, if the Lessor shall have assigned its interest under the Lease, then the assignees or subassignees of all of Lessor's interest under the Lease or an Agent on their behalf, that the Lease has been terminated pursuant to **Section 8** or **20** of the Lease. Upon termination as described in clause (a) of this paragraph, any amount remaining in the Acquisition Fund shall be used to prepay the principal portion of Rental Payments unless Lessor directs that payment of such amount be made in such other manner directed by Lessor that, in the opinion of nationally recognized counsel in the area of tax-exempt municipal obligations satisfactory to Lessor, will not adversely affect the exclusion of the interest components of Rental Payments from gross income for federal income tax purposes. If any such amount is used to prepay principal, the Rental Payment Schedule attached to the Lease shall be revised accordingly as specified by Lessor. Upon termination as described in clause (b) of this paragraph, any amount remaining in the Acquisition Fund shall immediately be paid to Lessor or to any assignees or subassignees of Lessor interest in this Lease.

9. The Escrow Agent may at any time resign by giving at least 30 days written notice to Lessee and Lessor, but such resignation shall not take effect until the appointment of a successor Escrow Agent. The substitution of another bank or trust company to act as Escrow Agent under this Escrow Agreement may occur by written agreement of Lessor and Lessee. In addition, the Escrow Agent may be removed at any time, with or without cause, by an instrument in writing executed by Lessor and Lessee. In the event of any resignation or removal of the Escrow Agent, a successor Escrow Agent shall be appointed by an instrument in writing executed by Lessor and Lessee. Such successor Escrow Agent shall indicate its acceptance of such appointment by an instrument in writing delivered to Lessor, Lessee and the predecessor Escrow Agent. Thereupon such successor Escrow Agent shall, without any further

act or deed, be fully vested with all the trusts, powers, rights, duties and obligations of the Escrow Agent under this Escrow Agreement and the predecessor Escrow Agent shall deliver all moneys and securities held by it under this Escrow Agreement to such successor Escrow Agent whereupon the duties and obligations of the predecessor Escrow Agent shall cease and terminate. If a successor Escrow Agent has not been so appointed with 90 days of such resignation or removal, the Escrow Agent may petition a court of competent jurisdiction to have a successor Escrow Agent appointed.

10. Any corporation or association into which the Escrow Agent may be merged or converted or with or into which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, shall be and become successor Escrow Agent hereunder and shall be vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument or any further act on the part of any of the parties hereto.

11. The Escrow Agent incurs no responsibility to make any disbursements pursuant to the Escrow Agreement except from funds held in the Acquisition Fund. The Escrow Agent makes no representations or warranties as to the title to any Equipment listed in the Lease or as to the performance of any obligations of Lessor or Lessee.

12. The Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instructions in connection with the provisions hereof has been duly authorized to do so. The Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner and execution, or validity of this Escrow Agreement other than its own execution thereof or any instrument deposited with it, nor as to the identity, authority or right of any person executing the same; and its duties hereunder shall be limited to those specifically provided herein.

13. Unless the Escrow Agent is guilty of negligence or willful misconduct with regard to its duties hereunder, Lessee, to the extent permitted by law, and Lessor jointly and severally hereby agree to indemnify the Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Escrow Agent under this Escrow Agreement; and in connection therewith, to indemnify the Escrow Agent against any and all expenses, including reasonable attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim.

14. The aggregate amount of the costs, fees, and expenses of the Escrow Agent in connection with the creation of the escrow described in and created by this Escrow Agreement and in carrying out any of the duties, terms or provisions of this Escrow Agreement is a one time fee in the amount of \$250.00 to be paid by Lessee concurrently with the execution and delivery of this Escrow Agreement.

Notwithstanding the preceding paragraph, the Escrow Agent shall be entitled to reimbursement from Lessor of reasonable out-of-pocket, legal or extraordinary expenses incurred in carrying out the duties, terms or provisions of this Escrow Agreement. Claims for such reimbursement may be made to Lessor and in no event shall such reimbursement be made from funds held by the Escrow Agent pursuant to this Escrow Agreement. The Escrow Agent agrees that it will not assert any lien whatsoever on any of

the money or Qualified Investments on deposit in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Escrow Agreement or otherwise.

15. If Lessee, Lessor or the Escrow Agent shall be in disagreement about the interpretation of the Lease or this Escrow Agreement, or about the rights and obligations, or the propriety of any action contemplated by the Escrow Agent hereunder, the Escrow Agent may, but shall not be required to, file an appropriate civil action to resolve the disagreement. The Escrow Agent shall be indemnified by Lessor and Lessee, to the extent permitted by law, for all costs, including reasonable attorneys' fees and expenses, in connection with such civil action, and shall be fully protected in suspending all or part of its activities under this Escrow Agreement until a final judgment in such action is received.

16. The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection for any action or non-action taken by the Escrow Agent in accordance with the opinion of such counsel. The Escrow Agent shall otherwise not be liable for any mistakes of facts or errors of judgment, or for any acts or omissions of any kind unless caused by its negligence or willful misconduct.

17. This Escrow Agreement shall be governed by and construed in accordance with the laws of the state in which the Escrow Agent is located.

18. In the event any provision of this Escrow Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

19. This Escrow Agreement may not be amended except by a written instrument executed by Lessor, Lessee and the Escrow Agent.

20. This Escrow Agreement may be executed in several counterparts, each of which so executed shall be an original.

IN WITNESS WHEREOF, Lessor, Lessee and the Escrow Agent have caused this Escrow Agreement to be executed by their duly authorized representatives.

CLAYTON HOLDINGS, LLC
LESSOR

By: _____
Title: _____

CITY OF ROWLETT, TEXAS
LESSEE

By: _____
Title: _____

COMMERCE BANK
ESCROW AGENT

By: _____
Title: _____

EXHIBIT A

ARBITRAGE INSTRUCTIONS

These Arbitrage Instructions provide procedures for complying with § 148 of the Internal Revenue Code of 1986, as amended (the "Code"), in order to preserve the exclusion from federal gross income of the interest portions of the Rental Payments under the Lease.

1. Temporary Period/Yield Restriction. Except as described in this paragraph, money in the Acquisition Fund must not be invested at a yield greater than the yield on the Lease. Proceeds of the Lease in the Acquisition Fund and investment earnings on such proceeds may be invested without yield restriction for three years after the Start Date of the Lease. If any unspent proceeds remain in the Acquisition Fund after three years, such amounts may continue to be invested without yield restriction so long as Lessee pays to the IRS all yield reduction payments under § 1.148-5(c) of the Treasury Regulations.

2. Opinion of Bond Counsel. These Arbitrage Instructions may be modified or amended in whole or in part upon receipt of an opinion of nationally recognized counsel in the area of tax-exempt municipal obligations, satisfactory to Lessor, that such modifications and amendments will not adversely affect the exclusion of the interest components of Rental Payments from gross income for federal income tax purposes.

EXHIBIT B

FORM OF PAYMENT REQUEST AND ACCEPTANCE CERTIFICATE

To: CLAYTON HOLDINGS, LLC, Lessor
COMMERCE BANK, Escrow Agent
8000 Forsyth Blvd.
St. Louis, Missouri 63105

Re: _____ Acquisition Fund established by the Escrow Agreement, dated as of _____ (the "Escrow Agreement") among Clayton Holdings, LLC, as lessor ("Lessor"), _____ ("Lessee") and Commerce Bank, as Escrow Agent (the "Escrow Agent")

Ladies and Gentlemen:

The Escrow Agent is hereby requested to pay from the Acquisition Fund to the person or corporation designated below as Payee, the sum set forth below in payment of a portion or all of the cost of the acquisition of the equipment or the interest portions of Rental Payment(s) described below. The amount shown below is due and payable under the invoice of the Payee attached hereto with respect to the cost of the acquisition of the equipment or payment of the interest portions of Rental Payment(s) and has not formed the basis of any prior request for payment.

The equipment described below is part or all of the "Equipment" that is listed in State and Municipal Lease/Purchase Agreement dated as of _____ (the "Lease") described in the Escrow Agreement.

Equipment:

Payee: _____

Amount: \$

Lessee hereby certifies and represents to and agrees with Lessor and the Escrow Agent as follows:

- (1) The Equipment described above (a) has been delivered, installed and accepted on the date hereof, or (b) the amount requested is a down payment currently due on said Equipment.
- (2) If (1)(a) is applicable, Lessee has conducted such inspection and/or testing of said Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts said Equipment for all purposes.
- (3) If (1)(a) is applicable, Lessee is currently maintaining the insurance coverage required by **Section 17** of the Lease.

Lessee hereby certifies and represents to Lessor and the Escrow Agent that no event or condition that constitutes, or with notice or lapse of time or both would constitute, an Event of Default (as such term is defined in the Lease) exists at the date hereof.

Dated: _____, 20__.

CITY OF ROWLETT, TEXAS
LESSEE

By: _____
Title: _____

APPROVED:

CLAYTON HOLDINGS, LLC
LESSOR

By: _____
Title: _____

EXHIBIT C

FINAL ACCEPTANCE CERTIFICATE

[THIS CERTIFICATE IS TO BE EXECUTED ONLY WHEN ALL EQUIPMENT
HAS BEEN ACCEPTED]

The undersigned hereby certifies that the equipment described above, together with the equipment described in and accepted by Payment Request and Acceptance Certificates previously filed by Lessee with the Escrow Agent and Lessor pursuant to the Escrow Agreement, constitutes all of the Equipment subject to the Lease.

Dated: _____

CITY OF ROWLETT, TEXAS
LESSEE

By: _____
Title: _____

Form **8038-G**
 (Rev. September 2011)
 Department of the Treasury
 Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)
 ► See separate instructions.
 Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority		If Amended Return, check here ► <input type="checkbox"/>
1 Issuer's name		2 Issuer's employer identification number (EIN)
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code		7 Date of issue
8 Name of issue		9 CUSIP number
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)		10b Telephone number of officer or other employee shown on 10a

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17		
18 Other. Describe ►	18		
19 If obligations are TANs or RANs, check only box 19a ► <input type="checkbox"/>			
If obligations are BANs, check only box 19b ► <input type="checkbox"/>			
20 If obligations are in the form of a lease or installment sale, check box ► <input type="checkbox"/>			

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21		\$	\$	years	%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22		
23 Issue price of entire issue (enter amount from line 21, column (b))	23		
24 Proceeds used for bond issuance costs (including underwriters' discount)	24		
25 Proceeds used for credit enhancement	25		
26 Proceeds allocated to reasonably required reserve or replacement fund	26		
27 Proceeds used to currently refund prior issues	27		
28 Proceeds used to advance refund prior issues	28		
29 Total (add lines 24 through 28)	29		
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30		

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded ► _____ years

32 Enter the remaining weighted average maturity of the bonds to be advance refunded ► _____ years

33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ► _____

34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	
b	Enter the final maturity date of the GIC ▶ _____		
c	Enter the name of the GIC provider ▶ _____		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	
38a	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
b	Enter the date of the master pool obligation ▶ _____		
c	Enter the EIN of the issuer of the master pool obligation ▶ _____		
d	Enter the name of the issuer of the master pool obligation ▶ _____		
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box	<input type="checkbox"/>	
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box	<input type="checkbox"/>	
41a	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
b	Name of hedge provider ▶ _____		
c	Type of hedge ▶ _____		
d	Term of hedge ▶ _____		
42	If the issuer has superintegrated the hedge, check box	<input type="checkbox"/>	
43	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box	<input type="checkbox"/>	
44	If the issuer has established written procedures to monitor the requirements of section 148, check box	<input type="checkbox"/>	
45a	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____		
b	Enter the date the official intent was adopted ▶ _____		

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	_____ Signature of issuer's authorized representative	_____ Date	_____ Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ▶	Firm's EIN ▶		
	Firm's address ▶	Phone no.		

Lease No. _____

8038-GC QUESTIONNAIRE

Name of Lessee: «Lessee Name»
 Address of Lessee: «Lessee Address», «Lessee City», «Lessee State» «Lessee Zip»
 Contact Person: «Lessee Contact»
 Telephone Number: «Lessee Phone»
 Email Address: «Lessee Email»
 Lessee's FEIN: «Tax ID»

GENERAL

In January 2012, the Internal Revenue Service ("IRS") updated Form 8038-GC (the form used by Lessees to report the issuance of a tax-exempt obligation). The revised Form 8038-GC asks specific questions about written procedures to: (1) monitor private use of assets financed with proceeds of a tax-exempt obligation and, as necessary, to take remedial actions to correct any violations of federal tax restrictions on the use of financed assets; and (2) monitor the yield on the investment of gross proceeds of tax-exempt obligations and, as necessary, make payments of arbitrage rebate earned to the United States. In addition, the revised Form 8038-GC asks Lessees to report whether any proceeds will be used to reimburse the Lessee for an expenditure paid prior to issuance. This questionnaire is designed to obtain the information necessary to complete Form 8038-GC for the Lease. Lessee will be required to review and approve the information entered prior to signing the 8038-GC form.

At this time, the consequences of not having adopted written procedures to monitor private use of financed assets and yield on the investment of gross proceeds of tax-exempt obligations are unknown. If you have further questions, please consult your regular bond or legal counsel.

Part 1 – Written Tax Compliance Procedures

Note: *If either of these questions is not answered, we will assume the Lessee has not adopted the described procedures.*

1. Has the Lessee established written procedures to monitor compliance with federal tax restrictions for the term of the lease? The written procedures should identify a particular individual within Lessee's organization to monitor compliance with the federal tax requirements related to use of the financed assets and describe actions to be taken in the event failure to comply with federal tax restrictions is contemplated or discovered. Yes ___ No ___
2. Has the Lessee established written procedures to monitor the yield on the investment of proceeds of the Lease on deposit in an escrow account or similar fund prior to being spent and to ensure that any positive arbitrage rebate earned is paid to the United States? Yes ___ No ___

Part 2 – Reimbursement of Prior Expenditures

1. As of the funding date, were any of the proceeds of the Lease used to reimburse Lessee for expenditures paid to acquire the financed assets prior to the funding date of the Lease?
Yes ___ No ___

If yes, please attach a spreadsheet listing the expenditure(s) together with the date paid, vendor paid and purpose of the expenditure or other proof of the expenditure(s) containing this information (i.e. invoices, receipts, cancelled checks).

Items 2 and 3 need to be completed ONLY if the answer to item 1 above is YES.

2. Please attach a copy of Lessee's resolution of intent to finance the financed assets, which includes date of adoption.
3. What is the amount of proceeds of the Lease reimbursed to Lessee? \$ _____

BY: _____

NAME: _____ «Signer»

TITLE: _____ «Signer Title»

DATE: _____

Request for Taxpayer Identification Number and Certification

**Give Form to the
requester. Do not
send to the IRS.**

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Other (see instructions) ▶ _____	Exemptions (see instructions): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I Instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number									

Employer identification number									

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here

Signature of U.S. person ▶

Date ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. The IRS has created a page on IRS.gov for information about Form W-9, at www.irs.gov/w9. Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the

withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity,
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust, and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* on page 1.

What is FATCA reporting? The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

Disregarded entity. For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulation section 301.7701-2(c)(2)(iii). Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Note. Check the appropriate box for the U.S. federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the U.S. federal tax classification in the space provided. If you are an LLC that is treated as a partnership for U.S. federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation, as appropriate. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for U.S. federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

Other entities. Enter your business name as shown on required U.S. federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the *Exemptions* box, any code(s) that may apply to you. See *Exempt payee code* and *Exemption from FATCA reporting code* on page 3.

Exempt payee code. Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends. Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following codes identify payees that are exempt from backup withholding:

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements.

- A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
- B—The United States or any of its agencies or instrumentalities
- C—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
- D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)
- E—A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)
- F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

- G—A real estate investment trust
- H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
- I—A common trust fund as defined in section 584(a)
- J—A bank as defined in section 581
- K—A broker
- L—A trust exempt from tax under section 664 or described in section 4947(a)(1)
- M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt payee code* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. **Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.
2. **Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.
3. **Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.
4. **Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).
5. **Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ³
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor ⁴
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.



City of Rowlett
Staff Report

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

AGENDA DATE: 04/21/15

AGENDA ITEM: 71

TITLE

Consider action to approve a resolution accepting the bid of NAFECO Incorporated in the amount of \$240,283.60 for the purchase of fire protective clothing/bunker gear through the interlocal cooperative purchasing agreement with BuyBoard and awarding a contract to Clayton Holdings, LLC in the amount of \$248,594.95, utilizing an interest rate of 1.57% for the five year lease-purchase financing of fire protective clothing for Fire Rescue and authorizing the City Manager, after City Attorney approval, to execute the necessary documents for said purchase.

STAFF REPRESENTATIVE

Neil Howard, Fire Chief
Allyson Wilson, Purchasing Agent

SUMMARY

The purpose of this item is to procure fire protective clothing for Fire Rescue and to lease-purchase finance the fire protective clothing/bunker gear for a five year term.

BACKGROUND INFORMATION

On December 2, 2014, the City Council approved Resolution Number RES-123-14 approving the purchase of an additional set of Personal Protective Ensemble gear for each fire fighter.

NAFECO Incorporated has a contract through BuyBoard for Janesville Lion fire protective clothing/bunker gear and has provided a quote in the amount of \$240,283.60 for the City of Rowlett Fire Rescue. The City will enter into a five year lease-purchase financing agreement to fund this purchase.

DISCUSSION

Pursuant to approval, the Purchasing Division proceeded with processing competitive sealed bids for the five year lease-purchase financing of fire protective clothing/bunker gear for Fire Rescue.

Notice to bidders for the five year lease-purchase financing was advertised in the *Rowlett Lakeshore Times* on March 12 and 19, 2015. The bid documents were also placed on the City website. Sealed bids were received in the Purchasing Office until 2:00 p.m., March 26, 2015, and then publicly opened and read aloud in the City Annex Conference Room in accordance with Texas Local Government Code.

Bids were received from three (3) vendors ranging from \$248,594.95 to \$249,178.90 with interest rates from 1.57 percent to 1.80 percent. The low bid was received from Clayton Holdings, LLC \$248,594.95, utilizing an interest rate of 1.57 percent.

The annual payment is \$49,718.98, which will be due beginning July 10, 2015, and on the same month and day for each subsequent year thereafter.

The City of Rowlett has conducted business previously with Clayton Holdings, LLC. Modifications will be made to the agreement for this transaction that are acceptable to and approved by City Attorney David Berman.

The cost of the financing is \$8,311.35 for the five year term of the lease.

FINANCIAL/BUDGET IMPLICATIONS

The FY2015 budget includes \$50,000.00 for the first year lease payment. This is sufficient to fully cover this expenditure.

The annual payment of \$49,718.98 will be due beginning July 10, 2015 and on the same month and day for each subsequent year thereafter.

Budget Account Number and/or Project Code	Account or Project Title	Budget Amount	Actual Amount
101-4501-7010	Purchased Services – Contractual Lease Payments	\$50,000.00	\$49,718.98
Total		\$50,000.00	\$49,718.98

RECOMMENDED ACTION

City staff recommends the City Council adopt a resolution accepting the bid of NAFECO Incorporated in the amount of \$240,283.60 for purchase of fire protective clothing/bunker gear through the interlocal cooperative purchasing agreement with BuyBoard and awarding a contract to Clayton Holdings, LLC in the amount of \$248,594.95, utilizing an interest rate of 1.57% for the five year lease-purchase financing of fire protective clothing for Fire Rescue and authorizing the City Manager, after City Attorney approval, to execute the necessary documents for said purchase.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, ACCEPTING THE BID OF NAFECO INCORPORATED IN THE AMOUNT OF \$240,283.60 FOR THE PURCHASE OF FIRE PROTECTIVE CLOTHING/BUNKER GEAR THROUGH THE INTERLOCAL COOPERATIVE PURCHASING AGREEMENT WITH BUYBOARD AND AWARDING A CONTRACT TO CLAYTON HOLDINGS, LLC, IN THE AMOUNT OF \$248,594.95 FOR THE FIVE YEAR LEASE-PURCHASE FINANCING, UTILIZING AN INTEREST RATE OF 1.57 PERCENT, OF FIRE PROTECTIVE CLOTHING FOR FIRE RESCUE; AUTHORIZING THE CITY MANAGER, AFTER CITY ATTORNEY APPROVAL, TO EXECUTE THE NECESSARY DOCUMENTS FOR SAID PURCHASE AND THE ISSUANCE OF PURCHASE ORDERS PURSUANT TO APPROVAL; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is necessary to procure fire protective clothing for Fire Rescue which an additional set of Personal Protective Ensemble gear for each fire fighter was approved by Resolution 123-14 on December 2, 2014; and

WHEREAS, NAFECO Incorporated has a contract for Janesville Lion fire protective clothing through BuyBoard; and

WHEREAS, the City of Rowlett has an interlocal cooperative purchasing agreement with BuyBoard; and

WHEREAS, City staff recommends the purchase of fire protective clothing with NAFECO Incorporated for the desired Janesville Lion fire protective clothing through the interlocal cooperative purchase agreement with BuyBoard; and

WHEREAS, it is necessary to lease-purchase finance fire protective clothing for Fire Rescue for a five year term; and

WHEREAS, the Purchasing Division has obtained competitive bids and recommends the bid award for five year lease-purchase financing of the fire protective clothing for Fire Rescue to Clayton Holdings, LLC who is the lowest bidder meeting specifications as per Bid # 2015-33; and

WHEREAS, the City Council of the City of Rowlett, Texas desires to award the bid of NAFECO Incorporated in the amount of \$240,283.60 for purchase of fire protective clothing/bunker gear through the interlocal cooperative purchasing agreement with BuyBoard and awarding a contract to Clayton Holdings, LLC in the amount of \$248,594.95, utilizing an interest rate of 1.57 percent for the five year lease-purchase financing of fire protective clothing for Fire Rescue.

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

Section 1: That the City Council of the City of Rowlett does hereby accept the bid of and award a contract to NAFECO Incorporated in the amount of \$240,283.60 for the purchase of fire protective clothing/bunker gear through the interlocal cooperative purchasing agreement with BuyBoard, and does further award a contract to Clayton Holdings, LLC, in the amount of \$248,594.95, utilizing an interest rate of 1.57 percent, for five year lease-purchase financing of fire protective clothing for Fire Rescue as per bid #2015-33.

Section 2: That the City Council of the City of Rowlett does hereby authorize the City Manager, after City Attorney approval, to execute the necessary documents for said purchase and lease purchase financing, and to issue purchase orders, to conform to this resolution as appropriate thereto.

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

ATTACHMENTS

Exhibit A – Bid Tabulation

Exhibit B – Bid Document & Sample Contract

Exhibit C – Quote from NAFECO Incorporated

Bid #2015-33 – 5 Year Lease Purchase Financing of Fire Protective Clothing/Bunker Gear - Bid Tabulation
4004 Main St., Rowlett, TX 75088
Purchasing Phone - 972/412-6189 - Fax 972/412-6144
3/26/2015

			BB&T	Clayton Holdings/Commerce Bank	Pinnacle Public Finance
			Mary Coley	Frank Hill	Blair Swain
			704-954-1706	785-587-1541	480-419-3634
			Yes	Yes	Yes
		Amortization schedule?	Yes	Yes	No
		Sample lease agreement?			
ITEM NO.	QTY	DESCRIPTION			
1.	1 Ea	Finance \$240,283.60 for 5 years First payment due 7/10/2015			
		Effective Interest Rate:	1.68%	1.57%	
		Payment Factor:			
		Annual Payment:	\$ 49,835.78	\$ 49,718.99	\$
		Other costs:	0	0*	
		Describe other costs:			
		TOTAL 5 YEAR COST	\$ 249,178.90	\$ 248,594.95	\$
		Cost of financing:	\$ 8,895.30	\$ 8,311.35	\$
		Combo offer:		*No additional costs are expected, however, if the City elects to use an escrow account, a one-time \$250 escrow fee will be due from the Lessee to the Escrow Agent. This fee is not applicable if an escrow is not required.	Fire protective clothing/bunker gear + GasBoy Fuel Mgmt System
		Finance \$341,829.60 for 5 years First payment due 7/10/2015			
		Effective Interest Rate:			1.8%
		Payment Factor:			
		Annual Payment:			\$ 71,074.59
		Other costs:			0
		Describe other costs:			
		TOTAL 5 YEAR COST			\$ 355,372.95
		Cost of financing:			\$ 13,543.35



Clayton Holdings, LLC

8000 Forsyth Boulevard
St. Louis, Missouri 63105-1797
(314) 746-3678

03/25/2015

Allyson Wilson
Purchasing Agent
City of Rowlett, TX
4004 Main St.
Rowlett, TX 75088

**Re: Bid No. 2015-33 - 5 Year Lease Purchase Financing of Fire Protective Clothing/Bunker Gear
Due March 26, 2015 by 2:00 PM**

Dear Ms. Wilson:

Thank you for considering Clayton Holdings, LLC as your financial partner!

Statement of Qualifications

Clayton Holdings, LLC is an equity subsidiary of Commerce Bancshares, Inc.

Commerce Bank operates as a super community bank offering an array of sophisticated financial products delivered with high quality, personal, customer service.

Commerce Bank at a glance:

- Super-Community Bank in the industry for 150 years
- \$24.0 Billion in assets
- 195 locations
- 4,744 full-time equivalent employees
- The majority of the Company's pre-tax profit is generated from eight key markets including; Kansas City, St. Louis, and Springfield, Missouri; Central Missouri; Central Illinois; Wichita, Kansas; Tulsa, Oklahoma and Denver, Colorado

Commerce Bank, Clayton Holdings, LLC and CBI Equipment Finance, Inc., its leasing division, have provided funding for governmental entities across the entire footprint of the Bank. The tax-exempt leasing portfolio is currently in excess of \$91 million. The Bank possesses the necessary capital, experience and product knowledge to meet and exceed the requirements necessary for the proposed transaction.

Please find enclosed our proposal and accompanying required documents. Below, as part of this letter you will also find a brief BIO of the principal parties' involved in the closing of the lease with the City.

Frank D. Hill, Vice President, Tax-Exempt Leasing and Finance

Mr. Hill has been providing tax-exempt lease financing to State and Local Government entities for over 28 years. He was the former, Vice President, President and Chairman of the AGLF-Association of Governmental Leasing and Finance. Mr. Hill has provided funding to governmental clients in all 50 states for both real and personal property. Transactions have ranged in size from as small as \$5,000 to over \$100,000,000.00. Mr. Hill directs the tax-exempt leasing and finance product offering over the entire Bank footprint. Mr. Hill possesses the market knowledge and skill set necessary to provide the required funding to the City.

Ashley J. Stout, Government Finance Representative, Leasing and Finance

Ms. Stout works to facilitate and coordinates all governmental lease transactions for Municipal customers in the Bank's market area. She received a Bachelor's degree in Business Administration from Wichita State University and has over 8 years of experience in Banking. She specializes in handling customer service requests, with a particular emphasis in the lease process, data collection, proposal preparation, funding/closing and client/vendor relations. She works directly with the Bank's customers to develop financing structures specifically tailored to meet our customer's varied financial requirements.

Scott Jankowski, Senior Leasing Coordinator, Leasing and Finance

Mr. Jankowski has over 14 years experience in the finance/banking industry with 12 of those years in the leasing sector and holds a BA in Finance from St. Louis University. He joined Commerce Bank in 1999 and joined the Leasing Department in 2001. Mr. Jankowski began his banking career with Commerce in the Credit Department as an underwriter/credit analyst. Upon his move to the Leasing Department he is involved with all facets of the leasing process such as pricing, structuring, compliance, and customer service, in addition to tax and accounting issues specific to leasing.

Financial Information

Please find the Bank's Annual Report and Form 10-K to include the Bank's History and Financial information available on the Bank's website:

<http://www.commercebank.com/about/get-to-know-us/annual-reports.asp>

Clayton Holdings intends to hold the lease until maturity. Our proposal is subject to final credit underwriting and approval, as well as final documents acceptable to both parties.

Clayton Holdings acknowledges the receipt of Addendum 1. The equipment may be combined as one Lease per the terms and conditions of the proposals provided for RFP No. 2015-33, 2015-39, and 2015-40.

Please do not hesitate to contact me with any questions or clarifications regarding our response to this RFP.

Thank you again for your consideration.

Kind Regards,



Frank D. Hill
Officer of Clayton Holdings, LLC
Senior Vice President, Tax Exempt-Leasing-
Commerce Bank
Phone: 785-587-1541
frank.hill@commercebank.com



Clayton Holdings, LLC

8000 Forsyth Boulevard
St. Louis, Missouri 63105-1797
(314) 746-3678

03/26/2015

Allyson Wilson
Purchasing Agent
City of Rowlett, TX
4004 Main St.
Rowlett, TX 75088

Dear Ms. Wilson:

On behalf of Clayton Holdings, LLC, we would like to offer the following lease-purchase proposal for your consideration:

Type of Financing:	A tax-exempt, State and Municipal Lease/ Purchase Agreement (the "Lease").
Lessor:	Clayton Holdings, LLC – An equity subsidiary of Commerce Bank
Lessee:	City of Rowlett, TX
Equipment:	Fire protective clothing/bunker gear as per the quote from NAFECO, Inc. attached to bid No. 2015-33.
Total Finance Amount:	\$240,283.60
Commencement Date:	On or before 04/30/2015
Base Term:	5 years (Actual 50 months)
Interest Rate:	1.57% fixed, rate locked until 04/30/2015
Payment Amount:	\$49,718.99 (5 payments, first due 07/10/2015)
Payment Factor:	0.206918
Payment Frequency:	Annual/Arrears <i>*The first payment is due 07/10/2015.</i>
Interest Rate Adjustment:	The above quoted interest rate is locked until 04/30/2015 and if closing occurs prior to that date, the interest rate will be set for the term of the financing. The above quoted interest rate is based on a spread over the Five (5) year Interest Rate Swaps as quoted in the Federal Reserve Statistical Release H.15 (the "Index"). For Purposes of this proposal, the Five (5) Year interest rate swap as of 03/25/2015 is 1.53%.

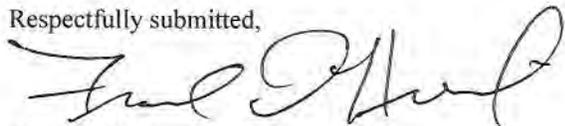
In the event the transaction does not close by 04/30/2015, Lessor reserves the right, but has no obligation, to adjust the Interest Rate after 04/30/2015 based on changes in the Index between the Quote Date and the Commencement Date. The adjustment, if made, would preserve Lessor's original lease investment assumption on a nominal pre-tax yield basis.

Early purchase Option:	In the event Lessee desires to prepay this lease, they may do so in whole, but not in part at a premium of the then current outstanding principal balance, calculated as follows; 3% in year (1), 2% in year (2), and 1% in each year thereafter until maturity. Provided however, that the Lessee is using internally generated funds to prepay the lease, the prepayment penalty would be waived and there would be no prepayment penalty on the agreement.
General Terms:	This financing structure, rate and payment are based on the Transaction being designated as Tax Exempt and Non Bank Qualified under the IRC Section 103 and 265 b (3). The Lessee intends to issue more than \$10 million dollars in tax-exempt obligations in the current calendar year.
Titles/Liens:	Lessor shall have a perfected security interest in the Equipment.
Non-appropriation:	The Lease shall provide for Lessee to terminate the agreement at the end of any fiscal period if insufficient funds are available to make the scheduled Rental Payments due in the following fiscal period.
Documentation:	Shall be provided by Lessor. Funding of the Lease is contingent, in part; upon receipt and review by Lessor and Lessee of executed Lease documentation in form acceptable to both Lessor and Lessee. Documentation will be in compliance with Texas Law- The Texas Public Property Finance Act affecting this type of transaction.
Escrow:	Upon closing, funds shall be disbursed into an escrow account to be maintained by Commerce Trust as escrow agent. Upon final delivery and acceptance of all of the equipment, and receipt of Lessee's authorization to release funds, escrow agent shall disburse payment to the vendors. Terms, conditions, and procedures regarding escrow and escrow agreement are subject to mutual approval by Lessee and Lessor. It is intended that the interest earnings on un-disbursed funds shall accrue for the benefit of Lessee. An escrow account shall be established at Commerce Trust. There is a \$250.00 fee for the escrow account. This fee is not applicable if an escrow is not required. Commerce Trust does assess a cash management fee which is deducted from the Escrow Earnings.
Net Lease:	The lease shall be a net lease in all respects, and Lessee shall be responsible for all fees, charges, assessments or other costs and expenses of every nature whatsoever arising from the lease of the Equipment.
Not a Commitment:	The terms set forth herein reflect a proposed, preliminary structure and are subject to final credit approval and the negotiation of mutually acceptable documentation. These terms are being provided to the Lessee with the understanding that neither the terms nor their substance shall constitute a definitive agreement or an exhaustive statement of all terms and conditions which may ultimately be included in a transaction among Lessee and Lessor. This is a proposal only and not a commitment to lend. Final approval and funding of the transaction is based on a formal credit review by Lessor, including final lease documentation acceptable to both Lessee and Lessor.

This proposal is not intended to, and does not create, in any way, a legally binding or any other type of commitment or obligation on the part of Clayton Holdings, LLC, or any of its/their subsidiaries, and/or any of its/their employees. Information regarding this proposal, including the financial statements of Lessee necessary to complete the credit process, may be provided to third party funding sources in either written or electronic format.

The representative shown below is “not” a Municipal advisor, financial advisor, agent or fiduciary to any person or entity. The Bank and its representatives are responding to an RFP issued by the Lessee. Lessee acknowledges that it is entitled to engage municipal advisory services should it elect to do so. Clayton Holdings, LLC is acting for its own loan account; this communication consists solely of general information under which Clayton Holdings, LLC may be willing to fund a loan. Thank you for the opportunity to offer this proposal. We appreciate your consideration and look forward to your favorable response. Should you have any questions, please do not hesitate to contact us.

Respectfully submitted,



Frank D. Hill

Officer of Clayton Holdings, LLC

Senior Vice President, Tax Exempt-Leasing – Commerce Bank

Phone: 785-587-1541

frank.hill@commercebank.com

City of Rowlett, TX Turnout Gear

Compound Period: Annual

Nominal Annual Rate: 1.570%

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	4/30/2015	240,283.60	1		
2 Payment	7/10/2015	49,718.99	5	Annual	7/10/2019

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	4/30/2015				240,283.60
1	7/10/2015	49,718.99	744.01	48,974.98	191,308.62
2015 Totals		49,718.99	744.01	48,974.98	
2	7/10/2016	49,718.99	3,003.55	46,715.44	144,593.18
2016 Totals		49,718.99	3,003.55	46,715.44	
3	7/10/2017	49,718.99	2,270.11	47,448.88	97,144.30
2017 Totals		49,718.99	2,270.11	47,448.88	
4	7/10/2018	49,718.99	1,525.17	48,193.82	48,950.48
2018 Totals		49,718.99	1,525.17	48,193.82	
5	7/10/2019	49,718.99	768.51	48,950.48	0.00
2019 Totals		49,718.99	768.51	48,950.48	
Grand Totals		248,594.95	8,311.35	240,283.60	



**CITY OF ROWLETT
INVITATION TO BID**

**5 Year Lease Purchase Financing of
Fire Protective Clothing/Bunker Gear**

BID NO. 2015-33

**BIDS OPEN
2:00 P.M., March 26, 2015**

DELIVER TO:
CITY OF ROWLETT
PURCHASING OFFICE
4004 MAIN STREET
ROWLETT, TX 75088

BID SUBMITTED FROM:

<u>Clayton Holdings, LLC</u>	<u>Contact: Frank Hill</u>
<u>8000 Forsyth Boulevard, Suite 510</u>	<u>727 Poyntz Avenue</u>
<u>St. Louis, MO 63105</u>	<u>Manhattan, KS 66502</u>

Legal Advertisement

THE CITY OF ROWLETT, TEXAS
PUBLIC NOTICE
INVITATION FOR BID

Sealed bids addressed to the City of Rowlett Purchasing Agent for lease purchase financing of a GasBoy Fuel Management System, Fire Rescue Fire Protective Clothing/Bunker Gear, Financing of 2 New Fire Trucks and 2 Refurbished Fire Trucks will be received until 2:00 PM, March 26, 2015 at the Rowlett Purchasing Office, 4004 Main St, Rowlett, TX 75088. At said time and place all bids that have been duly received will be publicly opened and read aloud.

Bid documents are available at the Purchasing Office located in the Rowlett Municipal Center Complex, 4004 Main St, Rowlett, TX 75088 and on the City Website <http://www.rowlett.com/Bids.aspx>. Specifications are available at the above address or can be forwarded to interested bidders. For information contact purchasing@rowlett.com or phone (972) 412-6131 or (972) 412-6198. The City reserves the right to reject all bids, waive informalities, and to reject nonconforming or conditional bids.

Publish Dates in Rowlett Lakeshore Times: March 12 and 19, 2015
Bids 2015-33, 2015-39, 2015-40

CITY OF ROWLETT GENERAL CONDITIONS OF BIDDING

READ CAREFULLY:

1. **INSTRUCTIONS:** These instructions apply to all quotations and become a part of the terms and conditions of any bid submitted unless bidder takes exception in writing when submitting quotations.
2. **FORM:** Quotations must be submitted on the forms provided.
3. **BID RETURNS:** The original bid form must be sealed in an envelope clearly marked on the (outside) front with "**BID ENCLOSED, BID #2015-33 Lease Purchase Financing of Fire Protective Clothing/Bunker Gear. 2 PM, March 26, 2015**) and addressed to City of Rowlett, Purchasing Agent, 4004 Main St., Rowlett, TX 75088. Bidder shall indicate his company's name and address on the outside of the envelope.
4. **LATE BIDS & FAX BIDS:** Bids must be in the Purchasing Agent's office prior to the closing date and time. LATE BIDS WILL NOT BE ACCEPTED for any reason and will be returned to bidder unopened. Bids which are faxed (transmitted by facsimile) or transmitted electronically will not be accepted for any reason.
5. **ACCEPTANCE:** The City reserves the right to accept or reject any or all of the bid(s), and to accept the offer considered most advantageous to the City.
6. **ERROR-QUANTITY:** Bids must be submitted on units of quantity specified - extend and show total. In the event of discrepancies in extension, the unit prices shall govern.
7. **FIRM PRICES:** Bid prices must be firm for 45 days after the bid closing.
8. **AUTHORIZED SIGNATURE:** Bids MUST show full firm name and address of bidder, and be manually signed. Failure to sign will disqualify bid. Person signing bid must show title or AUTHORITY TO BIND HIS FIRM IN A CONTRACT.
9. **WITHDRAWAL - ALTERATION OF BIDS:** Bids CANNOT be altered or amended after bid closing. Alterations made before bid closing must be initialed by bidder guaranteeing authenticity. No bid may be withdrawn after bid closing without acceptable reason in writing and with the approval of the Purchasing Office.
10. **INVOICES:** Invoices must be submitted by the successful bidder in duplicate to the City of Rowlett Accounts Payable, 4004 Main Street, Rowlett, TX 75088.
11. **TAXES:** The City of Rowlett is exempt from Federal Manufacturer's Excise, and State Sales taxes. TAX MUST NOT BE INCLUDED IN BID. Tax exemption certificates will be executed and furnished upon request.
12. **INSURANCE:** If insurance and/or worker's compensation is required by the City for said bid item(s), proof of insurance and/or worker's compensation should be submitted with the bid proposal. The City reserves the right to review all insurance policies pertaining to bid item(s) to guarantee that the proper coverage is obtained by the bidder.

City of Rowlett General Conditions of Bidding

13. **TIE BIDS:** Consistent and continued tie bidding on any commodity could be cause for rejection of all bids by the Purchasing Agent and/or investigation by the Attorney-General to determine possible Anti-Trust violations.
14. **BID EVALUATION:** All bids are evaluated for compliance with specifications before the low bid price is considered. Response to specification is primary in determining the lowest responsible bid.
15. **NEGOTIATION:** Any attempt to negotiate or give information on the contents of this bid with the City or its representatives prior to award shall be grounds for disqualification.
16. **GRATUITIES:** The City may, by written notice to the successful bidder, cancel this contract without liability to successful bidder if it is determined by the City that gratuities in the form of entertainment, gifts, or otherwise, were offered or given by the successful bidder, or any agent or representative of the successful bidder, to any officer or employee of the City with a view toward securing or amending, of the making of any determinations with respect to the performing of such a contract.
17. **PROPRIETARY INFORMATION:** All material submitted to the City becomes public property and is subject to the Texas Open Records Act upon receipt. If a Bidder does not desire proprietary information in the bid to be disclosed, each page must be identified and marked proprietary at the time of submittal. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decisions as to what information must be disclosed, however, lies with the Texas Attorney General. Failure to identify proprietary information will result in all unmarked sections being deemed non-proprietary upon public request.
18. **BID AWARD:** **The City of Rowlett reserves the right to award and accept separate items in a bid unless this right is denied by the bidder. The City reserves the right to award by line item, section, or total bid, whichever is in the best interest of the City.**
The bid award shall be based on, but not limited to, the following factors:
 - a. Unit Price
 - b. Total Price
 - c. Special needs and requirements of the City of Rowlett
 - d. Results of testing samples (if needed)
 - e. Delivery Time
 - f. City of Rowlett's experience with the products or services bid
 - g. Bidder's past performance record
 - h. City of Rowlett's evaluation of the bidder's ability to perform

The City of Rowlett may make such investigations as it deems necessary to determine the ability of the bidder to provide satisfactory performance in accordance with specifications, and the bidder shall furnish to the City all such information and data for this purpose as the City may request.

**City of Rowlett Request for Lease Purchase Financing of
Fire Protective Clothing/Bunker Gear
Bid 2015-33**

General Information

The City of Rowlett is accepting quotations from financial institutions to lease purchase finance the acquisition of Fire Protective Clothing/Bunker Gear for a **five (5) year term**. The cost of the Fire Protective Clothing/Bunker Gear is **\$240,283.60** through NAFECO Incorporated. Please refer to their attached quote.

It is our intent to obtain City Council approval on April 21, 2015 and execute contracts with the successful vendor on or about April 30, 2015. The first payment from the City to successful firm will be made on July 10, 2015.

This transaction should be structured as a Municipal Lease Purchase Agreement under the Guidelines of the Texas Public Property Finance Act and will contain the usual clauses required to include \$1.00 purchase option, early payoff privileges, suitable appropriations, etc. This is a non-qualified bank transaction. **The City does expect to issue more than \$10,000,000 worth of obligations in this 2015 calendar year.**

The obligation of the City to make payments under the agreement will be subject to appropriation in its annual budget of amounts of non-ad valorem revenues sufficient to satisfy the repayment schedule required by the agreement.

The City is issuing this Request for Quotation to provide potential Bidders with information, guidelines and rules to prepare and submit a bid. A quote must satisfy all criteria in this request to qualify for evaluation of its merit.

The selection of a bid shall be based on the bid that is, in the sole opinion of the City, in the best interest of the City considering among other factors the interest rate, term and other features of the quotations. The issuance of the Request for Quotation constitutes only an invitation to make bid proposals to the City.

A sample of the standard municipal lease agreement and proposed Amortization Schedule shall be attached by the proposer. The agreement shall be subject to the City's legal counsel review and acceptance.

All costs directly or indirectly related to preparation of a response to the request for quotation shall be the sole responsibility of and shall be borne by the bidder.

Technical questions about this RFP should be directed in writing to purchasing@rowlett.com

City of Rowlett purchasing guidelines and formalities questions should be directed to Allyson Wilson by phone at 972-412-6131 or purchasing@rowlett.com.

**City of Rowlett Request for Lease Purchase Financing of
Fire Protective Clothing/Bunker Gear
Bid 2015-33**

The City of Rowlett is interested in five (5) year financing of Fire Protective Clothing/Bunker Gear in the amount of **\$240,283.60** as shown below.

The successful Financing firm will process a single payment to the Vendor pursuant to delivery, acceptance, and invoicing of the Fire Protective Clothing/Bunker Gear.

This transaction should be structured as a Municipal Lease Purchase Agreement under the Guidelines of the Texas Public Property Finance Act and will contain the usual clauses required to include \$1.00 purchase option, early payoff privileges, suitable appropriations, etc. This is a **non-qualified bank transaction. The City does expect to issue more than \$10,000,000 worth of obligations in this 2015 calendar year.**

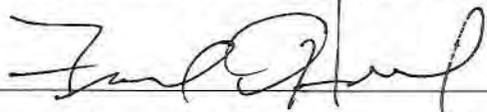
The first payment will be due on July 10, 2015 and on July 10, 2016, 2017, and so on.)

Please attach a proposed Amortization Schedule.

LESSEE:	City of Rowlett, Texas
EQUIPMENT:	Fire Protective Clothing/Bunker Gear
EQUIPMENT COST:	\$240,283.60
CONTRACT CLOSING DATE:	On or about April 30, 2015 is anticipated
EQUIPMENT DELIVERY:	45 days
PURCHASE OPTION:	\$1.00 due upon completion of contract (This may be included with final payment amount)
TERM, ANNUAL PAYMENTS:	<u>5 Year</u>
PAYMENTS COMMENCING:	7/10/2015 & same month and day in 2016, 2017, etc.
EFFECTIVE INTEREST RATE:	<u>1.57</u> %
ANNUAL PAYMENT	\$ <u>49,718.99</u>
OTHER COSTS	\$ <u>0.00*</u>
*No additional costs are expected, however, if the City elects to use an escrow account. a one-time \$250	
Describe other Costs <u>escrow fee would be due from the Lessee to the Escrow Agent. This fee is not applicable if an escrow is not</u>	
<u>required.</u>	
Company Name	<u>Clayton Holdings, LLC</u>

**City of Rowlett Request for Lease Purchase Financing of
Fire Protective Clothing/Bunker Gear
Bid 2015-33**

In submitting the attached quotation, the vendor agrees that acceptance of any of the scenarios by the City of Rowlett within a reasonable period of time constitutes a contract.

Authorized Signature 

Printed Name and Title Frank D. Hill, Officer of Clayton Holdings, LLC

Company Name Clayton Holdings, LLC Date 03/25/2015

Street Address or PO Box 8000 Forsyth Boulevard, Suite 510

City, State, Zip St. Louis, MO 63105

Contact Representative Frank Hill

Telephone & Fax Number Ph: 785-587-1541 Fax: 785-587-1586

Email Address frank.hill@commercebank.com

Thank you for your interest in servicing the City of Rowlett.

Please refer to the attached quotation on the Fire Trucks.



City of Rowlett Addendum 1
Lease Purchase Financing of a GasBoy Fuel Management System,
Fire Rescue Bunker Gear, and Fire Trucks
RFP #2015-33, 2015-39, 2015-40
2 PM, March 26, 2015

Question

1. Will the city consider a proposal for putting both equipment packages on one lease?

You may submit an alternative bid for a combination lease provided the terms and conditions are the same. The City will consider an alternative bid combination lease provided the terms and conditions are the same.

A handwritten signature in black ink, consisting of several overlapping loops and lines, positioned to the right of the question text.

End of Addendum 1
By Allyson Wilson
Purchasing Agent



CLAYTON HOLDINGS, LLC

STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT

Lease Number: 1000000-000/5000000-000

This State and Municipal Lease/Purchase Agreement (the "Lease") is made and entered into on this, the _____ day of _____ 20____ by and between Clayton Holdings, LLC with offices at 8000 Forsyth Boulevard, St. Louis, Missouri 63105 (herein called the "Lessor"), and _____ with its principal address at _____ (herein called the "Lessee"), wherein it is agreed as follows:

1. **LEASE OF EQUIPMENT:** Lessee hereby requests Lessor to acquire the equipment described in Exhibit A attached hereto and made a part hereof. Subject to the terms and conditions hereof, Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor the equipment described in Exhibit A, with all replacement parts, repairs, additions and accessories incorporated therein or affixed thereto (herein collectively called the "Equipment").
2. **DELIVERY AND ACCEPTANCE:** Lessee agrees to order the Equipment from the supplier of such Equipment, but will not be liable for specific performance of this Lease or for damages if for any reason the supplier delays or fails to fill the order. Lessee will cause the Equipment to be delivered at the location specified in Exhibit A (the "Equipment Location"). Lessee will pay all transportation and other costs, if any, incurred in connection with the delivery and installation of the Equipment. Any delay in such delivery will not affect the validity of this Lease. Lessee will accept the Equipment as soon as it has been delivered and is operational, or as soon as any manufacturer or vendor preacceptance test period has expired. Lessee will have no more than thirty (30) days from the date of delivery of the Equipment to accept such Equipment. In the event the Equipment is not accepted by Lessee within thirty (30) days from the date of its delivery, Lessor, at Lessor's sole option, will have the right to terminate this Lease. Lessee will evidence its acceptance of the Equipment by executing and delivering to Lessor a delivery and acceptance certificate in the form of Exhibit B attached hereto and made a part hereof (the "Acceptance Certificate"). Lessee hereby authorizes the Lessor to add to this Lease and to any other description of the Equipment the serial number of each item of Equipment when available.
3. **TERM:** This Lease will become effective upon the execution hereof by Lessee and Lessor. The initial term of this Lease will commence on the earlier of the date Lessee executes the Acceptance Certificate or the date funds sufficient to purchase the Equipment are deposited with a bank or trust company in an escrow fund (the "Start Date") and will extend through the end of Lessee's fiscal year containing the Start Date. Unless earlier terminated as expressly provided for in this Lease, the term of this Lease will be automatically renewed on a year-to-year basis for the number of annual fiscal periods necessary to comprise the lease term as set forth in Exhibit C attached hereto and made a part hereof (the "Lease Term").
4. **RENT:** Lessee agrees to pay Lessor or any Assignee (as defined in Section 22 below), the rental payments for the Equipment as set forth in Exhibit C (the "Rental Payments"). A portion of each Rental Payment is paid as and represents the payment of interest as set forth in Exhibit C. The Rental Payments will be payable without notice or demand, at the office of Lessor (or such other place as Lessor or any Assignee may designate in writing, from time to time) and will commence on the Start Date or as otherwise set forth in Exhibit C, and the remaining Rental Payments will be payable on the same day of each consecutive month or quarter or semiannual or annual period thereafter (as designated in Exhibit C) for the duration of the Lease Term. Any notice, invoicing, purchase orders, quotations or other forms or procedures requested by Lessee in connection with payment will be fully explained and provided to Lessor or any Assignee sufficiently in advance of the payment due date for the completion thereof by Lessor or any Assignee prior to such payment date, but none of the foregoing will be a condition to Lessee's obligation to make any such payment. If Lessee fails to pay any monthly rental payment or any other sums under the Lease within ten (10) days when the same becomes due, Lessee agrees to accept all provisions of the Texas "Prompt Payment Act" (Sec. 2251- the "Act") regarding liability for late or nonpayment of the rental payments as due under Exhibit C of this agreement. In addition, Lessee agrees to waive sovereign immunity for the purpose of an adjudicating a claim, by Lessor, under the the Act for late or non payment. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments hereunder will constitute a current expense of Lessee and will not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Lessee. EXCEPT AS SPECIFICALLY PROVIDED IN SECTION 8 HEREOF, THE RENTAL PAYMENTS SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS AND WILL NOT BE SUBJECT TO ANY SETOFF, DEFENSE, COUNTERCLAIM, ABATEMENT OR RECOUPMENT FOR ANY REASON WHATSOEVER.

Notwithstanding the foregoing, in the event that Lessee, by its use of the Equipment or by its actions or omissions or by any means whatsoever, causes any interest payments as set forth in Exhibit C to be included in Lessor's gross income, Lessee agrees that the interest portion of the Rental Payments on Exhibit C will be adjusted commencing with the first day of the next succeeding fiscal year of the Lessee, but only if this Lease is renewed for such fiscal year, and thereafter, so that Lessor, its

Assignees and any participants with such, will be in the same after-tax position they would have been in had such payment been excluded from the gross income of Lessor, its Assignees and any participants with such under Section 103 of the Code.

5. **AUTHORITY AND AUTHORIZATION:** Lessee represents, warrants and covenants that (a) it will do or cause to be done all things necessary to preserve and keep in full force and effect (i) its existence, and (ii) subject to Section 8 hereof, the Lease; (b) it has complied with all bidding and budgeting requirements where necessary and by due notification has presented this Lease for approval and adoption as a valid obligation on its part and that all requirements have been met and procedures have been followed to ensure the enforceability of the Lease; (c) it has sufficient appropriations or other funds available to pay all amounts due hereunder for the current fiscal year period; (d) no event has occurred and no condition exists which, upon the execution of this Lease or with notice or the passage of time or both, would constitute a default under any debt, revenue or purchase obligation which it has issued or to which it is a party (the "Obligation") nor has it been in default under any Obligation at any time during the past five (5) years, and (e) no lease, rental agreement or contract for purchase, to which Lessee has been a party, at any time during the past five (5) years, has been terminated by Lessee as a result of insufficient funds being appropriated in any fiscal period.
6. **LESSEE CERTIFICATION:** Lessee warrants and covenants that (i) it is a state, or a political subdivision thereof, within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and the related regulations and rulings thereunder; (ii) subject to Section 8 hereof, Lessee's obligation under this Lease constitutes an enforceable obligation issued by or on behalf of a state, or political subdivision thereof, such that any interest income derived under this Lease and due Lessor or its Assignee, including, but not limited to, those amounts designated as interest in Exhibit C, will not be includable in the gross income of Lessor, its Assignee or any participants with such for the purposes of federal income taxation; (iii) this Lease represents a valid deferred payment obligation of Lessee for the amount herein set forth; (iv) Lessee has the legal capacity to enter into this Lease and is not in contravention of any state, county, district, city or town statute, rule, regulation or other governmental provision; (v) during the Lease Term, the Equipment will not be used in a trade or business of any other person or entity; (vi) Lessee will complete and file on a timely basis, Internal Revenue Service form 8038G or 8038GC, as appropriate, in the manner set forth in Section 149(e) of the Code; and (vii) Lessee will not take any action or permit the omission of any action reasonably within its control which action or omission will cause the interest portion of any Rental Payment hereunder to be includable in gross income for federal income taxation purposes.
7. **APPROPRIATIONS AND ESSENTIAL USE:** Lessee reasonably believes that sufficient funds can be obtained to make all Rental Payments during the Lease Term. The responsible financial officer of Lessee will do all things lawfully within his or her power to obtain funds from which the Rental Payments, including any Rental Payments required by Section 4 hereof, may be made, including making provisions for such payments, to the extent necessary, in each proposed annual budget submitted for approval in accordance with applicable procedures of Lessee. Notwithstanding the foregoing, the decision whether or not to budget or appropriate funds or to extend this Lease for any subsequent annual fiscal period is solely within the discretion of the then current governing body of Lessee. It is Lessee's current intent to make the Rental Payments for the full Lease Term if funds are legally available therefore, and in that regard Lessee represents that (a) the use of the Equipment is essential to its proper, efficient, and economic functioning or to the services that it provides to its citizens; (b) Lessee has an immediate need for and expects to make immediate use of substantially all the Equipment, which need is not temporary or expected to diminish in the foreseeable future; and (c) the Equipment will be used by the Lessee only for the purpose of performing one or more of its governmental or proprietary functions consistent with the permissible scope of its authority.
8. **NONAPPROPRIATION OF FUNDS:** In the event no funds or insufficient funds are appropriated and budgeted or otherwise made available for Rental Payments, including any Rental Payments required by Section 4 hereof, for any fiscal period in which the Rental Payments for the Equipment are due under this Lease, then, without penalty, liability or expense to Lessee, this Lease will thereafter terminate and be rendered null and void on the last day of the fiscal period for which appropriations were made, except as to (i) the portions of the Rental Payments herein agreed upon for which funds have been appropriated and budgeted or are otherwise available and (ii) Lessee's other obligations and liabilities under this Lease relating to, accruing or arising prior to such termination. Lessee will, not less than sixty (60) days prior to the end of such applicable fiscal period, in writing, notify Lessor and any Assignee of such occurrence, but failure to give such notice will not prevent such termination. In the event of such termination, Lessee agrees to peaceably surrender possession of the Equipment to Lessor or its Assignee on the day of such termination, or to transport the Equipment to any reasonable location designated by Lessor within a 50 mile radius of Lessee's principle place of business, all at the expense of Lessee, Lessor or its Assignee may exercise all available legal and equitable rights and remedies in retaking possession of the Equipment.
9. **EXCLUSION OF WARRANTIES; LIMITATIONS OF LIABILITY; DISCLAIMER OF CONSEQUENTIAL DAMAGES:** LESSEE HAS SELECTED BOTH THE EQUIPMENT AND THE VENDOR(S) FROM WHOM LESSOR IS TO PURCHASE THE EQUIPMENT IN RELIANCE HEREON. LESSEE ACKNOWLEDGES AND AGREES THAT THE EQUIPMENT IS OF A SIZE, DESIGN AND CAPACITY SELECTED BY LESSEE, THAT LESSOR IS NOT A MANUFACTURER, VENDOR, DISTRIBUTOR OR LICENSOR OF SUCH EQUIPMENT, AND THAT LESSOR LEASES THE EQUIPMENT AS IS AND HAS NOT MADE, AND DOES NOT HEREBY MAKE, ANY REPRESENTATION, WARRANTY OR COVENANT, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALITY, DURABILITY, DESIGN, OPERATION, FITNESS FOR USE, OR SUITABILITY OF THE EQUIPMENT IN ANY RESPECT WHATSOEVER OR IN CONNECTION WITH OR FOR THE PURPOSES AND USES OF LESSEE, OR ANY OTHER REPRESENTATION, WARRANTY OR COVENANT OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT THERETO INCLUDING ANY WARRANTIES OF TITLE OR AGAINST

INFRINGEMENT OR ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR PRACTICE, ALL OF WHICH ARE SPECIFICALLY DISCLAIMED BY LESSOR AND IN NO EVENT SHALL LESSOR BE OBLIGATED OR LIABLE FOR ACTUAL, INCIDENTAL, CONSEQUENTIAL OR OTHER DAMAGES OF OR TO LESSEE OR ANY OTHER PERSON OR ENTITY ARISING OUT OF OR IN CONNECTION WITH THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO THE SALE, LEASE, USE, PERFORMANCE OR MAINTENANCE OF THE EQUIPMENT, INCLUDING INTERRUPTION OF SERVICE, LOSS OF DATA, LOSS OF REVENUE OR PROFIT, LOSS OF TIME OR BUSINESS, OR ANY SIMILAR LOSS, EVEN IF ANY SUCH PERSON IS ADVISED IN ADVANCE OF THE POSSIBILITY OR CERTAINTY OF SUCH DAMAGES AND EVEN IF LESSEE ASSERTS OR ESTABLISHES A FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY PROVIDED IN THIS LEASE.

Lessee acknowledges that neither the original vendor nor licensor of the Equipment (including the salespersons of any of them) is an agent of Lessor, nor are they authorized to waive or alter any terms of this Lease. Lessee hereby waives any claim (including any claim based on strict or absolute liability in tort) it might have against Lessor or any assignee of the Lessor for any loss, damage or expense caused by or with respect to the Equipment. Lessor hereby assigns to Lessee during the Lease Term, to the extent permitted by law, and to the extent received by Lessor, all manufacturer's warranties, if any, that it may have with respect to the Equipment, and Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties at Lessee's expense. Lessor authorizes Lessee, to the extent permitted by law, to enforce in its own name any warranty, representation or other claim enforceable against the manufacturer. Lessor assumes no responsibility for shipment, delivery, installation or maintenances, and all claims of Lessee with respect thereto, whether for delay, damage or otherwise, will be made against the manufacturer. Lessor, at its option, may provide in its purchase order that the manufacturer agrees that any of such claims may be made by Lessee directly against the manufacturer. The obligation of Lessee to pay the Rental Payments as defined in Section 4 will not be abated, impaired or reduced by reason of any claims of Lessee with respect to the Equipment, including but not limited to its condition, quality, workmanship, delivery, shipment, installation, defects or otherwise.

10. **TITLE, SECURITY INTEREST:** Title to the Equipment is deemed to be in Lessee so long as no Event of Default pursuant to section 19 below has occurred and/or this Lease has not been terminated pursuant to the provisions of Section 8 above. Upon the earlier of (i) termination of this Lease in accordance with Section 8 above or (ii) the occurrence of an Event of Default by Lessee pursuant to Section 19 below, title will immediately revert to Lessor free of any right, title or interest of Lessee unless Lessor elects otherwise. In order to secure all of Lessee's obligations hereunder, Lessee hereby (a) to the extent permitted by law, grants to Lessor a first and prior security interest in any and all rights, titles and interest of Lessee in the Lease, the Equipment and in all additions, attachments, accessions, accessories, replacements, improvements and substitutions thereto, now or hereafter acquired, together with all rents, issues, income, profits and proceeds thereof, including insurance proceeds; (b) agrees that financing statements evidencing such security interest may be filed; and (c) agrees to execute and deliver all certificates of title and other instruments necessary or appropriate to evidence and perfect such security interest. Lessee further agrees that the Uniform Commercial Code will apply as between the parties hereto and Assignees of Lessor.
11. **PERSONAL PROPERTY:** The Equipment is, and will remain, personal property and will not be deemed to be affixed or attached to real property or any building thereon. If requested by Lessor, Lessee will, at Lessee's expense, furnish to Lessor landlord or mortgagee waiver with respect to the Equipment.
12. **USE; REPAIRS:** Lessee will use the Equipment in a careful manner for the use contemplated by the manufacturer of the Equipment and will comply with all laws, ordinances, insurance policies and regulations relating to, and will pay all costs, claims, damages, fees and charges arising out of, its possession, use or maintenance. Lessee, at its sole costs and expense, will maintain the Equipment according to the manufacturer's recommended guidelines or the equivalent and meet any and all recertification requirements and will furnish proof of such maintenance, if requested by Lessor and will furnish all needed servicing and parts, which parts will become part of the Equipment. If the Equipment is such as is customarily covered by a maintenance agreement, Lessee will furnish Lessor with a maintenance agreement with a party satisfactory to Lessor.
13. **ALTERATIONS:** Lessee will not make any alterations, additions or improvements to the Equipment without Lessor's prior written consent, and any permitted alteration or attachment which cannot be readily removed without damaging the Equipment's originally intended function or value will become part of the Equipment.
14. **LOCATION; INSPECTION:** The Equipment will not be removed from, or if the Equipment consists of rolling stock, its permanent base will not be changed from the Equipment Location without Lessor's prior written consent, which consent will not be unreasonably withheld. Lessor will be entitled to enter upon the Equipment Location or elsewhere during reasonable business hours to inspect the Equipment or observe its use and operations.
15. **LIENS AND TAXES:** Lessee will keep the Equipment free and clear of all levies, liens and encumbrances except those created under this Lease. Lessee will pay, when due, all charges and taxes (federal, state and local) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Equipment, excluding however, all taxes on or measured by Lessor's income. If Lessee fails to pay said charges and taxes when due, Lessor will have the right, but will not be obligated, to pay said charges and taxes. If Lessor pays any charges or taxes for which Lessee is responsible or liable under this Lease, Lessee will, upon demand, reimburse Lessor therefor.

- 16. RISK OF LOSS; DAMAGE; DESTRUCTION:** Lessee assumes all risk of loss of or damage to the Equipment from any cause whatsoever, and no such loss of or damage to the Equipment will relieve Lessee of the obligation to make the Rental Payments or to perform any other obligation under this Lease. In the event of damage to any item of Equipment, Lessee will immediately place the same in good repair (the proceeds of any insurance recovery will be applied to the cost of such repair). If Lessor determines that any item of Equipment is lost, stolen, destroyed or damaged beyond repair, Lessee, at the option of Lessor, will (a) replace the same with like equipment in good repair; or (b) on the next Rental Payment date pay to Lessor (i) all amounts owed by Lessee under this Lease, including the Rental Payment due on such date, and (ii) an amount not less than the balance of the Rental Payments then remaining unpaid hereunder. In the event that Lessee is obligated to make such payment with respect to less than all of the Equipment, Lessor will provide Lessee with the pro rata amount of the Rental Payment and the balance of the Rental Payments then remaining unpaid hereunder, as applicable, to be made by Lessee with respect to the Equipment which has suffered the event of loss.
- 17. INSURANCE:** Lessee will, at its expense, maintain at all times during the Lease Term (a) fire and extended coverage, public liability and property damage insurance with respect to the Equipment in such amounts, covering such risks, and with such insurers as will be satisfactory to Lessor. In no event will the insurance limits be less than the greater of (i) an amount equal to the balance of the Rental Payments then remaining for the Lease Term or (ii) any minimum required by any co-insurance provisions of such insurance, (b) liability insurance that protects Lessor from liability in all events in form and amount satisfactory to Lessor, and (c) workers' compensation coverage as required by the laws of the state in which Lessee is located. Each insurance policy required by clause (b) of the preceding sentence will name Lessee as an insured and Lessor or its assigns as an additional insured and loss payee, as appropriate, and each insurance policy required by the preceding sentence will contain a clause requiring the insurer to give Lessor or its Assignee at least thirty (30) days prior written notice of any alteration in the terms of such policy or the cancellation thereof. The proceeds of any such policies will be payable to Lessee and Lessor or its assigns, as their interest may appear. Upon acceptance of the Equipment and upon each insurance renewal date, Lessee will deliver to Lessor a certificate evidencing such insurance. In the event of any loss, damage, injury or accident involving the Equipment, Lessee will promptly provide Lessor with written notice hereof and make available to Lessor all information and documentation relating thereto. Notwithstanding the foregoing, with Lessor's prior written consent, Lessee may self-insure against any and all risks for which insurance is required.
- 18. INDEMNIFICATION:** To the extent permitted by law, and solely from legally available funds, Lessee agrees to indemnify Lessor against, and hold Lessor, its Assignees, or any participants with such, harmless from, any and all claims, actions, proceedings, expenses, damages, liabilities or losses (including, but not limited to, attorneys' fees and court costs) arising in connection with the Equipment, including, but not limited to, its selection, purchase, delivery, possession, use, operation or return and the recovery of claims under insurance policies thereon.
- 19. EVENTS OF DEFAULT:** The Term "Event of Default" as used in this Lease, means the occurrence of any one or more of the following events: (a) Lessee fails to make any Rental Payment (or any other payment) as it becomes due in accordance with the terms of this Lease, and any such failure continues for ten (10) days after the date thereof; (b) Lessee fails to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder and such failure is not cured within ten (10) days after written notice thereof by Lessor; (c) the discovery by Lessor that any statement, representation or warranty made by Lessee in this Lease or in any document delivered by Lessee pursuant hereto or in connection herewith is false, misleading or erroneous in any material respect; (d) Lessee becomes insolvent, is unable to pay its debts as they become due, makes an assignment for the benefit of creditors, applies or consents to the appointment of a receiver, trustee, conservator or liquidator of Lessee or of all or substantial part of its assets, a petition for relief is filed by Lessee under federal bankruptcy, insolvency or similar laws, or a petition in a proceeding under any bankruptcy, insolvency or similar laws, is filed against Lessee and is not dismissed within thirty (30) days thereafter; (e) Lessee suffers an adverse material change in its financial condition or operations from the date hereof and, as a result, Lessor deems itself insecure; or (f) Lessee is in default under any other agreement executed at any time with Lessor, its affiliates or Lessor's Assignee or under any other agreement or instrument by which it is bound.
- 20. REMEDIES:** Upon the occurrence of an Event of Default, Lessor may, at its option, exercise any one or more of the following remedies: (a) by written notice to Lessee, declare an amount equal to all amounts then due under this Lease and all remaining Rental Payments which will become due during the then current fiscal year of Lessee to be immediately due and payable, whereupon the same will become immediately due and payable; (together with interest on such amount at the lesser of one and one-half (1 ½ %) percent per month or the maximum permitted by law from the date on which Lessor has declared this Lease to be in default; (b) by written notice to Lessee, request Lessee to (and Lessee agrees that it will), at Lessee's expense, promptly return the Equipment to Lessor in the manner set forth in Section 8 hereof, or Lessor, at its option, may enter upon the premises where the Equipment is located with Lessee's consent, which shall not be unreasonably withheld and during normal business hours, and take immediate possession of and remove the same without liability to Lessor or its agents; (c) to the best of Lessor's ability, make a commercially reasonable disposition of the Equipment, sell or lease the Equipment or sublease it for the account of Lessee, holding Lessee liable for (i) all Rental Payments and other payments due to the effective date of such selling, leasing or subleasing, and (ii) for the difference between the purchase price, rental and other amounts paid by the purchaser, lessee or sublessee pursuant to such sale, lease or sublease and the remaining amounts payable by the Lessee through the end of the then current fiscal year of Lessee hereunder; and (d) exercise any other right, remedy or privilege which may be available to it under applicable law, including the right to (i) proceed by appropriate court action to enforce the terms of this Lease, (ii) recover damages for the breach of this Lease, and (iii) rescind this Lease as to any or all of the Equipment.

In addition, Lessee will remain liable for all covenants and indemnities under this Lease and for all legal fees and other costs and expenses, including court costs, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor.

- 21. EARLY PURCHASE OPTION:** Lessee may, upon sixty (60) days prior written notice to Lessor, and provided Lessee has fully paid and performed all other obligations hereunder and provided no Event of Default has occurred and is continuing, pay to Lessor the applicable amount set forth on Exhibit C attached hereto, whereupon title to the Equipment will become unconditionally vested in Lessee, and Lessor will transfer any and all of its right, title and interest in the Equipment to Lessee as is, where is, without warranty, express or implied, except that Lessor will warrant to Lessee that the Equipment is free and clear of any liens created by Lessor.
- 22. ASSIGNMENT:** Except as expressly provided herein, Lessee will not (a) assign, transfer, pledge, hypothecate or grant any security interest in, or otherwise dispose of, this Lease or the Equipment or any interest in this Lease or the Equipment or (b) sublet or lend the Equipment or permit the Equipment to be used by anyone other than Lessee or Lessee's employees unless Lessee obtains the prior written consent of Lessor and an opinion of nationally recognized counsel in the area of tax-exempt municipal obligations satisfactory to Lessor that such action will not adversely affect the exclusion of the interest portions of the Rental Payments from gross income for federal income tax purposes.

Lessor, without the consent of Lessee, may assign all or any portion or portions of its right, title and interest in and to this Lease, the Equipment and any other documents executed with respect to this Lease, and/or grant or assign all or any portion or portions of its security interest in this Lease and the Equipment, in whole or in part to various assignees, their agents or trustees (each and any one hereinafter referred to as an "Assignee"). Any such assignment to an Assignee may provide that the Lessor or the Assignee will act as a collection and paying agent for owners of certificates of participation in this Lease, or may provide that a third-party trustee or agent will act as collection and paying agent for any Assignee, provided that any such trustee or agent will maintain registration books as a register of all persons who are owners of certificates of participation or other interest in Rental Payments and Lessee receives written notification of the name and address of the trustee or agent and a copy of the pooling and fractionalization agency or trustee agreement, if any. Any such Assignee will have all of the assigned rights of Lessor under this Lease. Subject to the foregoing, this Lease will inure to the benefit of and will be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto. Any assignment or reassignment of any of Lessor's right, title or interest in this Lease or the Equipment will be effective upon receipt by Lessee of a duplicate original of the counterpart document by which the assignment or reassignment is made, disclosing the name and address of each such Assignee and, where applicable, to whom further payments hereunder should be made. During the Lease Term, Lessee covenants that it will keep a complete and accurate record of all assignments in form necessary to comply with Section 149(a) of the Code and the regulations, proposed or existing, from time to time promulgated thereunder. Lessee agrees to acknowledge in writing any assignments if so required.

Lessee agrees that, upon notice of assignment, if so instructed it will pay directly to the Assignee, or its Trustee or Agent without abatement, deduction or setoff all amounts which become due hereunder. Lessee further agrees that it will not assert against any Assignee, Trustee or Agent any defense, claim, counterclaim or setoff on account of any reason whatsoever with respect to any Rental Payments or other amounts due hereunder or with respect to any action brought to obtain possession of the Equipment pursuant to this Lease.

- 23. FINANCIAL STATEMENTS:** Each year during the term of this Lease, Lessee hereby agrees to deliver to Lessor a copy of: (i) annual audited financial statements within one hundred twenty (120) days of Lessee's fiscal year-end; and (ii) within a reasonable period of time, any other financial information Lessor requests from time to time.
- 24. NATURE OF AGREEMENT:** Lessor and Lessee agree that upon the due and punctual payment and performance of the installments of Rental Payments and other amounts and obligations under this Lease, title to the Equipment will vest permanently in Lessee as provided in this Lease, free and clear of any interest, lien or security of Lessor therein.
- 25. AMENDMENTS:** This Lease may be amended or any of its terms modified for the purpose of adding Equipment, with the written consent of the parties hereto. In such event, additions to or additional exhibits attached hereto will be executed by Lessee. All other amendments or modifications of the terms of this Lease (except for the addition or serial numbers for the Equipment as set forth in the Acceptance Certificate) must be accomplished by written consent of Lessee and Lessor, or its Assignee, if any; provided, however, that no amendment of this Lease will operate to reduce or delay any Rental Payments to be made hereunder without the consent of Lessor, or its Assignee, at the time of such amendment.
- 26. NOTICES:** All notices to be given under this Lease must be made in writing and mailed by certified mail to the other party at its address set forth herein or at such address as the party may provide in writing from time to time. Any such notice will be deemed to have been received five (5) days subsequent to mailing.
- 27. SECTION HEADINGS:** All section headings contained herein are for the convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

- 28. **GOVERNING LAW:** This Lease will be governed by the provisions hereof and by the laws of the State of Texas and will comply with the Texas Public Property Finance Act.
- 29. **FURTHER ASSURANCES:** Lessee will deliver to Lessor (i) an opinion of counsel in substantially the form of Exhibit D attached hereto or as Lessor may otherwise request; and (ii) if applicable, a certificate of a duly authorized official as to designation as a qualified tax-exempt obligation. Moreover, Lessee will execute or provide, as requested by Lessor, any documents and information that are reasonably necessary with respect to the transaction contemplated by this Lease.
- 30. **ENTIRE AGREEMENT:** This Lease, together with the exhibits attached hereto and made a part hereof and other attachments hereto and other documents or instruments executed by Lessee and Lessor in connection herewith, constitute the entire agreement between the parties with respect to the lease of the Equipment, and this Lease will not be modified, amended, altered or changed except with the written consent of Lessee or Lessor.
- 31. **SEVERABILITY:** Any provision of this Lease found to be prohibited by law will be ineffective to the extent of such prohibition without invalidating the remainder of this Lease.
- 32. **WAIVER:** The waiver by Lessor of any breach by Lessee of any term, covenant or condition, hereof will not operate as a waiver of any subsequent breach hereof.
- 33. **CERTIFICATION AS TO ARBITRAGE:** Lessee hereby represents as follows:
 - (a) The estimated total costs of the Equipment will not be less than the total principal amount of the Rental Payments.
 - (b) The Equipment has been ordered or is expected to be ordered within six months of the effective date of this Lease, and the Equipment is expected to be delivered and installed, and the Vendor fully paid, within one (1) year of the effective date of this Lease.
 - (c) Lessee has not created or established, and does not expect to create or establish, any sinking fund or other similar fund (i) that is reasonably expected to be used to pay the Rental Payments, or (ii) that may be used solely to prevent a default in the payment of Rental Payments.
 - (d) The Equipment has not been, and is not expected to be, sold or otherwise disposed of by Lessee, either in whole or in major part, prior to the final Rental Payment.
 - (e) To the best of Lessee's knowledge, information and belief, the above expectations are reasonable.
- 34. **ELECTRONIC TRANSACTIONS.** The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT, ARE NOT ENFORCEABLE. TO PROTECT YOU (LESSEE(S)) AND US (LESSOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

BY SIGNING BELOW, YOU AND WE AGREE THAT THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN US.

LESSOR: Clayton Holdings, LLC _____ LESSEE: _____

DATE: _____ DATE: _____

BY: (PRINTED NAME AND TITLE) _____ BY: (PRINTED NAME AND TITLE) _____

Authorized Signature and Title: _____ Authorized Signature and Title: _____

EXHIBIT A TO
STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT
Lease No. _____

Description of Equipment

DESCRIPTION OF LEASED EQUIPMENT (Make, Kind, Model Number, Serial Number, Any other pertinent identification)

TOTAL

\$

Location of Equipment

Street Address:

City:

County:

State:

Zip Code:

Lessee hereby certifies that the description of the property set forth above constitutes an accurate account of the Equipment as referred to in the Lease.

LESSEE:

BY: (AUTHORIZED SIGNATURE) | (PRINTED NAME & TITLE)

X

DATE:

EXHIBIT B TO
STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT
Lease No. _____

DELIVERY AND ACCEPTANCE CERTIFICATE

TO: Clayton Holdings, LLC

Reference is made to the State and Municipal Lease/Purchase Agreement between the undersigned _____ ("Lessee"), and Clayton Holdings, LLC ("Lessor"), dated _____ ("Lease") and to the Equipment as such term is defined therein. In connection therewith we are pleased to confirm to you the following:

1. All of the Equipment has been delivered to and received by the undersigned; all installation or otherwork necessary prior to the use thereof has been completed; said Equipment has been examined and/or tested and is in good operating order and condition and is in all respects satisfactory to the undersigned and as represented, and said Equipment has been accepted by the undersigned and complies with all terms of the Lease. Consequently, you are hereby authorized to pay for the Equipment in accordance with the terms of any purchase orders for the same.
2. In the future, in the event the Equipment fails to perform as expected or represented we will continue to honor the Lease in all respects and continue to make our rental and other payments thereunder in the normal course of business and we will look solely to the vendor, distributor or manufacturer for recourse.
3. We acknowledge that Lessor is neither the vendor nor manufacturer or distributor of the Equipment and has no control, knowledge or familiarity with the condition, capacity, functioning or other characteristics of the Equipment
4. The serial number for each item of Equipment which is set forth on Exhibit A to the Lease is correct.

This certificate will not be considered to alter, construe, or amend the terms of the Lease.

LESSEE:

WITNESS:

BY: (AUTHORIZED SIGNATURE) | (PRINTED NAME & TITLE)

X

DATE:

Federal Tax ID #:

EXHIBIT C

Lessee: -
 Lessor:
 Lease Number: -
 Lease Term in Months:
 Rental Periods:
 First Payment Date:
 Capital Cost of Equipment:

Rental Payment Date	Payment Amount	Amount Credited to Interest	Amount Credited to Capital Cost	*Outstanding Principal Balance
	\$ -	\$ -	\$ -	

***Modified - Standard Prepayment - In the event Lessee desire to prepay the Lease, they may do so in whole, but not in part at a premium of the then current outstanding principal balance, calculated as follows; 3% in year (1), 2% in year (2), and 1% in each year thereafter until maturity. There is no prepayment penalty if Lessee is using internally generated funds for prepayment.**

Interest, if any, accruing from the Start Date to the actual date of funding shall be retained by Lessor as additional consideration for entering into this Lease Purchase Agreement.

LESSEE: _____
SIGNED BY: _____
TITLE: _____

EXHIBIT D TO
STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT
Lease No. _____

OPINION OF COUNSEL
(To be on Letterhead of Lessee's Counsel)
[Date]

Re: State and Municipal Lease/Purchase Agreement No. _____, dated _____, 20__ (the "Lease"),
between Clayton Holdings, LLC ("Lessor") and _____ ("Lessee")

Ladies and Gentlemen:

As legal counsel to Lessee, I have examined (a) the Lease, which, among other things, provides for the sale to and purchase by the Lessee of the Equipment, (b) an executed counterpart of the ordinance or resolution of Lessee which, among other things, authorizes Lessee to execute the Lease and (c) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinions.

Based on the foregoing, I am of the following opinions:

1. Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) police power.
2. Lessee has the requisite power and authority to purchase the Equipment and to execute and deliver the Lease and to perform its obligations under the Lease.
3. The Lease and the other documents either attached thereto or required therein have been duly authorized, approved and executed by and on behalf of Lessee, and the Lease is a valid and binding obligation of Lessee enforceable in accordance with its terms.
4. The authorization, approval and execution of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable state and federal laws.
5. There is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Lease or the security interest of Lessor or its assigns, as the case may be, in the Equipment.

Furthermore, I confirm that the name of the Lessee as stated in the Lease, as _____ is the exact legal name of the Lessee for all purposes contemplated herein.

All capitalized terms herein shall have the same meanings as in the Lease. Lessor, its successors and assigns and any counsel rendering an opinion on the tax-exempt status of the interest components of Rental Payments are entitled to rely on this opinion.

Very truly yours,

EXHIBIT E TO
STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT
Lease No. _____

[ORDINANCE][RESOLUTION] OF LESSEE'S GOVERNING BODY

The undersigned, being the officer identified below of _____ (the "Lessee"), hereby certifies that the following is a true and correct copy of [an ordinance][a resolution] adopted by the governing body of the Lessee at a meeting duly held on _____, 20____.

* * * *

WHEREAS, in order to facilitate the acquisition of certain equipment for use by the Lessee and to pay the cost thereof, it is necessary and desirable for the Lessee to enter into a State & Municipal Lease/Purchase Agreement (together with all Exhibits and Schedules, the "Lease") with Clayton Holdings, LLC (together with its successors and assigns, the "Lessor"), pursuant to which the Lessee will lease the Equipment from the Lessor with an option to purchase; and

NOW, THEREFORE, BE IT [ORDAINED][RESOLVED] BY THE GOVERNING BODY OF LESSEE, AS FOLLOWS:

Section 1. Approval of the Lease. The Lease is hereby approved in substantially the forms submitted to and reviewed by the governing body of the Lessee on the date hereof, with such changes therein as shall be approved by the following officer of the Lessee, said officer's execution thereof to be conclusive evidence of the approval thereof:

<u>Title</u>	<u>Printed Name</u>	<u>Signature</u>
_____	_____	_____
_____	_____	_____

Said officer is hereby authorized and directed to execute and deliver the Lease on behalf of and as the act and deed of the Lessee, and to affix the seal of the Lessee, if applicable.

Section 2. Further Authority. The Lessee shall, and the officials and agents of the Lessee are hereby authorized and directed to, take such action, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this [ordinance][resolution] and to carry out, comply with and perform the duties of the Lessee with respect to the Lease and the Equipment.

* * *

I further certify that the foregoing ordinance has not been modified, amended or repealed and is in full force and effect as of the date hereof.

WITNESS my hand this _____ day of _____ 20____.

Lessee:
Title: _____

STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT

Lease No. _____

ESSENTIAL USE/SOURCE OF FUNDS LETTER

[Date]

Clayton Holdings, LLC
8000 Forsyth Boulevard
St. Louis, Missouri 63105

Re: State and Municipal Lease/Purchase Agreement No. _____, dated _____, 20__ (the "Lease"), between Clayton Holdings, LLC ("Lessor") and _____ ("Lessee")

Ladies and Gentlemen:

This confirms and affirms that the Equipment described in the Lease is essential to the function of the undersigned or to the service we provide to our citizens.

Further, we have an immediate need for, and expect to make immediate use of, substantially all such Equipment, which need is not temporary or expected to diminish in the foreseeable future. Such Equipment will be used by us only for the purpose of performing one or more of our governmental or proprietary functions consistent with the permissible scope of our authority. Specifically, such Equipment was selected by us to be used as follows: _____

The estimated useful life of such Equipment based upon manufacturer's representations and our projected needs is _____ years.

Our source of funds for payments of the Rental Payments due under the Lease for the current fiscal year is _____.

We currently expect and anticipate adequate funds to be available for all future payments of rent due after the current fiscal year for the following reasons:

Very truly yours,

LESSEE:

WITNESS:

BY: (AUTHORIZED SIGNATURE) | (PRINTED NAME & TITLE)
X

DATE:

Proof of Insurance

Insurance Agent Name: _____
Agency Name: _____
Address: _____
Phone Number: _____
E-Mail: _____

Ladies and Gentlemen:

Please add Clayton Holdings, LLC, as both sole loss payee under property insurance covering the equipment listed on attached Exhibit A and additional insured under the general liability insurance policy. The minimum liability coverage is \$1,000,000.00. Please mail or fax an insurance certificate to:

Clayton Holdings, LLC
P.O. Box 11309
St. Louis, MO 63105
Fax # 314-746-3744

Please note that the Bank requires 30 day written notice of cancellation of the policy covering leased equipment.

Lessee:

By: _____
Title: _____
Date: _____

DISBURSEMENT LETTER

To: Clayton Holdings, LLC

RE: Lease Number:

Date:

Gentlemen:

Please disburse the proceeds of the above lease as follows:

[INSERT DISBURSEMENT OF PROCEEDS HERE]

TOTAL DISBURSUREMENT: \$

Sincerely,

[LESSEE'S NAME HERE]

LESSEE

By: _____

ESCROW AGREEMENT

This Escrow Agreement (the "Escrow Agreement"), dated as of _____, and entered into among **CLAYTON HOLDINGS, LLC**, (together with its successors and assigns, "Lessor"), _____, existing under the laws of Texas ("Lessee"), and **COMMERCE BANK**, a Missouri banking corporation, as escrow agent (together with its successors and assigns, the "Escrow Agent").

Name of Acquisition Fund: "_____ Acquisition Fund"

Amount of Deposit into the Acquisition Fund: \$ _____

TERMS AND CONDITIONS

1. This Escrow Agreement relates to and is hereby made a part of the State and Municipal Lease/Purchase Agreement No. _____ dated as of _____, (the "Lease"), between Lessor and Lessee.

2. Except as otherwise defined herein, all terms defined in the Lease shall have the same meaning for the purposes of this Escrow Agreement as in the Lease.

3. Lessor, Lessee and the Escrow Agent agree that the Escrow Agent will act as sole Escrow Agent under the Lease and this Escrow Agreement, in accordance with the terms and conditions set forth in this Escrow Agreement. The Escrow Agent shall not be deemed to be a party to the Lease, and this Escrow Agreement shall be deemed to constitute the entire agreement between Lessor and Lessee and the Escrow Agent.

4. There is hereby established in the custody of the Escrow Agent a special trust fund designated as set forth above (the "Acquisition Fund") to be held and administered by the Escrow Agent in trust for the benefit of Lessor and Lessee in accordance with this Escrow Agreement.

5. Lessor shall deposit in the Acquisition Fund the amount specified above. Moneys held by the Escrow Agent hereunder shall be invested and reinvested by the Escrow Agent upon written order of an authorized Lessee representative, in accordance with the Arbitrage Instructions attached as **Exhibit A**, in Qualified Investments (as defined below) maturing or subject to redemption at the option of the holder thereof prior to the date on which it is expected that such funds will be needed. If an Authorized Lessee Representative fails to timely direct the investment of any moneys held hereunder, the Escrow Agent shall invest and reinvest such moneys in Qualified Investments described in 6(vi) below. Such investments shall be held by the Escrow Agent in the Acquisition Fund; any interest and gain earned on such investments shall be deposited in the Acquisition Fund, and any losses on such investments shall be charged to the Acquisition Fund. The Escrow Agent may act as purchaser or agent in the making or disposing of any investment. Qualified Investments described in 6(vi) below will be subject to an annualized sweep fee charged monthly to the earnings on monies invested.

6. "Qualified Investments" means, to the extent the same are at the time legal for investment of the funds being invested: (i) direct general obligations of the United States of America; (ii) obligations the timely payment of principal of and interest on which is fully and unconditionally guaranteed by the United States of America; (iii) general obligations of the agencies and instrumentalities of the United States of America acceptable to Lessor; (iv) certificates of deposit, time deposits or demand deposits with

any bank or savings institution including the Escrow Agent or any affiliate thereof, provided that such certificates of deposit, time deposits or demand deposits, if not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, are fully secured by obligations described in (i), (ii) or (iii) above; or (v) repurchase agreements with any state or national bank or trust company, including the Escrow Agent or any affiliate thereof, that are secured by obligations of the type described in (i), (ii) or (iii) above, provided that such collateral is free and clear of claims of third parties and that the Escrow Agent or a third party acting solely as agent for the Escrow Agent has possession of such collateral and a perfected first security interest in such collateral; or (vi) money market mutual funds that are invested in securities described in (i), (ii) or (iii) and that are rated "Aaa" by Moody's Investors Service or "AAAm-G" by Standard & Poor's Ratings Services or the comparable rating by Fitch IBCA, Inc.

7. Moneys in the Acquisition Fund shall be used to pay for the cost of acquisition of the Equipment listed in the Lease. Such payment shall be made from the Acquisition Fund upon presentation to the Escrow Agent of one or more properly executed Payment Request and Acceptance Certificates, a form of which is attached as **Exhibit B**, executed by Lessee and approved by Lessor, together with an invoice for the cost of the acquisition of said Equipment and a written approval by Lessor of the Vendor be paid. In making any disbursement pursuant to this **Section 7**, the Escrow Agent may conclusively rely as to the completeness and accuracy of all statements in such Payment Request and Acceptance Certificate, and the Escrow Agent shall not be required to make any inquiry, inspection or investigation in connection therewith. The approval of each Payment Request and Acceptance Certificate by the Lessor shall constitute unto the Escrow Agent an irrevocable determination by the Lessor that all conditions precedent to the payment of the amounts set forth therein have been completed.

8. The Acquisition Fund shall terminate upon the occurrence of the earlier of (a) the presentation of a proper Payment Request and Acceptance Certificate and the Final Acceptance Certificate, a form of which is attached as **Exhibit C**, properly executed by Lessee, or (b) the presentation of written notification by the Lessor, or, if the Lessor shall have assigned its interest under the Lease, then the assignees or subassignees of all of Lessor's interest under the Lease or an Agent on their behalf, that the Lease has been terminated pursuant to **Section 8** or **20** of the Lease. Upon termination as described in clause (a) of this paragraph, any amount remaining in the Acquisition Fund shall be used to prepay the principal portion of Rental Payments unless Lessor directs that payment of such amount be made in such other manner directed by Lessor that, in the opinion of nationally recognized counsel in the area of tax-exempt municipal obligations satisfactory to Lessor, will not adversely affect the exclusion of the interest components of Rental Payments from gross income for federal income tax purposes. If any such amount is used to prepay principal, the Rental Payment Schedule attached to the Lease shall be revised accordingly as specified by Lessor. Upon termination as described in clause (b) of this paragraph, any amount remaining in the Acquisition Fund shall immediately be paid to Lessor or to any assignees or subassignees of Lessor interest in this Lease.

9. The Escrow Agent may at any time resign by giving at least 30 days written notice to Lessee and Lessor, but such resignation shall not take effect until the appointment of a successor Escrow Agent. The substitution of another bank or trust company to act as Escrow Agent under this Escrow Agreement may occur by written agreement of Lessor and Lessee. In addition, the Escrow Agent may be removed at any time, with or without cause, by an instrument in writing executed by Lessor and Lessee. In the event of any resignation or removal of the Escrow Agent, a successor Escrow Agent shall be appointed by an instrument in writing executed by Lessor and Lessee. Such successor Escrow Agent shall indicate its acceptance of such appointment by an instrument in writing delivered to Lessor, Lessee and the predecessor Escrow Agent. Thereupon such successor Escrow Agent shall, without any further

act or deed, be fully vested with all the trusts, powers, rights, duties and obligations of the Escrow Agent under this Escrow Agreement and the predecessor Escrow Agent shall deliver all moneys and securities held by it under this Escrow Agreement to such successor Escrow Agent whereupon the duties and obligations of the predecessor Escrow Agent shall cease and terminate. If a successor Escrow Agent has not been so appointed with 90 days of such resignation or removal, the Escrow Agent may petition a court of competent jurisdiction to have a successor Escrow Agent appointed.

10. Any corporation or association into which the Escrow Agent may be merged or converted or with or into which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, shall be and become successor Escrow Agent hereunder and shall be vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument or any further act on the part of any of the parties hereto.

11. The Escrow Agent incurs no responsibility to make any disbursements pursuant to the Escrow Agreement except from funds held in the Acquisition Fund. The Escrow Agent makes no representations or warranties as to the title to any Equipment listed in the Lease or as to the performance of any obligations of Lessor or Lessee.

12. The Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instructions in connection with the provisions hereof has been duly authorized to do so. The Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner and execution, or validity of this Escrow Agreement other than its own execution thereof or any instrument deposited with it, nor as to the identity, authority or right of any person executing the same; and its duties hereunder shall be limited to those specifically provided herein.

13. Unless the Escrow Agent is guilty of negligence or willful misconduct with regard to its duties hereunder, Lessee, to the extent permitted by law, and Lessor jointly and severally hereby agree to indemnify the Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Escrow Agent under this Escrow Agreement; and in connection therewith, to indemnify the Escrow Agent against any and all expenses, including reasonable attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim.

14. The aggregate amount of the costs, fees, and expenses of the Escrow Agent in connection with the creation of the escrow described in and created by this Escrow Agreement and in carrying out any of the duties, terms or provisions of this Escrow Agreement is a one time fee in the amount of \$250.00 to be paid by Lessee concurrently with the execution and delivery of this Escrow Agreement.

Notwithstanding the preceding paragraph, the Escrow Agent shall be entitled to reimbursement from Lessor of reasonable out-of-pocket, legal or extraordinary expenses incurred in carrying out the duties, terms or provisions of this Escrow Agreement. Claims for such reimbursement may be made to Lessor and in no event shall such reimbursement be made from funds held by the Escrow Agent pursuant to this Escrow Agreement. The Escrow Agent agrees that it will not assert any lien whatsoever on any of

the money or Qualified Investments on deposit in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Escrow Agreement or otherwise.

15. If Lessee, Lessor or the Escrow Agent shall be in disagreement about the interpretation of the Lease or this Escrow Agreement, or about the rights and obligations, or the propriety of any action contemplated by the Escrow Agent hereunder, the Escrow Agent may, but shall not be required to, file an appropriate civil action to resolve the disagreement. The Escrow Agent shall be indemnified by Lessor and Lessee, to the extent permitted by law, for all costs, including reasonable attorneys' fees and expenses, in connection with such civil action, and shall be fully protected in suspending all or part of its activities under this Escrow Agreement until a final judgment in such action is received.

16. The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection for any action or non-action taken by the Escrow Agent in accordance with the opinion of such counsel. The Escrow Agent shall otherwise not be liable for any mistakes of facts or errors of judgment, or for any acts or omissions of any kind unless caused by its negligence or willful misconduct.

17. This Escrow Agreement shall be governed by and construed in accordance with the laws of the state in which the Escrow Agent is located.

18. In the event any provision of this Escrow Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

19. This Escrow Agreement may not be amended except by a written instrument executed by Lessor, Lessee and the Escrow Agent.

20. This Escrow Agreement may be executed in several counterparts, each of which so executed shall be an original.

IN WITNESS WHEREOF, Lessor, Lessee and the Escrow Agent have caused this Escrow Agreement to be executed by their duly authorized representatives.

CLAYTON HOLDINGS, LLC
LESSOR

By: _____

Title: _____

CITY OF ROWLETT, TEXAS
LESSEE

By: _____

Title: _____

COMMERCE BANK
ESCROW AGENT

By: _____

Title: _____

EXHIBIT A

ARBITRAGE INSTRUCTIONS

These Arbitrage Instructions provide procedures for complying with § 148 of the Internal Revenue Code of 1986, as amended (the "Code"), in order to preserve the exclusion from federal gross income of the interest portions of the Rental Payments under the Lease.

1. Temporary Period/Yield Restriction. Except as described in this paragraph, money in the Acquisition Fund must not be invested at a yield greater than the yield on the Lease. Proceeds of the Lease in the Acquisition Fund and investment earnings on such proceeds may be invested without yield restriction for three years after the Start Date of the Lease. If any unspent proceeds remain in the Acquisition Fund after three years, such amounts may continue to be invested without yield restriction so long as Lessee pays to the IRS all yield reduction payments under § 1.148-5(c) of the Treasury Regulations.

2. Opinion of Bond Counsel. These Arbitrage Instructions may be modified or amended in whole or in part upon receipt of an opinion of nationally recognized counsel in the area of tax-exempt municipal obligations, satisfactory to Lessor, that such modifications and amendments will not adversely affect the exclusion of the interest components of Rental Payments from gross income for federal income tax purposes.

EXHIBIT B

FORM OF PAYMENT REQUEST AND ACCEPTANCE CERTIFICATE

To: CLAYTON HOLDINGS, LLC, Lessor
COMMERCE BANK, Escrow Agent
8000 Forsyth Blvd.
St. Louis, Missouri 63105

Re: _____ Acquisition Fund established by the Escrow Agreement, dated as of _____ (the "Escrow Agreement") among Clayton Holdings, LLC, as lessor ("Lessor"), _____ ("Lessee") and Commerce Bank, as Escrow Agent (the "Escrow Agent")

Ladies and Gentlemen:

The Escrow Agent is hereby requested to pay from the Acquisition Fund to the person or corporation designated below as Payee, the sum set forth below in payment of a portion or all of the cost of the acquisition of the equipment or the interest portions of Rental Payment(s) described below. The amount shown below is due and payable under the invoice of the Payee attached hereto with respect to the cost of the acquisition of the equipment or payment of the interest portions of Rental Payment(s) and has not formed the basis of any prior request for payment.

The equipment described below is part or all of the "Equipment" that is listed in State and Municipal Lease/Purchase Agreement dated as of _____ (the "Lease") described in the Escrow Agreement.

Equipment:

Payee: _____

Amount: \$

Lessee hereby certifies and represents to and agrees with Lessor and the Escrow Agent as follows:

- (1) The Equipment described above (a) has been delivered, installed and accepted on the date hereof, or (b) the amount requested is a down payment currently due on said Equipment.
- (2) If (1)(a) is applicable, Lessee has conducted such inspection and/or testing of said Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts said Equipment for all purposes.
- (3) If (1)(a) is applicable, Lessee is currently maintaining the insurance coverage required by **Section 17** of the Lease.

Lessee hereby certifies and represents to Lessor and the Escrow Agent that no event or condition that constitutes, or with notice or lapse of time or both would constitute, an Event of Default (as such term is defined in the Lease) exists at the date hereof.

Dated: _____, 20____.

CITY OF ROWLETT, TEXAS
LESSEE

By: _____
Title: _____

APPROVED:

CLAYTON HOLDINGS, LLC
LESSOR

By: _____
Title: _____

EXHIBIT C

FINAL ACCEPTANCE CERTIFICATE

[THIS CERTIFICATE IS TO BE EXECUTED ONLY WHEN ALL EQUIPMENT
HAS BEEN ACCEPTED]

The undersigned hereby certifies that the equipment described above, together with the equipment described in and accepted by Payment Request and Acceptance Certificates previously filed by Lessee with the Escrow Agent and Lessor pursuant to the Escrow Agreement, constitutes all of the Equipment subject to the Lease.

Dated: _____

CITY OF ROWLETT, TEXAS
LESSEE

By: _____
Title: _____

Form **8038-G**

(Rev. September 2011)

Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here ►

1 Issuer's name		2 Issuer's employer identification number (EIN)	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)	
6 City, town, or post office, state, and ZIP code		7 Date of issue	
8 Name of issue		9 CUSIP number	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)		10b Telephone number of officer or other employee shown on 10a	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17		
18 Other. Describe ►	18		
19 If obligations are TANs or RANs, check only box 19a		<input type="checkbox"/>	
If obligations are BANs, check only box 19b		<input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box		<input type="checkbox"/>	

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21		\$	\$	years	%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22		
23 Issue price of entire issue (enter amount from line 21, column (b))	23		
24 Proceeds used for bond issuance costs (including underwriters' discount)	24		
25 Proceeds used for credit enhancement	25		
26 Proceeds allocated to reasonably required reserve or replacement fund	26		
27 Proceeds used to currently refund prior issues	27		
28 Proceeds used to advance refund prior issues	28		
29 Total (add lines 24 through 28)	29		
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30		

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	►	_____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	►	_____ years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	►	_____
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	►	_____

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 637793S

Form **8038-G** (Rev. 9-2011)

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	
b	Enter the final maturity date of the GIC ▶ _____		
c	Enter the name of the GIC provider ▶ _____		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	
38a	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
b	Enter the date of the master pool obligation ▶ _____		
c	Enter the EIN of the issuer of the master pool obligation ▶ _____		
d	Enter the name of the issuer of the master pool obligation ▶ _____		
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box <input type="checkbox"/>		
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>		
41a	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
b	Name of hedge provider ▶ _____		
c	Type of hedge ▶ _____		
d	Term of hedge ▶ _____		
42	If the issuer has superintegrated the hedge, check box <input type="checkbox"/>		
43	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box <input type="checkbox"/>		
44	If the issuer has established written procedures to monitor the requirements of section 148, check box <input type="checkbox"/>		
45a	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____		
b	Enter the date the official intent was adopted ▶ _____		

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	▶ _____ Signature of issuer's authorized representative		▶ _____ Date	
	Type or print name and title			
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ▶	Firm's EIN ▶		
	Firm's address ▶	Phone no.		

Lease No. _____

8038-GC QUESTIONNAIRE

Name of Lessee: «Lessee Name»
 Address of Lessee: «Lessee Address», «Lessee City», «Lessee State» «Lessee Zip»
 Contact Person: «Lessee Contact»
 Telephone Number: «Lessee Phone»
 Email Address: «Lessee Email»
 Lessee's FEIN: «Tax ID»

GENERAL

In January 2012, the Internal Revenue Service ("IRS") updated Form 8038-GC (the form used by Lessees to report the issuance of a tax-exempt obligation). The revised Form 8038-GC asks specific questions about written procedures to: (1) monitor private use of assets financed with proceeds of a tax-exempt obligation and, as necessary, to take remedial actions to correct any violations of federal tax restrictions on the use of financed assets; and (2) monitor the yield on the investment of gross proceeds of tax-exempt obligations and, as necessary, make payments of arbitrage rebate earned to the United States. In addition, the revised Form 8038-GC asks Lessees to report whether any proceeds will be used to reimburse the Lessee for an expenditure paid prior to issuance. This questionnaire is designed to obtain the information necessary to complete Form 8038-GC for the Lease. Lessee will be required to review and approve the information entered prior to signing the 8038-GC form.

At this time, the consequences of not having adopted written procedures to monitor private use of financed assets and yield on the investment of gross proceeds of tax-exempt obligations are unknown. If you have further questions, please consult your regular bond or legal counsel.

Part 1 – Written Tax Compliance Procedures

Note: *If either of these questions is not answered, we will assume the Lessee has not adopted the described procedures.*

1. Has the Lessee established written procedures to monitor compliance with federal tax restrictions for the term of the lease? The written procedures should identify a particular individual within Lessee's organization to monitor compliance with the federal tax requirements related to use of the financed assets and describe actions to be taken in the event failure to comply with federal tax restrictions is contemplated or discovered. Yes ___ No ___
2. Has the Lessee established written procedures to monitor the yield on the investment of proceeds of the Lease on deposit in an escrow account or similar fund prior to being spent and to ensure that any positive arbitrage rebate earned is paid to the United States? Yes ___ No ___

Part 2 – Reimbursement of Prior Expenditures

1. As of the funding date, were any of the proceeds of the Lease used to reimburse Lessee for expenditures paid to acquire the financed assets prior to the funding date of the Lease?
Yes ___ No ___

If yes, please attach a spreadsheet listing the expenditure(s) together with the date paid, vendor paid and purpose of the expenditure or other proof of the expenditure(s) containing this information (i.e. invoices, receipts, cancelled checks).

Items 2 and 3 need to be completed ONLY if the answer to item 1 above is YES.

2. Please attach a copy of Lessee's resolution of intent to finance the financed assets, which includes date of adoption.
3. What is the amount of proceeds of the Lease reimbursed to Lessee? \$ _____

BY: _____

NAME: _____ «Signer»

TITLE: _____ «Signer Title»

DATE: _____

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity,
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust, and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* on page 1.

What is FATCA reporting? The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

Disregarded entity. For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulation section 301.7701-2(c)(2)(iii). Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Note. Check the appropriate box for the U.S. federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the U.S. federal tax classification in the space provided. If you are an LLC that is treated as a partnership for U.S. federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation, as appropriate. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for U.S. federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

Other entities. Enter your business name as shown on required U.S. federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the *Exemptions* box, any code(s) that may apply to you. See *Exempt payee code* and *Exemption from FATCA reporting code* on page 3.

Exempt payee code. Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends. Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following codes identify payees that are exempt from backup withholding:

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt payee code* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ³
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor ⁴
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.


NAFECO Inc.

"North America Fire Equipment Co."
 1515 West Moulton Street
 Decatur, AL 35601
 Office: 800-628-6233

Damon Stewart (903) 813-6569

Sales Quote
Bill To:

Rowlett Fire Department
 PO Box 99
 Rowlett, Texas 75030-0099

Shipping Address:

Rowlett Fire Department
 5101 Dalrock Rd
 Rowlett, Texas 75088

Date: 12/05/2014

Customer ID: ROW500
 PO#

Contact	Sales Rep #	Sales Rep.	Expires	BuyBoard #	Ship Via	Terms	Tax ID
G. Rice	82	D. Stewart		432-13		30	

Line	Item	Qty.	Description	Unit	Total
1	CVFM-32	80	Janesville® Lion / 32" Male V-Force® Coat PSGQ12036-A	\$1,196.00	\$95,680.00
2	PVFM/F	80	Janesville® Lion / V-Force® Self Rescue Pant PSGQ12036-A	\$1,316.88	\$105,350.40
3	L22013MM	80	Lion / Marshal Boot STC / Fire and Ice	\$292.32	\$23,385.60
4	PAC-II-P84-B	80	Majestic / Hood, 40% P84/55% Lenzing FR/5% Kevlar , 21" Total, Black	\$28.06	\$2,244.80
5	LPG927BG	80	LION / Glove, Commander Leather, Gauntlet, One Per set of gear	N/A	N/A
6	6-2	40	Paul Conway / 2 Panel Leather helmet front	\$42.00	\$1,680.00
7	EVI	40	Honeywell / EV1 Traditional Helmet	\$291.07	\$11,642.80
8					
9					

Subtotal	\$239,983.60
Tax	
Shipping	\$300.00
Misc.	
Total	\$240,283.60

Notes: Pant includes suspenders and coat includes all lettering and patches.

Notes: Pants include (NFPA 1983 Certified Self Rescue Escape Belt) BHS021

Notes: Escape System includes: 50' Rope, 1 Decender, 1 tether, 1 Carabiner and an Escape Anchor Hook.

Please send payment to: NAFECO Inc.
 1515 West Moulton Street
 Decatur, AL 35601



City of Rowlett
Staff Report

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

AGENDA DATE: 04/21/15

AGENDA ITEM: 7J

TITLE

Consider action to approve a resolution awarding the bid for Section III mowing services to Carruthers Landscape Management, Incorporated in the unit amounts bid with an estimated annual amount of \$121,125.00 for the Parks and Recreation Department.

STAFF REPRESENTATIVE

Jermel Stevenson, Director of Parks and Recreation
Keith Flournoy, Parks Manager

SUMMARY

This item is for the mowing of the right-of-way areas. The contractor is responsible for the mowing, detailing, and cleanup of the designated properties. Last year, the frequency on these areas increased from six (6) to fifteen (15). This enhances the aesthetic look and increases our service levels by allowing for 15 cycles for all locations (once per two weeks during the growing season). The contractor is also responsible for the trash and debris removal, mowing, edging, line trimming, bed maintenance and removal of trimmings and debris from turf and bed areas, pavement and at base of curbs.

BACKGROUND INFORMATION

All options for renewal have been exercised for Section III Mowing Services so it is necessary to obtain competitive bids for this item once again.

DISCUSSION

The contract period for the Section III Mowing Services begins on approximately May 19, 2015, and ends May 18, 2016. The initial term is for one year with four one-year renewal options if both parties are in agreement. Carruthers Landscape Management, Incorporated is the low bidder.

A summary of the bids received on April 2, 2015, is shown below. Bids were received from five bidders ranging from \$121,125.00 to \$189,105.00.

\$121,125.00	Carruthers Landscape Management, Incorporated
\$128,908.80	D & D Commercial Landscape Management
\$130,266.60	Lawn & Landscape Management
\$140,900.10	Weldon's Lawn & Tree
\$189,105.00	Good Earth Corporation

Carruthers Landscape Management, Incorporated provided satisfactory service during the last five year contract; therefore, City staff recommends awarding the bid for Section III mowing services.

FINANCIAL IMPLICATIONS

Funding in the amount of \$351,756.00 was approved in the Parks Maintenance Division's FY2015 budget in account 101-5505-6520 (Mowing). The current available balance as of March 26, 2015, is \$226,404.27. The required amount for the full term for Sections II, III, and IV estimated annual amount is \$352,106.20. Sections II and IV were approved on the agenda on April 7, 2015. This estimated annual amount could be potentially altered due to weather; however there is sufficient funding within the line item to cover an increase in service if required. Funding is short for all sections below in the amount of \$350.20, which shall be covered by reducing the frequencies in one or more sections and/or from other line items within the Parks Maintenance's budget.

Budget Account Number and/or Project Code	Account or Project Title	Revised Budget Amount	Proposed Amount
1015505-6520	Mowing Section II	\$104,945.00	\$104,945.00
1015505-6520	Mowing Section III	\$120,775.00	\$121,125.00
1015505-6520	Mowing Sections IV	\$126,036.00	\$126,036.20
Total		\$351,756.00	\$352,106.20

RECOMMENDED ACTION

City staff recommends the City Council adopt a resolution awarding the bid for Section III mowing services to Carruthers Landscape Management, Incorporated in the unit amounts bid with an estimated annual amount of \$121,125.00 for the Parks and Recreation Department.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, APPROVING AWARDING THE BID FOR SECTION III MOWING SERVICES TO CARRUTHERS LANDSCAPE MANAGEMENT, INCORPORATED, IN THE UNIT AMOUNTS BID AND IN AN ESTIMATED ANNUAL AMOUNT OF \$121,125.00 AS ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE AS EXHIBIT A FOR THE PARKS AND RECREATION DEPARTMENT; AUTHORIZING THE ISSUANCE OF PURCHASE ORDERS PURSUANT TO AWARD; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is desired to purchase mowing services for Section III for the City of Rowlett Parks and Recreation Department; and

WHEREAS, sealed competitive bids were obtained by the Purchasing Division as per bid #2015-49; and

WHEREAS, the term of contract is one year with four one-year renewal options if both parties are in agreement; and

WHEREAS, the low bidder meeting specification is Carruthers Landscape Management, Incorporated; and

WHEREAS, the City Council of the City of Rowlett, Texas desires to award the bid to the lowest responsible bidder for Section III mowing services for the Parks and Recreation Department.

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

Section 1: That the City Council of the City of Rowlett does hereby award the bid for Section III mowing services to Carruthers Landscape Management, Incorporated in the unit amounts bid with an estimated annual amount of \$121,125.00 as attached hereto and incorporated herein by reference as Exhibit A for the Parks and Recreation Department

Section 2: That the City Manager or designee is hereby authorized to issue purchase orders to conform to this resolution.

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

ATTACHMENT

Exhibit A – Bid tabulation for Section III mowing

City Of Rowlett Bid Tabulation Mowing Services Section III, #2015-49
 4004 Main Street, Rowlett, TX 75088
 Purchasing Phone 972-412-6189 Fax 972-412-6144
 April 2, 2015, 2:00 p.m.

			Carruthers Landscape Mgmt. 11593 Goodnight Ln. Dallas, TX 75229 Paul Myers 972-670-2265		D & D Commercial Landscape Mgmt. PO Box 741236 Dallas, TX 75374 David Myers 972-352-3402		Good Earth Corporation 8020 Heinen Dr. Dallas, TX 75227 George Belk 214-381-5899	
Addendum 1 Acknowledged/Insurance Verified			Yes/On file		Yes/Yes		Yes/Yes	
Item	Qty	SECTION III	Unit	Total	Unit	Total	Unit	Total
BLUE SECTION								
1	15	Quail Glen Green Belt - 8214 Quail Glenn Ct.	\$25.00	\$375.00	\$19.20	\$288.00	\$25.00	\$375.00
2	15	Spinnaker Cove Green Belt - 8217 Spinnaker Cove	\$200.00	\$3,000.00	\$23.04	\$345.60	\$37.00	\$555.00
3	15	Barton Creek Alley (Barton Creek & Scenic Dr) - 7002 Barton	\$25.00	\$375.00	\$7.68	\$115.20	\$3.00	\$45.00
4	15	(Oak Hollow & Pheasant Run) - 9125 Pheasant Run - 9102 Oak Hollow	\$50.00	\$750.00	\$30.72	\$460.80	\$46.00	\$690.00
5	15	Pheasant Run Alley - 9125 Pheasant Run - 7610 Dalrock	\$50.00	\$750.00	\$7.68	\$115.20	\$14.00	\$210.00
6	15	Dalrock Rd from Liberty Grove to Princeton - 9900/7610 Dalrock	\$300.00	\$4,500.00	\$307.20	\$4,608.00	\$468.00	\$7,020.00
7	15	Chiesa from Liberty Grove to Lakeview Pkwy (Hwy 66) 5600-8400 Chiesa	\$400.00	\$6,000.00	\$211.20	\$3,168.00	\$314.00	\$4,710.00
8	15	Princeton Drainage Channel - 9718 Princeton	\$50.00	\$750.00	\$76.80	\$1,152.00	\$105.00	\$1,575.00
9	15	Allisa lot - ROW - 6300 Alisa Drive - 6100 Lakeshore	\$25.00	\$375.00	\$23.04	\$345.60	\$34.00	\$510.00
	15	Lakeshore Drainage ROW - 6100 Lakeshore	\$50.00	\$750.00	\$7.68	\$115.20	\$13.00	\$195.00
11	15	Point Royale dead end ROW - 509 Point Royal	\$25.00	\$375.00	\$7.68	\$115.20	\$5.00	\$75.00
12	15	Silverthorn Alley - 8700 Brook Hollow	\$25.00	\$375.00	\$7.68	\$115.20	\$4.00	\$60.00
13	15	Dandridge Greenbelt - 7521 Dandridge (median)	\$50.00	\$750.00	\$38.40	\$576.00	\$53.00	\$795.00
14	15	Maui Drainage - 7714 Maui	\$25.00	\$375.00	\$19.20	\$288.00	\$31.00	\$465.00
15	15	Oak Hollow Alley - 9102 Oak Hollow	\$25.00	\$375.00	\$7.68	\$115.20	\$3.00	\$45.00
16	15	Yeager from Elm Grove to Waterview - 3600 Elm to Waterview	\$25.00	\$375.00	\$15.36	\$230.40	\$20.00	\$300.00
17	15	Princeton Rd. to Liberty Grove to dead end 7100-8600 Princeton/8800-9500 Old Princeton (Private Drive)	\$100.00	\$1,500.00	\$96.00	\$1,440.00	\$157.00	\$2,355.00
18	15	Elm Grove from Liberty Grove to Vinson - 4000 Elm Grove	\$50.00	\$750.00	\$76.80	\$1,152.00	\$110.00	\$1,650.00
19	15	Vinson from Elm Grove to Stonewall - 3200 Stonewall	\$50.00	\$750.00	\$57.60	\$864.00	\$86.00	\$1,290.00
20	15	Stonewall from Vinson to City limits sign - 3200 Stonewall	\$25.00	\$375.00	\$19.20	\$288.00	\$29.00	\$435.00
21	15	7800 Lakeview/5900 Canterbury NW corner - drainage swell by railing	\$25.00	\$375.00	\$7.68	\$115.20	\$10.00	\$150.00
22	15	190 Tollway ROW, 27 acres	\$400.00	\$6,000.00	\$998.40	\$14,976.00	\$1,485.00	\$22,275.00
23	15	Liberty Grove/George Bush to Princeton	\$200.00	\$3,000.00	\$268.80	\$4,032.00	\$385.00	\$5,775.00
SUBTOTAL OF BLUE SECTION				\$33,000.00		\$35,020.80		\$51,555.00
GREEN SECTION								
24	15	University drainage north of Halifax - 3600 University - 4200 Halifax	\$25.00	\$375.00	\$19.20	\$288.00	\$27.00	\$405.00
25	15	Dexham Rd from Lakeview Pkwy - 5400 Dexham (Hwy 66) to Miller Rd	\$200.00	\$3,000.00	\$115.20	\$1,728.00	\$179.00	\$2,685.00

City Of Rowlett Bid Tabulation Mowing Services Section III, #2015-49
 4004 Main Street, Rowlett, TX 75088
 Purchasing Phone 972-412-6189 Fax 972-412-6144
 April 2, 2015, 2:00 p.m.

Item	Qty	SECTION III	Carruthers Landscape Mgmt.		D & D Commercial Landscape Mgmt.		Good Earth Corporation	
			Unit	Total	Unit	Total	Unit	Total
		GREEN SECTION (Cont.)						
26	15	Main St from Kirby to lake - Main St. 4700 to lake - to 4600 Centennial ROW	\$100.00	\$1,500.00	\$115.20	\$1,728.00	\$172.00	\$2,580.00
27	15	Former Blue Barn Lot near 3840 Main St - 4600 Commerce - 3700 Dennis	\$25.00	\$375.00	\$30.72	\$460.80	\$50.00	\$750.00
28	15	David Alley (David & Smartt) - David 3000/Smartt 4000	\$25.00	\$375.00	\$76.80	\$1,152.00	\$115.00	\$1,725.00
29	15	Miller Rd from Skyline to bridge - Skyline to 3600 - to Miller Bridge, Kirby to bridge	\$25.00	\$375.00	\$19.20	\$288.00	\$30.00	\$450.00
30	15	Gordon Smith & Boyd (all drainage) - 5300 Gordon Smith - 4800 Boyd	\$100.00	\$1,500.00	\$211.20	\$3,168.00	\$328.00	\$4,920.00
31	15	Kyle St between Rowlett Rd & the church on S. side of road and to first house on N. side of road - 3200 Kyle - 3201 Kyle	\$25.00	\$375.00	\$15.36	\$230.40	\$21.00	\$315.00
32	15	Chaha Rd West of Rowlett Road - 3400 Chaha ROW 3107 - 3001	\$25.00	\$375.00	\$19.20	\$288.00	\$29.00	\$435.00
33	15	Police Dept. Vacant - Century Drive 3300 - 3210 Lot	\$25.00	\$375.00	\$23.04	\$345.60	\$38.00	\$570.00
34	15	Chaha Road - 4100 Traci Road	\$25.00	\$375.00	\$96.00	\$1,440.00	\$136.00	\$2,040.00
35	15	Simmons Green Belt - 3900 Chaha & Simmons	\$25.00	\$375.00	\$30.72	\$460.80	\$51.00	\$765.00
36	15	Century Drive by Bridge - 2909 Century	\$25.00	\$375.00	\$46.08	\$691.20	\$66.00	\$990.00
37	15	3908 Main Street mow detailed behind City Hall Complex 8.2 acres including drainage	\$400.00	\$6,000.00	\$307.20	\$4,608.00	\$451.00	\$6,765.00
38	15	Lot next to Firestation 1 - 3900-4000 Miller - back to tree Line rough cut (see Jen)	\$25.00	\$375.00	\$38.40	\$576.00	\$53.00	\$795.00
39	15	Martin Lot 66 - 6000 Lakeview & 5200 Martin SE corner lot	\$25.00	\$375.00	\$23.04	\$345.60	\$40.00	\$600.00
40	15	Miller Heights and PGBT frontage facing PGBT and ROW east on Miller		\$0.00	\$192.00	\$2,880.00	\$303.00	\$4,545.00
		SUBTOTAL OF GREEN SECTION		\$16,500.00		\$20,678.40		\$31,335.00
		PURPLE SECTION						
41	15	Shipp Road at Lake - 6800 Shipp Road & Lakeview	\$100.00	\$1,500.00	\$46.08	\$691.20	\$72.00	\$1,080.00
42	15	Denver & Davis Green Belt - 9100 Shipman to Cullins Elementary	\$200.00	\$3,000.00	\$115.20	\$1,728.00	\$171.00	\$2,565.00
43	15	Woodside Green Belt - 8200 Highgate to 5100 Dalrock	\$300.00	\$4,500.00	\$134.40	\$2,016.00	\$193.00	\$2,895.00
44	15	Woodside Green Belt W of Highgate - 8200 Highgate	\$200.00	\$3,000.00	\$230.40	\$3,456.00	\$336.00	\$5,040.00
45	15	Vagas Alley, Fairmont Cr to Woodlake - 9200 Fairmont - 9000 Woodlake	\$25.00	\$375.00	\$7.68	\$115.20	\$14.00	\$210.00
46	15	Chiesa from Lakeview Pkwy - 5500 Chiesa - 1900 Chiesa	\$300.00	\$4,500.00	\$422.40	\$6,336.00	\$622.00	\$9,330.00
47	15	Inwood Alley (Inwood & Woodglen) - 5401 Inwood (end) Woodglen	\$25.00	\$375.00	\$7.68	\$115.20	\$11.00	\$165.00
48	15	Miami Alley (between Miami & Dalrock) - 8700 Vernon - 5517 Miami	\$25.00	\$375.00	\$7.68	\$115.20	\$3.00	\$45.00
49	15	Westfield Alley (between Westfield & Dalrock) - 8706 Westfield - 5721 Westfield	\$25.00	\$375.00	\$7.68	\$115.20	\$2.00	\$30.00
50	15	Millwood Alley (between Millwood & Dalrock) - 5801 - 5909 Millwood	\$25.00	\$375.00	\$7.68	\$115.20	\$2.00	\$30.00

City Of Rowlett Bid Tabulation Mowing Services Section III, #2015-49
 4004 Main Street, Rowlett, TX 75088
 Purchasing Phone 972-412-6189 Fax 972-412-6144
 April 2, 2015, 2:00 p.m.

Item	Qty	SECTION III	Carruthers Landscape Mgmt.		D & D Commercial Landscape Mgmt.		Good Earth Corporation	
			Unit	Total	Unit	Total	Unit	Total
		PURPLE SECTION (Cont.)						
51	15	Bermuda Green Belt from Schrade to Miller Road - 8700 Miller - 7900 Tidewater to 4300 Delta to 4000 Channel to 7600 Bayview	\$400.00	\$6,000.00	\$576.00	\$8,640.00	\$838.00	\$12,570.00
52	15	Navigation Green Belt from Miller to Dalrock & east of Dalrock right of way - 8200 Navigation/8200 Miller	\$300.00	\$4,500.00	\$192.00	\$2,880.00	\$281.00	\$4,215.00
53	15	Fuqua Drainage Channel - from 2214 to pump station	\$25.00	\$375.00	\$7.68	\$115.20	\$9.00	\$135.00
54	15	Schrade Rd from Chiesa to Dalrock 7400-8500 Schrade north & south side, Mariner @ Schrade - 4400 Mariner - 4702 and across to wood fence, & Catamaran Drainage - 7400-7800 Schrade (both sides)	\$200.00	\$3,000.00	\$76.80	\$1,152.00	\$124.00	\$1,860.00
55	15	Amhurst Alley (Garner to Seascape) 7518 Amherst to 7300 Garner	\$25.00	\$375.00	\$19.20	\$288.00	\$25.00	\$375.00
56	15	Seascape Alley (Fuqua to Chiesa) - 7000 - 7709 Seascape	\$25.00	\$375.00	\$19.20	\$288.00	\$30.00	\$450.00
57	15	Garner Road from Stanford to 7300 Garner	\$25.00	\$375.00	\$38.40	\$576.00	\$66.00	\$990.00
58	15	Garner Property in between 8006 & 7921 Garner, Vacant lot to the east of 7704 Garner	\$25.00	\$375.00	\$19.20	\$288.00	\$29.00	\$435.00
59	15	Garner from Chiesa to Randi Rd - 8100 Garner - 7500 Randi Rd.	\$25.00	\$375.00	\$30.72	\$460.80	\$42.00	\$630.00
60	15	Miller from Chiesa to Dalrock - 7400 Miller - 8500 Dalrock	\$300.00	\$4,500.00	\$307.20	\$4,608.00	\$446.00	\$6,690.00
61	15	C.A, Roan Garner to Yale	\$25.00	\$375.00	\$115.20	\$1,728.00	\$165.00	\$2,475.00
62	15	Garner Rd East of Chiesa	\$100.00	\$1,500.00	\$38.40	\$576.00	\$60.00	\$900.00
63	15	Clay Drive Alley (Woodlake to Greenspoint) - 4818 - 4618 Clay/4610 - 4518 Clay	\$25.00	\$375.00	\$7.68	\$115.20	\$12.00	\$180.00
64	15	Corner Lot at Stanford & Chiesa - 2700 Stanford	\$25.00	\$375.00	\$19.20	\$288.00	\$33.00	\$495.00
65	15	Mediterranean Alley from Schrade to Delta - 4300 Delta/7500 Atlantic/Alley	\$25.00	\$375.00	\$7.68	\$115.20	\$10.00	\$150.00
66	15	Marlin Alley from Lagoon to Bayhill - 3817 - 3801 Marlin	\$25.00	\$375.00	\$7.68	\$115.20	\$2.00	\$30.00
67	15	Miller Rd from lake bridge to Chiesa - 6800 - 7300 Miller	\$100.00	\$1,500.00	\$46.08	\$691.20	\$71.00	\$1,065.00
68	15	Scenic from Woodlake to Heartstone - 4714 Scenic - 9501 Heartstone	\$25.00	\$375.00	\$15.36	\$230.40	\$18.00	\$270.00
69	15	Fairmont Circle Alley from Fairmont to Vagas - 9222 - 9110 Fairmont	\$25.00	\$375.00	\$7.68	\$115.20	\$9.00	\$135.00
70	15	Lots on Martha at the end of East side of road - 4801 Sunnybrook	\$25.00	\$375.00	\$172.80	\$2,592.00	\$267.00	\$4,005.00
71	15	Point Royal Alley - 400 - 509 Point Royal	\$25.00	\$375.00	\$7.68	\$115.20	\$8.00	\$120.00
72	15	Lakewood Estates area by the Lake - 3504 - 4000 Dalrock	\$50.00	\$750.00	\$38.40	\$576.00	\$51.00	\$765.00
73	15	3801 George Bush Frwy next to water tower	\$300.00	\$4,500.00	\$307.20	\$4,608.00	\$495.00	\$7,425.00
74	15	8491 Shrade Road future Fire Station	\$100.00	\$1,500.00	\$307.20	\$4,608.00	\$468.00	\$7,020.00
		SUBTOTAL OF PURPLE SECTION		\$51,750.00		\$50,572.80		\$74,775.00

City Of Rowlett Bid Tabulation Mowing Services Section III, #2015-49
 4004 Main Street, Rowlett, TX 75088
 Purchasing Phone 972-412-6189 Fax 972-412-6144
 April 2, 2015, 2:00 p.m.

Item	Qty	SECTION III	Carruthers Landscape Mgmt.		D & D Commercial Landscape Mgmt.		Good Earth Corporation	
			Unit	Total	Unit	Total	Unit	Total
		YELLOW SECTION						
75	15	Faringdon Alley (Faringdon & Rowlett Rd) 6418 - 6000 Faringdon	\$25.00	\$375.00	\$15.36	\$230.40	\$24.00	\$360.00
76	15	Drainage Channel behind Gardenia - 6600 - 6417 Gardenia	\$25.00	\$375.00	\$57.60	\$864.00	\$88.00	\$1,320.00
77	15	Azalea Green Belt - 5800 - 5614 Azalea	\$25.00	\$375.00	\$38.40	\$576.00	\$62.00	\$930.00
78	15	Old Rowlett Road (behind fences) - 5600 - 6100 Old Rowlett Road	\$25.00	\$375.00	\$38.40	\$576.00	\$61.00	\$915.00
79	15	Big A Road (Southside) - 3600 - 4300 Big A Rd.	\$25.00	\$375.00	\$23.04	\$345.60	\$42.00	\$630.00
80	15	Merritt Road from Liberty Grove to City Limit sign (7400-9958 Merritt)	\$200.00	\$3,000.00	\$230.40	\$3,456.00	\$367.00	\$5,505.00
81	15	Toler Rd from (Springfield Estates Wall) 2600 Toler - 2802 Toler	\$25.00	\$375.00	\$15.36	\$230.40	\$20.00	\$300.00
82	15	Toler Drainage Channels 3808, 4202, 4705 Toler	\$25.00	\$375.00	\$38.40	\$576.00	\$49.00	\$735.00
83	15	Hickox Road from Rowlett Road to Merritt (behind walls or fences only)2500 Hickox - 4000 Hickox	\$25.00	\$375.00	\$57.60	\$864.00	\$95.00	\$1,425.00
84	15	Hickox Road East of Merritt to Misty Lane (4000-4450 Hickox)	\$25.00	\$375.00	\$38.40	\$576.00	\$66.00	\$990.00
85	15	Misty Lane (4400-4317 Misty Lane)	\$50.00	\$750.00	\$30.72	\$460.80	\$42.00	\$630.00
86	15	Dexham Triangle - 6700 Dexham @ Castle	\$50.00	\$750.00	\$38.40	\$576.00	\$50.00	\$750.00
87	15	Hancock Alley - 6300 Hancock	\$25.00	\$375.00	\$7.68	\$115.20	\$7.00	\$105.00
88	15	Conestoga & Post Oak Alley - 6718 - 6926 Post Oak/Conestoga	\$25.00	\$375.00	\$7.68	\$115.20	\$8.00	\$120.00
89	15	Northhampton Alley - 1602 - 1802 North Hampton	\$25.00	\$375.00	\$7.68	\$115.20	\$8.00	\$120.00
90	15	Wildhaven Alley - 6706 - 6318 Wildhaven	\$25.00	\$375.00	\$7.68	\$115.20	\$9.00	\$135.00
91	15	Castle from Hickox to Woodmont - 6700 Castle	\$100.00	\$1,500.00	\$76.80	\$1,152.00	\$107.00	\$1,605.00
92	15	Larkin Drainage Channels - 3110 Larkin	\$25.00	\$375.00	\$7.68	\$115.20	\$9.00	\$135.00
93	15	Post Oak Alley - 1618 Post Oak - 2210 Wellsely	\$25.00	\$375.00	\$7.68	\$115.20	\$10.00	\$150.00
94	15	Wellsely Alley - 2306 - 2406 Wellsely	\$25.00	\$375.00	\$7.68	\$115.20	\$6.00	\$90.00
95	15	6000 Farringdon drainage to Wal-Mart entrance on Kenwood	\$25.00	\$375.00	\$76.80	\$1,152.00	\$98.00	\$1,470.00
96	15	Castle from Rowlett Rd. south side MCW from fences to telephone poles	\$25.00	\$375.00	\$15.36	\$230.40	\$22.00	\$330.00
97	15	Liberty Grove at Rose Bud	\$100.00	\$1,500.00	\$134.40	\$2,016.00	\$205.00	\$3,075.00
98	15	New Merritt 8318-9558 Must edge sidewalk & blow off entire areas from George Bush to Sachse including center medians & ROW	\$300.00	\$4,500.00	\$384.00	\$5,760.00	\$440.00	\$6,600.00
99	15	Merritt Ct.9320-9849	\$25.00	\$375.00	\$38.40	\$576.00	\$46.00	\$690.00
100	15	Old Merritt Road 7301 - 7518	\$25.00	\$375.00	\$30.72	\$460.80	\$45.00	\$675.00
101	15	Old Merritt Road 9518-9747	\$25.00	\$375.00	\$76.80	\$1,152.00	\$110.00	\$1,650.00
		SUBTOTAL OF YELLOW SECTION		\$19,875.00		\$22,636.80		\$31,440.00
		Grand Total of Section III		\$121,125.00		\$128,908.80		\$189,105.00

City Of Rowlett Bid Tabulation Mowing Services Section III, #2015-49
 4004 Main Street, Rowlett, TX 75088
 Purchasing Phone 972-412-6189 Fax 972-412-6144
 April 2, 2015, 2:00 p.m.

Lawn & Landscape Management 3206 Main St. Suite 102 Rowlett, TX 75088 Joe Garcia 972-412-7860	Weldon's Lawn & Tree 2460 Shorecrest Rockwall, TX 75087 Brandon Weldon
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		Addendum 1 Acknowledged/Insurance Verified	<u>Yes/On file</u>		<u>Yes/Yes</u>	
Item	Qty	SECTION III	Unit	Total	Unit	Total
		BLUE SECTION				
1	15	Quail Glen Green Belt - 8214 Quail Glenn Ct.	\$82.80	\$1,242.00	\$35.00	\$525.00
2	15	Spinnaker Cove Green Belt - 8217 Spinnaker Cove	\$82.80	\$1,242.00	\$35.00	\$525.00
3	15	Barton Creek Alley (Barton Creek & Scenic Dr) - 7002 Barton	\$82.80	\$1,242.00	\$20.00	\$300.00
4	15	(Oak Hollow & Pheasant Run) - 9125 Pheasant Run - 9102 Oak Hollow	\$82.80	\$1,242.00	\$35.00	\$525.00
5	15	Pheasant Run Alley - 9125 Pheasant Run - 7610 Dalrock	\$82.80	\$1,242.00	\$20.00	\$300.00
6	15	Dalrock Rd from Liberty Grove to Princeton - 9900/7610 Dalrock	\$82.80	\$1,242.00	\$297.50	\$4,462.50
7	15	Chiesa from Liberty Grove to Lakeview Pkwy (Hwy 66) 5600-8400 Chiesa	\$82.80	\$1,242.00	\$233.70	\$3,505.50
8	15	Princeton Drainage Channel - 9718 Princeton	\$82.80	\$1,242.00	\$80.00	\$1,200.00
9	15	Allisa lot - ROW - 6300 Alisa Drive - 6100 Lakeshore	\$82.80	\$1,242.00	\$35.00	\$525.00
10	15	Lakeshore Drainage ROW - 6100 Lakeshore	\$82.80	\$1,242.00	\$20.00	\$300.00
11	15	Point Royale dead end ROW - 509 Point Royal	\$82.80	\$1,242.00	\$20.00	\$300.00
12	15	Silverthorn Alley - 8700 Brook Hollow	\$82.80	\$1,242.00	\$20.00	\$300.00
13	15	Dandridge Greenbelt - 7521 Dandridge (median)	\$82.80	\$1,242.00	\$40.00	\$600.00
14	15	Maui Drainage - 7714 Maui	\$82.80	\$1,242.00	\$35.00	\$525.00
15	15	Oak Hollow Alley - 9102 Oak Hollow	\$82.80	\$1,242.00	\$20.00	\$300.00
16	15	Yeager from Elm Grove to Waterview - 3600 Elm to Waterview	\$82.80	\$1,242.00	\$30.00	\$450.00
17	15	Princeton Rd. to Liberty Grove to dead end 7100-8600 Princeton/8800-9500 Old Princeton (Private Drive)	\$82.80	\$1,242.00	\$116.44	\$1,746.60
18	15	Elm Grove from Liberty Grove to Vinson - 4000 Elm Grove	\$82.80	\$1,242.00	\$82.00	\$1,230.00
19	15	Vinson from Elm Grove to Stonewall - 3200 Stonewall	\$82.80	\$1,242.00	\$63.96	\$959.40
20	15	Stonewall from Vinson to City limits sign - 3200 Stonewall	\$82.80	\$1,242.00	\$35.00	\$525.00
21	15	7800 Lakeview/5900 Canterbury NW corner - drainage swell by railing	\$82.80	\$1,242.00	\$20.00	\$300.00
22	15	190 Tollway ROW, 27 acres	\$82.80	\$1,242.00	\$945.00	\$14,175.00
23	15	Liberty Grove/George Bush to Princeton	\$82.80	\$1,242.00	\$245.00	\$3,675.00
		SUBTOTAL OF BLUE SECTION		\$28,566.00		\$37,254.00
		GREEN SECTION				
24	15	University drainage north of Halifax - 3600 University - 4200 Halifax	\$112.02	\$1,680.30	\$30.00	\$450.00
25	15	Dexham Rd from Lakeview Pkwy - 5400 Dexham (Hwy 66) to Miller Rd	\$112.02	\$1,680.30	\$133.25	\$1,998.75

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Item	Qty	SECTION III	Lawn & Landscape Management		Weldon's Lawn & Tree	
			Unit	Total	Unit	Total
		GREEN SECTION (Cont.)				
26	15	Main St from Kirby to lake - Main St. 4700 to lake - to 4600 Centennial ROW	\$112.02	\$1,680.30	\$127.92	\$1,918.80
27	15	Former Blue Barn Lot near 3840 Main St - 4600 Commerce - 3700 Dennis	\$112.02	\$1,680.30	\$40.00	\$600.00
28	15	David Alley (David & Smartt) - David 3000/Smartt 4000	\$112.02	\$1,680.30	\$85.28	\$1,279.20
29	15	Miller Rd from Skyline to bridge - Skyline to 3600 - to Miller Bridge, Kirby to bridge	\$112.02	\$1,680.30	\$35.00	\$525.00
30	15	Gordon Smith & Boyd (all drainage) - 5300 Gordon Smith - 4800 Boyd	\$112.02	\$1,680.30	\$244.36	\$3,665.40
31	15	Kyle St between Rowlett Rd & the church on S. side of road and to first house on N. side of road - 3200 Kyle - 3201 Kyle	\$112.02	\$1,680.30	\$25.00	\$375.00
32	15	Chaha Rd West of Rowlett Road - 3400 Chaha ROW 3107 - 3001	\$112.02	\$1,680.30	\$30.00	\$450.00
33	15	Police Dept. Vacant - Century Drive 3300 - 3210 Lot	\$112.02	\$1,680.30	\$35.00	\$525.00
34	15	Chaha Road - 4100 Traci Road	\$112.02	\$1,680.30	\$101.27	\$1,519.05
35	15	Simmons Green Belt - 3900 Chaha & Simmons	\$112.02	\$1,680.30	\$40.00	\$600.00
36	15	Century Drive by Bridge - 2909 Century	\$112.02	\$1,680.30	\$49.20	\$738.00
37	15	3908 Main Street mow detailed behind City Hall Complex 8.2 acres including drainage	\$112.02	\$1,680.30	\$287.00	\$4,305.00
38	15	Lot next to Firestation 1 - 3900-4000 Miller - back to tree Line rough cut (see Jen)	\$112.02	\$1,680.30	\$41.00	\$615.00
39	15	Martin Lot 66 - 6000 Lakeview & 5200 Martin SE corner lot	\$112.02	\$1,680.30	\$35.00	\$525.00
40	15	Miller Heights and PGBT frontage facing PGBT and ROW east on Miller	\$112.02	\$1,680.30	\$225.50	\$3,382.50
		SUBTOTAL OF GREEN SECTION		\$28,565.10		\$23,471.70
		PURPLE SECTION				
41	15	Shipp Road at Lake - 6800 Shipp Road & Lakeview	\$56.05	\$840.75	\$53.30	\$799.50
42	15	Denver & Davis Green Belt - 9100 Shipman to Cullins Elementary	\$56.05	\$840.75	\$127.10	\$1,906.50
43	15	Woodside Green Belt - 8200 Highgate to 5100 Dalrock	\$56.05	\$840.75	\$143.50	\$2,152.50
44	15	Woodside Green Belt W of Highgate - 8200 Highgate	\$56.05	\$840.75	\$256.20	\$3,843.00
45	15	Vagas Alley, Fairmont Cr to Woodlake - 9200 Fairmont - 9000 Woodlake	\$56.05	\$840.75	\$20.00	\$300.00
46	15	Chiesa from Lakeview Pkwy - 5500 Chiesa - 1900 Chiesa	\$56.05	\$840.75	\$395.50	\$5,932.50
47	15	Inwood Alley (Inwood & Woodglen) - 5401 Inwood (end) Woodglen	\$56.05	\$840.75	\$20.00	\$300.00
48	15	Miami Alley (between Miami & Dalrock) - 8700 Vernon - 5517 Miami	\$56.05	\$840.75	\$20.00	\$300.00

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Item	Qty	SECTION III	Lawn & Landscape Management		Weldon's Lawn & Tree	
			Unit	Total	Unit	Total
		PURPLE SECTION (Cont.)				
49	15	Westfield Alley (between Westfield & Dalrock) - 8706 Westfield - 5721 Westfield	\$56.05	\$840.75	\$20.00	\$300.00
50	15	Millwood Alley (between Millwood & Dalrock) - 5801 - 5909 Millwood	\$56.05	\$840.75	\$20.00	\$300.00
51	15	Bermuda Green Belt from Schrade to Miller Road - 8700 Miller - 7900 Tidewater to 4300 Delta to 4000 Channel to 7600 Bayview	\$56.05	\$840.75	\$532.70	\$7,990.50
52	15	Navigation Green Belt from Miller to Dalrock & east of Dalrock right of way - 8200 Navigation/8200 Miller	\$56.05	\$840.75	\$209.10	\$3,136.50
53	15	Fuqua Drainage Channel - from 2214 to pump station	\$56.05	\$840.75	\$20.00	\$300.00
54	15	Schrade Rd from Chiesa to Dalrock 7400-8500 Schrade north & south side, Mariner @ Schrade - 4400 Mariner - 4702 and across to wood fence, & Catamaran Drainage - 7400-7800 Schrade (both sides)	\$56.05	\$840.75	\$92.25	\$1,383.75
55	15	Amhurst Alley (Garner to Seascape) 7518 Amherst to 7300 Garner	\$56.05	\$840.75	\$35.00	\$525.00
56	15	Seascape Alley (Fuqua to Chiesa) - 7000 - 7709 Seascape	\$56.05	\$840.75	\$35.00	\$525.00
57	15	Garner Road from Stanford to 7300 Garner	\$56.05	\$840.75	\$49.20	\$738.00
58	15	Garner Property in between 8006 & 7921 Garner, Vacant lot to the east of 7704 Garner	\$56.05	\$840.75	\$35.00	\$525.00
59	15	Garner from Chiesa to Randi Rd - 8100 Garner - 7500 Randi Rd.	\$56.05	\$840.75	\$35.00	\$525.00
60	15	Miller from Chiesa to Dalrock - 7400 Miller - 8500 Dalrock	\$56.05	\$840.75	\$283.50	\$4,252.50
61	15	C.A, Roan Garner to Yale	\$56.05	\$840.75	\$126.00	\$1,890.00
62	15	Garner Rd East of Chiesa	\$56.05	\$840.75	\$44.69	\$670.35
63	15	Clay Drive Alley (Woodlake to Greenspoint) - 4818 - 4618 Clay/4610 - 4518 Clay	\$56.05	\$840.75	\$20.00	\$300.00
64	15	Corner Lot at Stanford & Chiesa - 2700 Stanford	\$56.05	\$840.75	\$35.00	\$525.00
65	15	Mediterranean Alley from Schrade to Delta - 4300 Delta/7500 Atlantic/Alley	\$56.05	\$840.75	\$20.00	\$300.00
66	15	Marlin Alley from Lagoon to Bayhill - 3817 - 3801 Marlin	\$56.05	\$840.75	\$20.00	\$300.00
67	15	Miller Rd from lake bridge to Chiesa - 6800 - 7300 Miller	\$56.05	\$840.75	\$52.48	\$787.20
68	15	Scenic from Woodlake to Heartstone - 4714 Scenic - 9501 Heartstone	\$56.05	\$840.75	\$25.00	\$375.00
69	15	Fairmont Circle Alley from Fairmont to Vagas - 9222 - 9110 Fairmont	\$56.05	\$840.75	\$20.00	\$300.00
70	15	Lots on Martha at the end of East side of road - 4801 Sunnybrook	\$56.05	\$840.75	\$198.44	\$2,976.60
71	15	Point Royal Alley - 400 - 509 Point Royal	\$56.05	\$840.75	\$20.00	\$300.00
72	15	Lakewood Estates area by the Lake - 3504 - 4000 Dalrock	\$56.05	\$840.75	\$40.00	\$600.00
73	15	3801 George Bush Frwy next to water tower	\$56.05	\$840.75	\$315.00	\$4,725.00
74	15	8491 Shrade Road future Fire Station	\$56.05	\$840.75	\$297.50	\$4,462.50
		SUBTOTAL OF PURPLE SECTION		\$28,585.50		\$54,546.90

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 April 2, 2015, 2:00 p.m.

Item	Qty	SECTION III	Lawn & Landscape Management		Weldon's Lawn & Tree	
			Unit	Total	Unit	Total
		YELLOW SECTION				
75	15	Faringdon Alley (Faringdon & Rowlett Rd) 6418 - 6000 Faringdon	\$110.00	\$1,650.00	\$25.00	\$375.00
76	15	Drainage Channel behind Gardenia - 6600 - 6417 Gardenia	\$110.00	\$1,650.00	\$65.60	\$984.00
77	15	Azalea Green Belt - 5800 - 5614 Azalea	\$110.00	\$1,650.00	\$45.51	\$682.65
78	15	Old Rowlett Road (behind fences) - 5600 - 6100 Old Rowlett Road	\$110.00	\$1,650.00	\$45.00	\$675.00
79	15	Big A Road (Southside) - 3600 - 4300 Big A Rd.	\$110.00	\$1,650.00	\$35.00	\$525.00
80	15	Merritt Road from Liberty Grove to City Limit sign (7400-9958 Merritt)	\$110.00	\$1,650.00	\$273.47	\$4,102.05
81	15	Toler Rd from (Springfield Estates Wall) 2600 Toler - 2802 Toler	\$110.00	\$1,650.00	\$25.00	\$375.00
82	15	Toler Drainage Channels 3808, 4202, 4705 Toler	\$110.00	\$1,650.00	\$40.00	\$600.00
83	15	Hickox Road from Rowlett Road to Merritt (behind walls or fences only)2500 Hickox - 4000 Hickox	\$110.00	\$1,650.00	\$70.52	\$1,057.80
84	15	Hickox Road East of Merritt to Misty Lane (4000-4450 Hickox)	\$110.00	\$1,650.00	\$49.20	\$738.00
85	15	Misty Lane (4400-4317 Misty Lane)	\$110.00	\$1,650.00	\$35.00	\$525.00
86	15	Dexham Triangle - 6700 Dexham @ Castle	\$110.00	\$1,650.00	\$40.00	\$600.00
87	15	Hancock Alley - 6300 Hancock	\$110.00	\$1,650.00	\$20.00	\$300.00
88	15	Conestoga & Post Oak Alley - 6718 - 6926 Post Oak/Conestoga	\$110.00	\$1,650.00	\$20.00	\$300.00
89	15	Northhampton Alley - 1602 - 1802 North Hampton	\$110.00	\$1,650.00	\$20.00	\$300.00
90	15	Wildhaven Alley - 6706 - 6318 Wildhaven	\$110.00	\$1,650.00	\$20.00	\$300.00
91	15	Castle from Hickox to Woodmont - 6700 Castle	\$110.00	\$1,650.00	\$79.13	\$1,186.95
92	15	Larkin Drainage Channels - 3110 Larkin	\$110.00	\$1,650.00	\$20.00	\$300.00
93	15	Post Oak Alley - 1618 Post Oak - 2210 Wellsely	\$110.00	\$1,650.00	\$20.00	\$300.00
94	15	Wellsely Alley - 2306 - 2406 Wellsely	\$110.00	\$1,650.00	\$20.00	\$300.00
95	15	6000 Faringdon drainage to Wal-Mart entrance on Kenwood	\$110.00	\$1,650.00	\$72.57	\$1,088.55
96	15	Castle from Rowlett Rd. south side MCW from fences to telephone poles	\$110.00	\$1,650.00	\$25.00	\$375.00
97	15	Liberty Grove at Rose Bud	\$110.00	\$1,650.00	\$152.50	\$2,287.50
98	15	New Merritt 8318-9558 Must edge sidewalk & blow off entire areas from George Bush to Sachse including center medians & ROW	\$110.00	\$1,650.00	\$328.00	\$4,920.00
99	15	Merritt Ct.9320-9849	\$110.00	\$1,650.00	\$40.00	\$600.00
100	15	Old Merritt Road 7301 - 7518	\$110.00	\$1,650.00	\$40.00	\$600.00
101	15	Old Merritt Road 9518-9747	\$110.00	\$1,650.00	\$82.00	\$1,230.00
		SUBTOTAL OF YELLOW SECTION		\$44,550.00		\$25,627.50
		Grand Total of Section III		\$130,266.60		\$140,900.10



City of Rowlett
Staff Report

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

AGENDA DATE: 04/21/15

AGENDA ITEM: 7K

TITLE

Consider action to approve a resolution authorizing the City to enter into a contract with Mint Bills in order to allow citizens an opportunity to render their utility payments by smart phone, tablets, or computers, and set up recurring payments and alert notifications.

STAFF REPRESENTATIVE

Wendy Badgett, Interim Director of Finance
Gary Lester, Revenue Manager

SUMMARY

As part of its migration to Tyler Technologies, the City was made aware that the system used by its current payment portal provider, NetBill, is not the optimal vendor option to partner with our new revenue software. To ensure our citizens do not incur interruptions to their abilities to make recurring payments or the ability to make utility payments from their smart devices, the City has identified Mint Bills as a viable service option.

Additionally, switching our provider from NetBill to Mint Bills has the potential to save the City \$0.20-\$0.50 per credit card transaction and approximately \$2,000 per month for ACH transactions. Collectively, with an average of 4,820 customers using credit cards per month, this has the potential to save the City over \$44,000 a year. It is important to note that these savings will only be recognized if Mint Bills is the payment method chosen by the customer, as they have two other options available as well—Citizen Self Service on the website and to pay in person at the Utility Billing Office.

Overall, Mint Bills is an added payment method to citizens at no additional cost to the City.

BACKGROUND INFORMATION

Currently, citizens can either pay their utility bills online via credit card payments through the City's website or in-person at the Utility Billing Office. Citizens who opt to pay online are routed to NetBill, through which they can set up one-time or recurring payments. NetBill will ultimately be phased out upon the July 6, 2015, go-live of the Tyler Technologies' website product, Citizen Self Service. The Tyler product is the customer account portal accessible to citizens to view their account and usage history and accept payments. However, because the Tyler product will not offer citizens the option to establish recurring or smart device payments, we will make both Tyler and Mint Bills available to our citizens. The City will also promote Mint Bills as the preferred payment device of choice.

DISCUSSION

Mint Bills is an additional payment method that will add services such as smart device access, recurring payment set up as well as alert notifications, such as bill due dates, payment confirmation, upcoming credit card expiration, etc., at no additional cost to the City. Mint Bills can be downloaded as a smart device app, or can be accessed on the City's utility payment website.

We benchmarked this effort with the City of Arlington, which migrated to Mint Bills. We reviewed Arlington's website and confirmed its ease of use. Arlington personnel also verified that overall credit card processing fees are lower. Being that using a smart device app is a new utility payment technology, there are not many cities to compare benchmarking at this time.

Upon Council approval, the City will notify customers who currently use NetBill for recurring payments that they need to migrate over to Mint Bills, before the Citizen Self Service portal goes live on July 6. We will notify customers via the next two cycles of their water bills.

FINANCIAL/BUDGET IMPLICATIONS

Current City policy stipulates that the City, and not citizens, is responsible for paying credit card processing fees.

Note: No changes to the current budget are being requested at this time since there will be no additional cost to the City and actual savings for this change cannot be realized until future usage trends are analyzed.

This action will not generate definitive budget savings to the City. As stated, there's no requirement for citizens to make their payments online or choose Mint Bills when they do pay online. We do confirm that if the customer chooses to use Mint Bills, there will be a lower cost to the City for their transactions. Currently the City is charged, on average, \$1.70 to \$2.00 per credit card transaction (depending on the type and brand of card used) by citizens paying through the online services in place with NetBill. Additionally, the City is charged for ACH transactions, which averages about \$2,000 per month. In comparison, Mint Bills will be a flat fee of \$1.50 per credit card transaction, regardless of the type or brand of card used, and no charge for ACH transactions.

By encouraging customers to utilize Mint Bills for their utility bill payments when paying by credit card, the City could realize an average savings of \$0.20 to \$0.50 per transaction. Based on the current average of 4,829 citizens that make credit card payments through NetBill per month, in addition to the current average of \$2,000 per month for ACH fees, this equates to over \$44,000 annually. As a result, we will promote Mint Bills as the preferred payment provider of choice.

RECOMMENDED ACTION

City staff recommends approving action to allow the City Manager to sign a contract with Mint Bills to allow as an additional avenue for presentment and payment of utility bills.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, AWARDED A CONTRACT TO MINT BILLS FOR THE COLLECTION OF UTILITY BILLING PAYMENTS ON BEHALF OF THE CITY; AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT AFTER APPROVAL FROM THE CITY ATTORNEY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is important for the City to offer mobile payment options to its citizens; and

WHEREAS, customers should have options with which to make payment to the City for services rendered; and

WHEREAS, Mint Bills provides additional mobile payment options for the City's customers.

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

Section 1: That the City Council of the City of Rowlett does hereby approve a contract with Mint Bills for the acceptance and processing of credit card and ACH payments through their mobile app and online site, in accordance with the terms and conditions specified in Exhibit A, attached hereto.

Section 2: That the City Manager is hereby authorized to execute the agreement on the City's behalf, after approval from the City Attorney, and to issue appropriate purchase orders to conform to this resolution.

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

ATTACHMENTS

Exhibit A – Mint Bills contract

Attachment 1 – Mint Bills Overview literature

BILLER PROGRAM

TERMS OF SERVICE

Date Last Revised for Intuit and Mint Bills: January 20, 2015

These Biller Program Terms of Service, including any associated Services Order Form, is a legally binding agreement (collectively, the "**Agreement**"), between Intuit Mint Bills, Inc., an Intuit company and a Delaware corporation ("**Intuit**"), and the Biller Program business user (the "**Company**"). This Agreement governs Company's use of the Intuit service. Intuit provides a personal finance service that includes, among other things, a web and mobile application that facilitates the electronic payment of bills. Company wishes to accelerate the adoption of electronic bill payment for its customers via the Intuit service. Capitalized terms used but not defined herein shall have the meanings given to them in a Services Order Form.

1. Definitions

The following are defined terms:

1.1. "Basic Account Data" means, for a particular Customer, account name, account number, billed amount due and bill due date.

1.2. "Company's Confidential Information" means Confidential Information (as defined below) that is proprietary to the Company.

1.3. "Confidential Information" means financial, technical, legal, marketing, network, and/or other business information, reports, records, or data (including, but not limited to, computer programs, code, systems, applications, analyses, passwords, procedures, output, information regarding software, sales data, vendor lists, customer lists, and other customer-related information, business strategies, advertising and promotional plans, creative concepts, specifications, designs, and/or other material) which the disclosing party deems, and the receiving party should consider, proprietary and/or confidential to (and of independent economic value to) the disclosing party. Confidential Information may be disclosed between parties by delivery, electronic or manual, access to networks or computers of the other party, or any other means in which the other party is, or becomes, in possession of Confidential Information of the other party.

1.4. "Customer" means those customers of Company who use or access the Service.

1.5. "Documentation" means the documentation provided with the Service, which Intuit provides and/or makes available electronically, and includes any updates or supplemental materials generally provided or made available to the Service users.

1.6. "Intellectual Property Rights" means all patents, patent rights, copyrights, moral rights, trade secret rights, trademark, service mark and trade dress rights and all other intellectual property rights, as may exist now and/or hereafter come into existence, including derivative rights, and all renewals and extensions

thereof, under the laws of the United States or any other state, country or jurisdiction.

1.7. "Intuit's Confidential Information" means Confidential Information that includes the Service and its specifications.

1.8. "Law(s)" means all federal, state and local laws, rules and regulations as now in effect and as amended from time to time that apply to a party's business.

1.9. "Service" means Intuit's proprietary personal finance service that includes, among other things, a web and mobile application that facilitates the electronic payment of bills.

2. General Purpose and License Grant

2.1 General Purpose. The general purpose of this Agreement is to facilitate the adoption and use of electronic payment by Customers of Company. This goal is achieved by the Company working, in concert with Intuit, to encourage its customers to enroll in and use the Service.

2.2 Rights Granted; License Restrictions. Intuit grants Company, for the Term (as defined below) of this Agreement, a non-exclusive, non-transferable license to access the Service as described in this Agreement for use by Company and Customers, only via Intuit and for the direct benefit of its Customers. Company has no right to sublicense, rent, lease, or distribute the Service, except as otherwise provided under this Agreement. Company shall not reproduce, copy, modify, translate, reverse engineer, disassemble,

decompile or otherwise attempt, or permit others to attempt, to discover the source code of the Service, in whole or in part. Company agrees not to directly use the Service to design or develop a competing product.

3. Responsibilities of the Parties

3.1 Intuit.

3.1.1 Intuit will support Company in the Service with the features generally available to all Intuit customers. Such features may include bill presentment, alerts and reminders, and payments.

3.1.2 For those Customers who provide (i) account number or (ii) user name and password information, Intuit will provide functionality common to the generally available Service, including mobile electronic presentment of bill information, payment capabilities, alert messaging, bill statement tracking and display (File Cabinet), etc. This will also include the ability for Customers to make one-time payments to Company.

3.1.3 Intuit will provide operational reporting regarding the Service via a payments portal, including payment tracking, individual transaction detail and problem tracking.

3.1.4 Intuit will provide business intelligence reporting via e-mail, including number of payments made using the Service (including by week and by month), Customers registered and average payment amount.

3.1.5 Intuit will provide online and telephone-based support services to Customers. Intuit shall work with Company to coordinate processes for handling inquiries from Customers as between Intuit and Company customer service functions.

3.1.6 Intuit will provide Company with a standardized marketing toolkit to facilitate its use of the Service.

3.2 Company.

3.2.1 Company shall provide Intuit with Basic Account Data for its entire customer base in electronic form and update such data daily.

3.2.2 Company will prominently promote Intuit as an available and authorized payment channel on all customer-facing online and print listings of bill payment options.

3.2.3 Within 60 days after the Effective Date, Company will promote Intuit on its home page for at least the first 14 months of the Term using the Intuit-supplied widget and HTML.

3.2.4 Within 60 days after the Effective Date, Company will prominently promote Intuit on the outside of its monthly customer billing envelope for at least the first 14 months of the Term.

3.3 Customers. Customers will need to provide their own compatible computing and/or mobile devices with current

software, download the Service and/or agree to any applicable terms of service.

4. Fees

4.1 Fees. The fees applicable to this Agreement are set forth in our Rate Card.

4.2 Chargebacks and Returns. Intuit is responsible for any chargebacks or ACH returns that occur on Customer accounts in the course of Customer use of the Service for payments to Company.

4.3 Invoices. In applications of the Service where Company, rather than Customer, is responsible for the payment transaction fees of the Service, Intuit will generate a monthly invoice for all fees incurred by Company. Invoices will be provided to the Company within 15 calendar days after the end of each calendar month.

4.4 Payment Terms. Payments on invoices are due to Intuit on a Net 30 basis. Payments are to be made via check sent to Accounts Receivable at Intuit's headquarters office. Late payments are subject to a fee of 1.5% per month or the maximum amount permitted by applicable law. Company shall reimburse Intuit for any and all expenses that Intuit may incur (including interest, attorneys' fees and any expenses) in connection with Intuit's efforts to collect any amounts due to Intuit hereunder.

5. Intellectual Property

5.1 Intuit. Intuit shall own all right, title and interest, including all Intellectual Property Rights, in and to the Intuit Confidential Information, the Service, the Documentation and all works, ideas, and deliverables made, reduced to practice, created or developed under this Agreement. Intuit shall own all improvements, including all Intellectual Property Rights in the same, in and to the Service.

5.2 Company. Company shall own all right, title and interest, including all Intellectual Property Rights to the Company Confidential Information.

5.3 Trademark Licenses; Notices. Intuit hereby licenses to Company the trademarks it actively provides to Company for the Term and for the limited purpose of promoting the Service to the Customers. Company hereby licenses to Intuit the trademarks it actively provides to Intuit for the Term and for the limited purpose of facilitating the provision of the Service to the Customers. Neither party shall remove any copyright or other proprietary rights notices of the other party on any materials provided by the other party under this Agreement.

6. Confidential Information

6.1 Nondisclosure.

6.1.1 Intuit agrees (a) to hold Company's Confidential Information in strict confidence, (b) not to disclose Company's Confidential Information to any third party, and (c) not to use Company's

Confidential Information for any purpose other than as permitted by this Agreement.

6.1.2 Company agrees (a) to hold Intuit's Confidential Information in strict confidence, (b) not to disclose Intuit's Confidential Information to any third party, and (c) not to use Intuit's Confidential Information for any purpose other than as permitted by this Agreement.

6.1.3 Each party may disclose the other party's Confidential Information to its employees or authorized contractors who (i) have executed or are otherwise knowingly bound by a non-disclosure agreement requiring such employee or contractor to hold in confidence all third party confidential information obtained in connection with such employment or consultancy and (ii) have a bona fide need to know such information, but only to the extent necessary to carry out this Agreement. Each party agrees to instruct all such employees and consultants not to disclose such Confidential Information to third parties without the prior written permission of the disclosing party. Upon termination of this Agreement, the receiving party will promptly return to the disclosing party all tangible items containing or consisting of the disclosing party's Confidential Information and shall remove or destroy all copies or records of such Confidential Information except as may be required by law, rule, regulation or administrative order.

6.2 Exceptions. Notwithstanding the foregoing, Confidential Information does not include information which: is now, or

hereafter becomes, through no act or failure to act on the part of the receiving party, generally known or available to the public; was acquired by the receiving party before receiving such information from the disclosing party and without restriction as to use or disclosure; is hereafter rightfully furnished to the receiving party by a third party, without restriction as to use or disclosure; is information which the receiving party can document was independently developed or obtained by the receiving party without use of the disclosing party's Confidential Information; or is disclosed pursuant to the lawful requirement or order of a court or governmental agency, provided that, upon the receiving party's request for such a disclosure, the receiving party gives prompt notice thereof to the disclosing party (unless such notice is not possible under the circumstances, or is prohibited by such lawful order) so that the disclosing party may have the opportunity to intervene and contest such disclosure and/or seek a protective order or other appropriate remedy.

7. Indemnification

7.1 By Intuit. Intuit shall indemnify, defend and hold harmless Company, its officers, directors, employees and agents from and against all losses, costs, damages, judgments, settlements, penalties, liabilities and expenses (including reasonable attorneys' fees) arising out of third party claims that the Service, as provided by Intuit to Company under this Agreement and used within the scope of this Agreement, infringes or misappropriates any valid U.S. patent, trade secret, copyright or trademark, provided,

however, that Company (i) notifies Intuit promptly in writing of the claim, (ii) provides reasonable assistance in connection with the defense and/or settlement thereof, and (iii) permits Intuit to control the defense and/or settlement thereof.

7.2 Limitations. Intuit's obligation to indemnify Company shall not apply to the extent that any such third party claim arises out of (a) any Company trademarks, or (b) Company's or any Customer's use of the Service other than as expressly provided in this Agreement.

7.3 Intuit Options. In the event of an infringement action against Company in connection with the Service, or in the event Intuit believes such a claim is likely that is subject to the indemnity provisions of the Agreement, Intuit shall be entitled, at its option but without obligation or additional cost to Company, to (i) appropriately modify or replace the Service with functionality which is functionally similar in all material respects and which, in Intuit's opinion, does not infringe the claimed third party rights; (ii) obtain a license with respect to the applicable third party intellectual property rights; or (iii) if neither (i) nor (ii) is commercially practicable, immediately terminate this Agreement and all obligations hereunder.

7.4 By Company. Company shall indemnify, defend and hold harmless Intuit, its officers, directors, employees and agents from and against all losses, costs, damages, judgments, settlements, penalties, liabilities and expenses (including reasonable attorneys' fees) arising out of third party claims that (a) Company's trademarks infringe or misappropriate any valid worldwide

trademark or other intellectual property right, publicity right or similar personal right, or (b) Company violated any rights of third parties while using the Service; provided, however, that Intuit (i) notifies Company promptly in writing of the claim, (ii) provides reasonable assistance in connection with the defense and/or settlement thereof, and (iii) permits Company to control the defense and/or settlement thereof.

8. Disclaimer; Limitation of Liability

8.1 EXCEPT AS SPECIFICALLY SET FORTH HEREIN, INTUIT MAKES NO warranties concerning the SERVICE, WHETHER express, implied or otherwise, AND INTUIT specifically disclaims the implied warranties of merchantability, fitness for a particular purpose AND noninfringement with respect THERETO. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, INTUIT SPECIFICALLY DOES NOT WARRANT THAT the SERVICE WILL PERFORM WITHOUT INTERRUPTION OR ERROR. EXCEPT AS OTHERWISE SET FORTH IN THIS AGREEMENT, INTUIT WILL NOT BE LIABLE FOR ANY DAMAGES THE COMPANY OR CUSTOMER MAY SUFFER ARISING OUT OF USE, OR INABILITY TO USE THE SERVICE PROVIDED HEREUNDER. INTUIT WILL NOT BE LIABLE FOR FAILURE OF THE INTERNET OR TELECOMMUNICATIONS SYSTEMS.

8.2 IN NO EVENT WILL INTUIT OR COMPANY BE LIABLE TO THE OTHER UNDER THIS AGREEMENT FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, WHETHER BASED ON BREACH OF CONTRACT, TORT (INCLUDING

NEGLIGENCE) OR OTHERWISE, WHETHER OR NOT THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, and notwithstanding the failure of the essential purpose of any remedy. THE LIABILITY OF ANY PARTY FOR DAMAGES OR ALLEGED DAMAGES HEREUNDER, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR ANY OTHER LEGAL THEORY, IS LIMITED TO, AND WILL NOT EXCEED, the GREATER OF (I) fees received by INTUIT DURING THE MOST RECENT 12 MONTHS OF THE TERM; OR (II) ONE MILLION DOLLARS (\$1,000,000).

8.3 NOTWITHSTANDING THE FOREGOING, THE LIMITATIONS OF LIABILITY SET FORTH ABOVE SHALL NOT APPLY TO THE FOLLOWING: (I) EACH PARTY'S RESPECTIVE INDEMNIFICATION OBLIGATIONS; (II) EITHER PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS; (III) EITHER PARTY'S MISUSE OF THE OTHER'S INTELLECTUAL PROPERTY; AND/OR (IV) THE WILLFUL MISCONDUCT AND/OR INTENTIONAL OR GROSSLY NEGLIGENT ACTIONS OF EITHER PARTY HEREUNDER.

9. Term and Termination

9.1 Term. The term of this Agreement shall commence on the Effective Date and continue unless terminated as set forth below (the "Term").

9.2 Termination. Either party may terminate this Agreement for convenience (i.e., for any reason or for no reason) with thirty (30) days notice to the other party.

9.3 Responsibilities Upon Termination. Upon the termination or expiration of this Agreement, and without limiting any other provision hereof: (i) any and all licenses granted under this Agreement shall immediately terminate; (ii) Company shall immediately cease its use of the Service; and (iii) except in the event of insolvency of Company, Company shall, at Intuit's election, either promptly return to Intuit or destroy all Confidential Information, copies of any software, or third party software, if any, (including back-up copies), related documentation, deliverables, if any, and all other materials, whether tangible or intangible, furnished by Intuit pursuant to this Agreement. Intuit shall not be liable to Company or any third-party for any termination of access to the Service.

10. General Provisions

10.1 Publicity. Intuit may use Company's name for promotional purposes, including publishing customer lists. The content of any press releases will be mutually agreed upon by the parties.

10.2 Governing Law; Venue; Compliance. This Agreement and any disputes arising under, in connection with, or relating to this Agreement will be governed by the laws of the State of California, excluding its conflicts of law rules. Any litigation pertaining to the interpretation or enforcement of this Agreement shall be filed in

and heard by the state or Federal courts located in Santa Clara, California, and the parties hereby submit to the jurisdiction of and waive any venue objections against such courts. Each party will perform all of its activities, obligations and responsibilities contemplated under this Agreement in compliance with all applicable Laws and will obtain all licenses or permits as may be required by any applicable Laws in order to conduct the activities contemplated hereunder. Each party shall acquire and maintain in effect all governmental regulatory authorizations, licenses and permits of every type from every state or federal agency necessary for each party's respective business. Each party is responsible for legal compliance and monitoring of its own respective website for legal and regulatory compliance.

10.3 Assignment. Neither party may assign or transfer this Agreement or any of its rights or obligations under this Agreement without the prior written permission of the other. Notwithstanding the foregoing, (i) either party may, without the other's consent, assign or transfer this Agreement in full in connection with a merger, consolidation, or sale of all or substantially all of its assets, provided that the non-assigning party is given notice of such assignment and the assignee explicitly assumes all obligations under this Agreement; and (ii) Intuit may, without Company's consent, assign or transfer this Agreement in full, without notice, to any entity Intuit controls, is controlled by, or is under common control with, where control is direct or indirect beneficial ownership of a majority of the outstanding voting securities of an entity, or the contractual or other power or

authority to appoint a majority of the board of directors, or other similar governing body. This Agreement shall be binding upon, and inure to the benefit of, the permitted successors and assigns of each party. Any attempt to transfer, sublicense or assign any of the rights or duties in violation of this Section is prohibited and shall be null and void.

10.4 Relationship of Parties. Neither this Agreement nor the parties' business relationship established hereunder will be construed as a partnership, franchise, joint venture, or agency relationship. The parties are independent contractors of one another. Neither party's employees or contractors are, or shall be deemed for any purpose to be, employees of the other. Neither party shall be responsible to the other or any governing body for any payroll-related taxes related to the performance of this Agreement.

10.5 Survival; Waiver; Force Majeure. Sections 1, 4, 5, 6, 7, 8, 9.3 and 10 shall survive any termination or expiration of this Agreement. No waiver of any breach of any provision of this Agreement will be considered to be a waiver of any prior, concurrent or later breach of the same provisions or different provisions, and will not be effective unless made in writing and signed by an officer of the waiving party. Neither party will have any liability to the other under, in connection with, or for any reason relating to, this Agreement as a result of any failure of performance as a result of an event of "force majeure." For purposes of this Agreement, "force majeure" means an event

beyond a party's reasonable control whether or not foreseeable and includes, in any case, the following events that may prevent or significantly hinder a party from performing this Agreement or acting in connection with this Agreement: armed conflicts, terrorist act, famine, floods, acts of God, labor strikes or shortages, governmental decree or regulation, court order, severe weather, fire, earthquake, failure of suppliers and breakdowns in telecommunications networks. Upon receipt of such notice, this Agreement shall immediately be suspended. If the period of nonperformance exceeds fifteen (15) business days from the receipt of notice of the force majeure, the party whose ability to perform has not been so affected may give notice to terminate this Agreement.

10.6 Notices; Modifications. Any notice required or permitted by this Agreement shall be in writing and shall be sent by any means reasonably used to provide the other party with notice such as a softcopy (e.g., e-mail, banner notification via the Service) or hard copy (e.g., mail, overnight carrier or hand delivery). Intuit may modify the terms of this Agreement or the features of the Service at any time. In the event that such modification constitutes a material change in Intuit's sole discretion, Intuit will provide notice to Company. Company's continued use of the Service after any modification of this Agreement or of the Service will constitute acceptance of any such modifications.

10.7 Entire Agreement; Severability. This Agreement, including its exhibits, constitutes the entire agreement of the parties with

respect to the subject matter hereof, and supersedes all prior or contemporaneous understandings or agreements, whether written or oral. If any provision of this Agreement is found invalid or unenforceable, that provision will be enforced to the maximum extent permissible, and the other provisions of this Agreement will remain in force.



SERVICES ORDER FORM

Order #: _____
Effective Date: _____
Company: _____
Contact Name: _____
Phone: _____
E-Mail: _____
Billing Address: _____

1. Intuit provides a personal finance service for consumers that facilitates the electronic payment of bills. Company will leverage the following Mint Bills services (select applicable box):
 - Mobile app bill payment service; OR
 - Mobile app and web bill payment service.
2. The terms and conditions for the services are set forth at https://check.me/partner/terms_of_service. By signing below, you agree that the Company named below ("Company") shall be bound by the online terms and conditions and you represent and warrant that you are authorized to enter into this Service Order Form on behalf of the Company.
3. As further set forth and governed by the rate card at <https://check.me/utilities/pricing>, the fees for the services are:
 - When end-customer is responsible for service fee, customer pays \$1.99 per credit / debit card transaction. OR
 - When Company is responsible for service fee, Company pays \$1.50 per credit / debit card transaction.

4. Intuit Billing & Finance contact:

Name: Nathan Brandys
 Title: Manager, Partner Development
 Phone: 650-353-8196
 E-Mail: nathan_brandys@intuit.com

AGREED AND ACCEPTED BY COMPANYY

Signature: _____
 Print Name: _____
 Company: _____
 Title: _____
 Date: _____



Overview

What is Mint Bills?

Mint Bills is a consumer bill pay service with over 11 million customers in the United States and is a member of the Intuit family of companies including Turbo Tax, Quicken, and QuickBooks.

Why is Mint Bills Partnering with Utilities?

Mint Bills has already built a unique bill payment and presentment solution that is being used by your customers today to manage and pay their bills. We allow utilities to leverage our proprietary billing and payment technology and the savings from processing billions of dollars in payments to deliver a superior service at no incremental cost.

Direct Energy, City of Arlington, UGI, Questar Gas, Alltel Wireless, Irvine Ranch Water District, Desert Water, City of Modesto, City of Stockton, Lee County Electric Cooperative and LADWP are just a few of the utilities we are partnering with today.

What are the Benefits of Partnering with Mint Bills?

- Increase e-adoption for billing and payments.
- Decrease costs for billing operations & improve customer service.
- Your customers are already using Mint Bills today.
- Mobile bill presentment and payment functionality at no cost to you.

Summary and Next Steps

Nathan provided an initial demo to the Gary and after the initial meeting, both parties felt a further discussion with additional team members is effective. Nathan to meet with team on 1/22 @ 2:30pm CST

Utility Partnerships

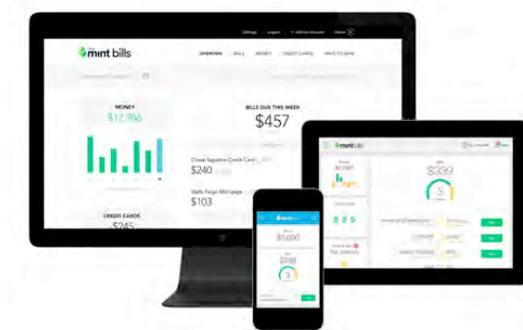
We allow utilities to leverage the Mint Bills' payment platform.

Your customers can access Mint Bills via your website to manage and pay their utility bill. They receive custom reminders and message when bills are due. They can pay their utility bill on the spot, or schedule the payment for later. No stamps, no phone calls, no hassle.



We convert your customers into long-term recurring payers.

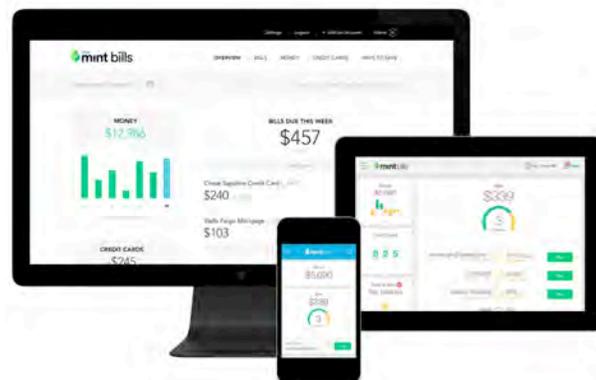
Mint Bills provides your customers with the most convenient way to pay. We offer your customers choices by allowing them to pay from their mobile phone, tablet or computer with whatever payment method they prefer.



How Mint Bills Works

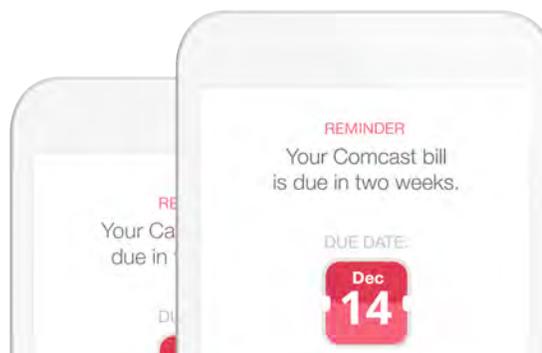
Bills and Payments in One Spot for Consumers

Mint Bills supplies consumers with a simple & organized place to manage and pay all of their bills and other financial accounts.



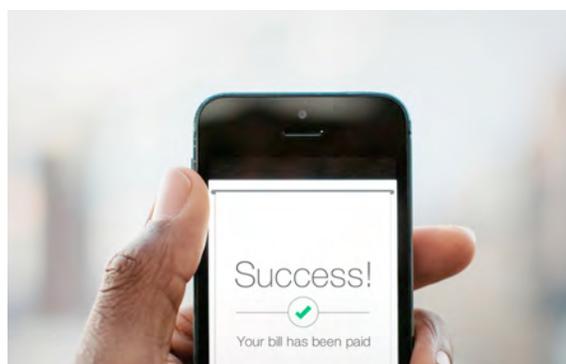
One-Click Payments

With our proprietary payment system consumers can easily pay with one click via their mobile device, tablet, or computer.



Bill Pay Wherever, Whenever

Customers get reminders when bills are due, so they can pay them immediately, or schedule the payment for a future date in a matter of a few clicks.



Pricing Structure & Implementation

Implementation is as Easy as Sending and Receiving a Daily File

You send Mint Bills a file each business day that includes the account number, amount due and due date for each of your customers. Mint Bills sends you back a file each business day that reconciles payments to the relevant customer. We will receive and send the file in your preferred format.

Simple and Straightforward Pricing Model

Our pricing model is below. There are no costs for the implementation. No maintenance costs. It is one simple per transaction fee for credit or debit card transactions. Bank ACH (E-Check) transactions are free for you and your customers.

	Bank ACH	Debit/Credit
Customer Pays	Free	Free
Rowlett Pays	Free	\$1.50

All funds guaranteed. Intuit responsible for collecting from customer.



City of Rowlett
Staff Report

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

AGENDA DATE: 04/21/15

AGENDA ITEM: 7L

TITLE

Consider action approving a resolution amending the Master Fee Schedule for rate and fee changes to the Utilities Section for Water Rates due to the elimination of the Stage 3 water restrictions by the North Texas Municipal Water District.

STAFF REPRESENTATIVE

Brian Funderburk, City Manager

SUMMARY

As part of the adoption of the FY2015 Budget, the City approved a \$6.97 monthly water surcharge as a result of the expected continuation of Stage 3 water restrictions by the North Texas Municipal Water District (NTMWD). The surcharge was intended to remain until the water restrictions were lifted. On April 9, 2015, the NTMWD announced that they would eliminate the Stage 3 water restrictions effective May 1, 2015. As a result, the purpose of this item is to eliminate the \$6.97 surcharge effective May 1, 2015.

BACKGROUND INFORMATION

The City of Rowlett Master Fee Schedule provides a schedule of fees and rates for various City services. The schedule is updated each year as part of the City's annual budget process and as needed from time to time. Typically, the fee schedule is updated at budget time to reflect increases in water, sewer and refuse rates, and any other fees that need to be increased due to increases in the cost of the service or be more in line with the fees other cities charge. This is also an opportunity to update any fees due to changes in operations, ordinances or state law and perform any administrative "clean up" of the schedule.

On August 5, 2014, Brian Funderburk, City Manager submitted the proposed budget for Fiscal Year 2015. On August 14 and 15, 2014, the City Council held two Budget Work Sessions to review the proposed budget. The City Council also held two public hearings on August 19, 2014, and September 2, 2014, on the budget.

On September 16, 2014, the City Council adopted the Master Fee Schedule with the changes to the various rates and fees, including a surcharge on water due to the expected continuation of Stage 3 water restrictions. The surcharge was for \$6.97 per month and was intended to remain until the water restrictions were lifted.

On April 9, 2015, the NTMWD announced that they would eliminate the Stage 3 water restrictions effective May 1, 2015.

DISCUSSION

As indicated above, the City of Rowlett imposed a \$6.97 monthly water surcharge due to the expected continuation of Stage 3 water restrictions by the NTMWD. These restrictions have been in place since the fall of 2012 as north Texas managed the drought in the entire region. The impact of these restrictions were described in Challenge #5 in the FY2015 Proposed Budget (see below).

CHALLENGE #5: WATER RESTRICTIONS

Ongoing water restrictions continue to plague cities in the north DFW area, Rowlett included. Because the North Texas Municipal Water District (NTMWD) determines “how” cities must comply with the water restrictions (i.e. outside watering once every two weeks), communities such as Rowlett that are primarily residential are more significantly impacted. In FY2014, Rowlett is expected to lose about \$1.9 million in water revenues, which is being covered by a like reduction in our capital projects. For FY2014, the system will run out of money for improvements.

As a result, the FY2015 Adopted Budget includes a proposal to add a \$6.97 monthly surcharge for water rates in anticipation that Stage 3 water restrictions from NTMWD will remain in place. Staff is further recommending that the surcharge remain in place until such time as the restrictions are lifted.

CHART 18	CHART 19
<p style="text-align: center;">Lake Level Modeling with Planned Measures – Near Term Summary</p>	<p style="text-align: center;">Drought Outlook</p>

Recognizing the severity and intensity of the drought on area lakes, Rowlett’s customers heeded the call and have complied with the water restrictions imposed by the NTMWD. While we are fortunate that the precipitation we have received this Spring has had a dramatic impact on the lake levels used by the NTMWD, we cannot go without thanking our customers for their sacrifice and patience.

Now that the water restrictions have been lifted, the City can eliminate the monthly surcharge as shown below.

Monthly Water Rate Charges:		
	Monthly Surcharge per Location	Proposed \$6.97

FINANCIAL/BUDGET IMPLICATIONS

The surcharge went into effect on October 1, 2014 and was anticipated to earn about \$1.7 million during the year. This surcharge was necessary to recoup the lower water sales. At this time, the City has had the surcharge in place for seven months (October-April). Therefore, this action could be somewhat neutral (depending upon weather conditions this summer) through the elimination of the surcharge versus the expectation of selling more water.

RECOMMENDED ACTION

Approve the resolution amending the Master Fee Schedule for the elimination of the water surcharge.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, AMENDING THE MASTER FEE SCHEDULE FOR THE CITY OF ROWLETT TO AMEND THE FEES SET FORTH IN THE UTILITIES SECTION OF THE MASTER FEE SCHEDULE; PROVIDING THAT OTHER FEES NOT LISTED BUT NOW CHARGED PURSUANT TO OTHER ORDINANCES AND RESOLUTIONS SHALL REMAIN IN EFFECT UNTIL TRANSFERRED TO THE MASTER FEE SCHEDULE BY AMENDMENT; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Rowlett has heretofore adopted a Master Fee Schedule for the purpose of setting forth the comprehensive fees assessed and collected by the City for a range of applications, permits, licenses, services and activities; and

WHEREAS, the City Council desires to amend the said Fee Schedule to revise or add existing or new fees and does so by this Resolution; and

WHEREAS, in the event there is a conflict between a fee listed in the Master Fee Schedule and the provisions of any other City ordinance or resolution, the provisions of the Master Fee Schedule shall prevail; and

WHEREAS, although the purpose of this resolution is to amend the Master Fee Schedule, this resolution is not intended to amend, abolish or change any fee heretofore established that is not listed in the Master Fee Schedule.

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

Section 1: That from and after the effective date of this Resolution the fees and charges set out in the Master Fee Schedule attached hereto as Exhibit "A" shall be collected on behalf of the City for the Utilities Sections, as shown in Exhibit "A". Other sections, fees or charges not referenced in Exhibit "A" shall remain unaffected by this Resolution.

Section 2: That in the event of a conflict between a fee set out in the Master Fee Schedule and the provisions of any other city ordinance or resolution, the provisions of the Master Fee Schedule shall prevail; however, this resolution shall not amend, abolish or change any fee heretofore established that is not listed in the Master Fee Schedule and such fees shall continue in effect for all purposes until amended by ordinance or resolution or transferred to the Master Fee Schedule.

Section 3: That all provisions of the ordinances and resolutions of the City of Rowlett in conflict with the provisions of this resolution be and the same are hereby repealed and all other provisions of the ordinances and resolutions of the City of Rowlett not in conflict with the provisions hereof shall remain in full force and effect.

Section 4: That if any section, sentence, clause, or phrase of this resolution is for any reason held to be unconstitutional or otherwise invalid or unenforceable by a court of competent jurisdiction, such decision shall not affect the validity of the remaining sections, sentences, clauses, or phrases of this resolution, it being the legislative intent that the provisions of this resolution are severable and that the resolution shall continue in effect notwithstanding the invalidity of such section, sentence, clause, or phrase.

Section 5: That the fees provided for in Section 1 of this Resolution relative to the various proposed rates and fees shall become effective on the 1st day of May 2015.

ATTACHMENT

Exhibit A – Master Fee Schedule pages with proposed changes

Monthly Water Rate Charges:		
	Monthly Surcharge per Location	Proposed \$6.97



City of Rowlett

Staff Report

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

AGENDA DATE: 04/21/15

AGENDA ITEM: 8A

TITLE

Consider an Ordinance to amend Part V of the City of Rowlett Code of Ordinances to adopt an amended Master Thoroughfare Plan Map.

STAFF REPRESENTATIVE

Marc Kurbansade, Director of Development Services

SUMMARY

On April 7, 2015, the City Council adopted zoning for the Bayside Addition (previously referred to as Elgin B. Robertson Park), and in doing so also amended the City's Comprehensive Plan. The zoning documents in part designated the thoroughfare network. This Master Thoroughfare Plan amendment is focused on the primary thoroughfares associated with the City's Bayside Addition area.

The proposed amendment for consideration involves an amendment to the City's Master Thoroughfare Plan in order to align the Master Thoroughfare Plan with the recent Comprehensive Plan Amendment.

BACKGROUND INFORMATION

The Master Thoroughfare Plan (MTP) is a component of the Rowlett Comprehensive Plan. It is a general plan that provides the groundwork for future roadway projects based on several factors. These factors include, but are not limited to traffic counts, the current and proposed zoning designation surrounding an identified roadway, and anticipated Capital Improvement Projects (CIP). The MTP serves as a guide to help the City carry out a broad vision by providing a vital link between land use, transportation facilities and services needed to support growth. Adoption of an MTP gives the City the authority to require Right-of-Way (ROW) dedication when properties adjacent to identified roadways are platted. In addition, the MTP gives the City the authority to acquire (purchase) ROW when a roadway project is placed on the CIP project list. The MTP is a fluid plan that should be updated regularly based on the abovementioned factors. The last amendment to the plan occurred in May 2014.

This Master Thoroughfare Plan amendment will make the necessary changes to this document so that it is consistent with the Comprehensive Plan Amendments pertaining to the Bayside Addition approved by City Council on April 7, 2015.

DISCUSSION

Amendments to the Realize Rowlett 2020 Comprehensive Plan were adopted by City Council on April 7, 2015, with the adoption of the zoning for the Bayside Addition. The approved zoning

documents included a basic street classification system for the district (Attachment 1 – Bayside Framework Plan).

The proposed MTP, including the street cross-sections associated with the Bayside Addition are included in Exhibit A. As stated above, the proposed amendment would align the City's MTP with the recent Comprehensive Plan Amendment.

FINANCIAL/BUDGET IMPLICATIONS

N/A

RECOMMENDED ACTION

Approve an Ordinance amending Part V of the City of Rowlett Code of Ordinances to adopt an amended Master Thoroughfare Plan Map.

ORDINANCE

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, AMENDING THE CODE OF ORDINANCES OF THE CITY OF ROWLETT, TEXAS, BY AMENDING PART V (THE MASTER THOROUGHFARE PLAN) TO ADOPT AN AMENDED MASTER THOROUGHFARE PLAN MAP; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council recognizes that a thoroughfare plan is a significant growth and traffic management tool and that through thoughtful planning and implementation, the quality of life of the citizens of the City can be maintained and enhanced for existing and future generations of residents and businesses; and

WHEREAS, the City Council has adopted a Master Thoroughfare Plan by Resolution No. 04-3-01A on April 17, 2001, and amended the Plan by Resolution No. 12-4-01B on December 4, 2001, and has amended the Thoroughfare Plan Map by Ordinance No. 08-05-03B, adopted on August 5, 2003, by Ordinance No. 005-06, adopted on January 17, 2006; Ordinance No. 017-10 adopted August 3, 2010; Ordinance No. 019-12, adopted on July 24, 2012, and Ordinance No. 018-14, adopted on May 20, 2014.

WHEREAS, changes have occurred since the adoption of the Master Thoroughfare Plan and its amendments that necessitate revisions to accommodate changes in economic development, traffic patterns, and local and regional traffic networks; and

WHEREAS, the City Council, in compliance with the laws of the State of Texas and the ordinances of the City, have given requisite notice and after holding due hearings and in the exercise of its legislative discretion in the best interests of the health, safety and welfare of the citizens of the City, has concluded that the Master Thoroughfare Plan and Thoroughfare Plan Map, in the form attached hereto, should be adopted as a guide to future land use planning and street construction, maintenance and repair programs.

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

Section 1: That the City Council of the City of Rowlett, Texas does hereby amend the Code of Ordinances of the City of Rowlett, Texas, by amending Part V of the Code of Ordinances to adopt the Master Thoroughfare Plan Map as depicted and described in Exhibit “A,” incorporated herein by reference for all purposes, to be a part of the City’s Master Thoroughfare Plan.

Section 2: That all provisions of the ordinances of the City of Rowlett, Texas, in conflict with the provisions of this ordinance be and the same are hereby repealed, and all other provisions of the ordinances of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

Section 3: That should any sentence, paragraph, subdivision, clause, phrase or section of this ordinance be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this ordinance as a whole, or any part or provision hereof other than the part so decided to be invalid, illegal or unconstitutional, and shall not affect the validity of the Code of Ordinances as a whole.

Section 4: That this ordinance shall take effect immediately from and after its passage as the law and charter in such cases provide.

ATTACHMENTS

Exhibit A – Master Thoroughfare Plan & Street Segments

Attachment 1 – Framework Plan Indicating Street Classifications

CITY OF ROWLETT

MASTER THOROUGHFARE PLAN MAP

Please submit changes or corrections to:
City of Rowlett Geographic Information Systems (GIS)
3901 Main Street, Rowlett, Texas 75088
Phone (972) 463-3980; Fax (972) 412 6228
Email: gis@rowlett.com
Or visit us on the web at
http://gisweb.rowlettx.org

Original Adopted: April 12, 2001
Amended: April 21, 2015

MAP LEGEND

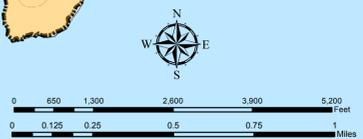
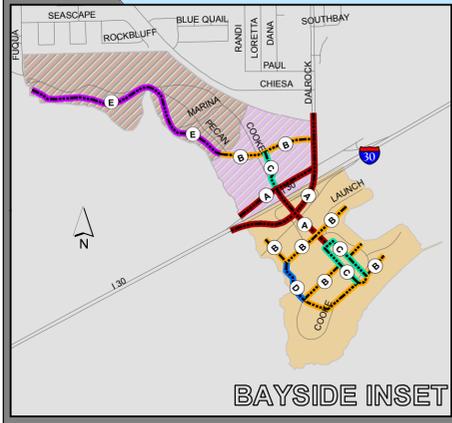
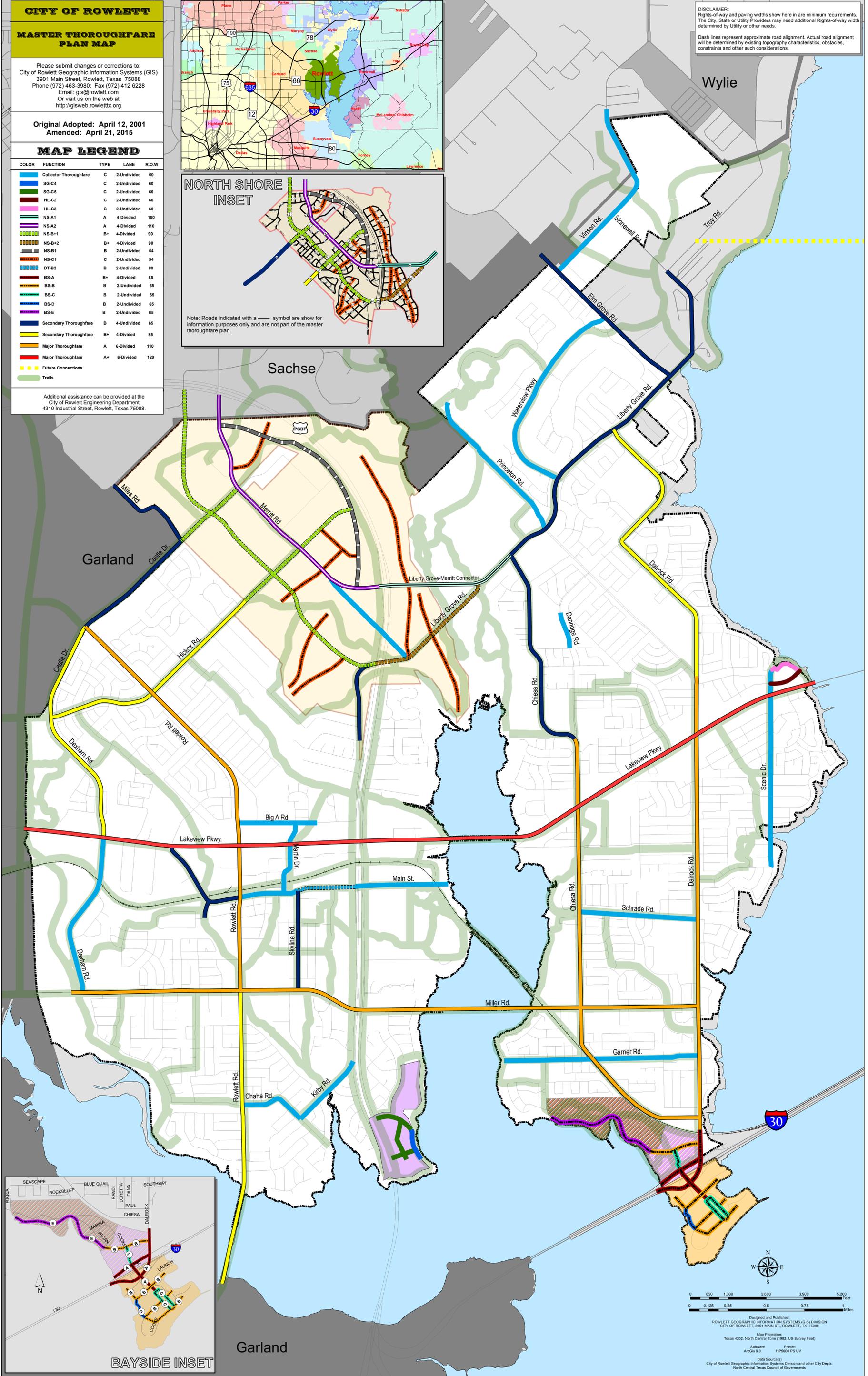
COLOR	FUNCTION	TYPE	LANE	R.O.W
Blue	Collector Thoroughfare	C	2-Undivided	60
Blue	SG-C4	C	2-Undivided	60
Blue	SG-C5	C	2-Undivided	60
Green	HL-C2	C	2-Undivided	60
Green	HL-C3	C	2-Undivided	60
Green	NS-A1	A	4-Divided	100
Green	NS-A2	A	4-Divided	110
Green	NS-B+1	B+	4-Divided	90
Green	NS-B+2	B+	4-Divided	90
Green	NS-B1	B	2-Undivided	64
Green	NS-C1	C	2-Undivided	94
Green	DT-B2	B	2-Undivided	80
Green	BS-A	B	4-Divided	85
Green	BS-B	B	2-Undivided	65
Green	BS-C	B	2-Undivided	65
Green	BS-D	B	2-Undivided	65
Green	BS-E	B	2-Undivided	65
Blue	Secondary Thoroughfare	B	4-Undivided	65
Yellow	Secondary Thoroughfare	B+	4-Divided	85
Orange	Major Thoroughfare	A	6-Divided	110
Red	Major Thoroughfare	A+	6-Divided	120
Yellow	Future Connections			
Green	Trails			

Additional assistance can be provided at the
City of Rowlett Engineering Department
4310 Industrial Street, Rowlett, Texas 75088.



Note: Roads indicated with a — symbol are shown for information purposes only and are not part of the master thoroughfare plan.

DISCLAIMER:
Rights-of-way and paving widths shown here are minimum requirements. The City, State or Utility Providers may need additional Rights-of-way width determined by Utility or other needs.
Dash lines represent approximate road alignment. Actual road alignment will be determined by existing topography characteristics, obstacles, constraints and other such considerations.



Designed and Produced:
ROWLETT GEOGRAPHIC INFORMATION SYSTEMS (GIS) DIVISION
CITY OF ROWLETT, 3901 MAIN ST., ROWLETT, TX 75088

Map Projection:
Texas 4202, North Central Zone (1983, US Survey Feet)

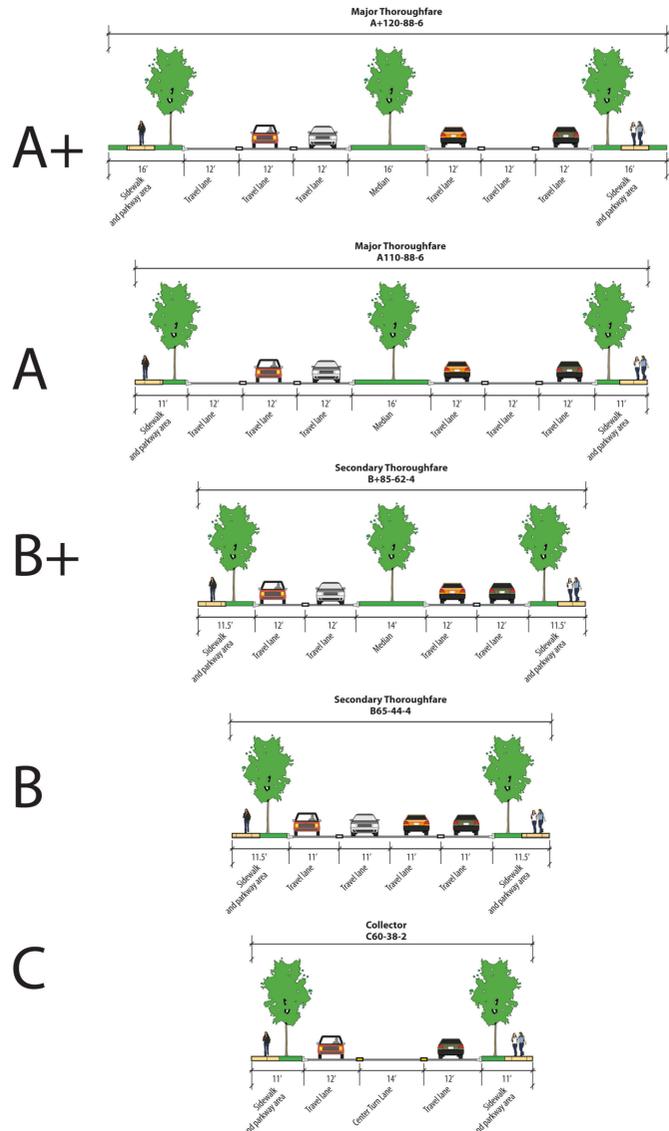
Software:
ArcGIS 9.0 Printer: HP5000 PS UV

Data Source(s):
City of Rowlett Geographic Information Systems Division and other City Depts.
North Central Texas Council of Governments

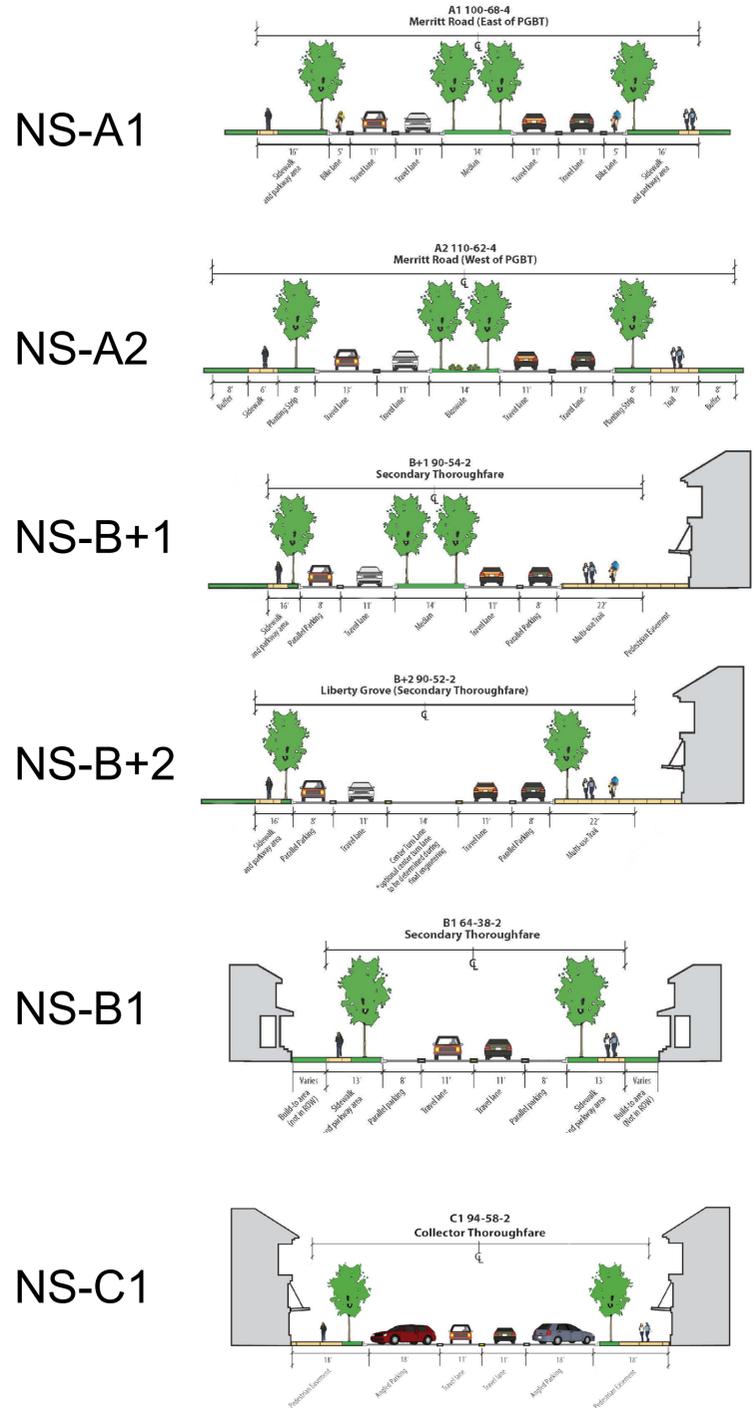
CITY OF ROWLETT MASTER THOROUGHFARE PLAN STREET SEGMENTS

Original Adopted: April 12, 2001
Amended: April 21, 2015

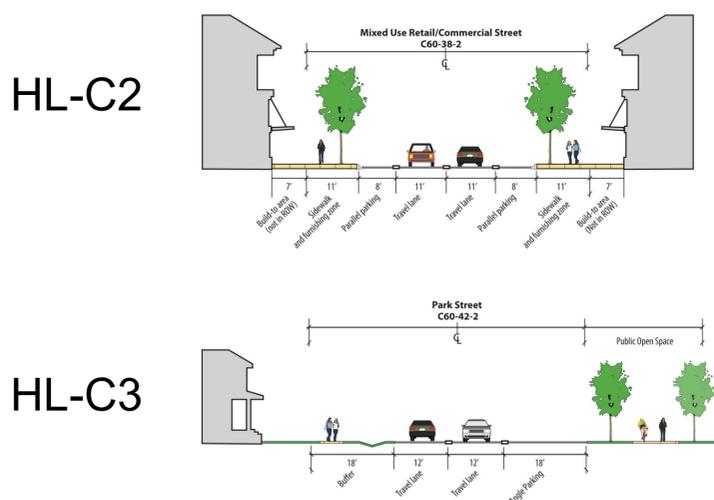
Citywide Street Segments



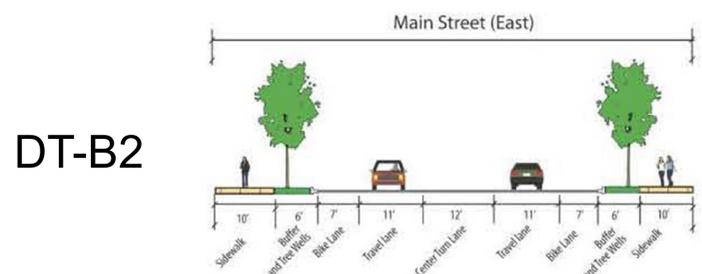
North Shore Street Segments



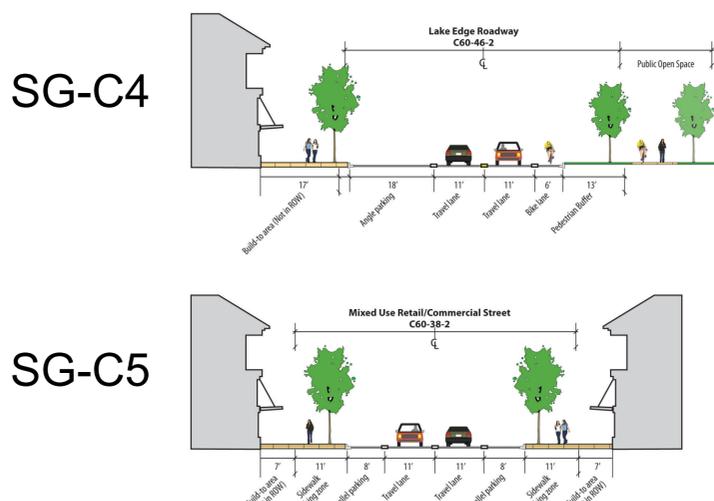
Healthy Living Street Segments



Downtown Street Segment



Signature Gateway Street Segments



CITY OF ROWLETT MASTER THOROUGHFARE PLAN STREET SEGMENTS

Original Adopted: April 12, 2001
Amended: April 21, 2015

Bayside Street Segments

