HONDO

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REGULAR CITY COUNCIL MEETING
February 24, 2025 at 6:00 PM
City Council Chambers
1600 Avenue M, Hondo, TX

AGENDA

Notice is hereby given that a Regular City Council Meeting of the governing body of the City of Hondo will be held February 24, 2025 at 6:00 p.m. in the City Council Chambers, City Hall at 1600 Avenue M, Hondo, Texas, for the purpose of discussing matters incident and related to the City of Hondo.

The public may also access the meeting remotely through video/conference from your computer, tablet or smart phone at: https://boxcast.tv/channel/aetaajdf64jalxx2009a Persons may submit questions or comments for items on the agenda by email to: rdolphus@hondo-tx.org. Questions or comments submitted by email must be received by the city at least 1 hour prior to the scheduled start of the meeting in order to be presented to the City Council during the meeting

The following items will be discussed, to-wit:

1. **CALL TO ORDER.**
2. **QUORUM CHECK.**
3. **INVOCATION.**
4. **PLEDGE OF ALLEGIANCE.**
5. **CITIZENS'/PUBLIC COMMENTS**
   Persons who desire to address the City of Hondo City Council will be received at this time. Those persons wishing to speak should complete a Public Comment Form and submit it to the City Secretary prior to the meeting. If the speaker wishes to comment on a particular agenda item, then the speaker should indicate such item(s) on the form. Public comment is limited to 3 minutes per speaker. Speakers must conduct themselves in a civil manner. In accordance with the Texas Open Meetings Act, the City of Hondo City Council cannot deliberate or take action on items not listed on the meeting agenda.

PRESENTATIONS

6. **PRESENT SOLAR OPPORTUNITY FOR HONDO AIRPORT. (JOHN NARON, CITY MANAGER)**

CONSENT

The Consent Agenda is considered self-explanatory and will be enacted by the Council with one motion. There will be no separate discussion of these items unless they are removed from the Consent Agenda upon the request of the Mayor or a Council Member.

7. **CONSIDERATION AND APPROVAL OF THE 1ST QUARTER FINANCIAL REPORT FOR FY 2025. (CHRIS HILL, CHIEF FINANCE OFFICER)**

8. **CONSIDERATION AND APPROVAL OF THE 1ST QUARTER INVESTMENT REPORT FOR FY 2025. (CHRIS HILL, CHIEF FINANCE OFFICER)**

9. **CONSIDERATION AND APPROVAL OF ORDINANCE NO. 1299-02-25 OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, AMENDING THE CITY OF HONDO INVESTMENT POLICY AS REQUIRED BY CHAPTER 2256 OF THE TEXAS GOVERNMENT CODE; AND SETTING AN EFFECTIVE DATE. (CHRIS HILL, CHIEF FINANCE OFFICER)**

10. **CONSIDERATION AND APPROVAL TO REPLACE EMERGENCY ALERT SIREN AT 29°20'34.1"N 99°09'25.2"W NEAR AVE Z. (JUSTIN SOZA, CHIEF OF POLICE)**

11. **CONSIDERATION AND APPROVAL OF THE ADMINISTRATION SERVICES AGREEMENT BETWEEN THE CITY OF HONDO AND THE HONDO ECONOMIC DEVELOPMENT CORPORATION.**

12. **CONSIDERATION AND APPROVAL TO AUTHORIZE THE CITY MANAGER TO SIGN HA5 AGREEMENT WITH HOLBROOK ASPHALT LLC. (JOHN NARON, CITY MANAGER)**

13. **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 449-25 OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, APPOINTING THE CITY MANAGER AS THE AUTHORIZED REPRESENTATIVE TO ACT IN ALL MATTERS IN CONNECTION WITH THE CDBG DOWNTOWN REVITALIZATION PROGRAM - 2025 GRANT COMMITTING THE CITY TO PROVIDE MATCHING FUNDS TO SECURE AND COMPLETE GRANT.**

14. **CONSIDERATION AND APPROVAL OF LEASE AGREEMENT WITH ALAMO WORKFORCE DEVELOPMENT AND THE CITY OF HONDO.**

OTHER BUSINESS

15. **DISCUSS AND CONSIDER ACTION ON AWARDING RFP #24-003, AIRPORT MONUMENT SIGN PROJECT. (RYAN ELDER, DIRECTOR OF AVIATION)**

16. **DISCUSS AND CONSIDER ACTION ON DOWNTOWN GROUND STORAGE TANK REHABILITATION PROJECT CHANGE ORDER. (JOHN NARON, CITY MANAGER)**

17. **ADJOURN.**

I hereby certify that the above Notice of Regular City Council Meeting of the governing body of the City of Hondo was posted on the bulletin board in City Hall,

1600 Avenue M, Hondo, Texas, at a place convenient and readily accessible to the general public at all times on February 21, 2025 at 5:00 p.m

ATTEST:

Rebekah Dolphus
City Secretary

The City Council of the City of Hondo reserves the right to convene in Executive Session in accordance with the Texas Open Meetings Act, Texas Government Code: Section 551.071 (Consultations with Attorney), Section 551.072 (Deliberations about Real Property), Section 551.074 (Personnel Matters), Section 551.076 (Deliberations about Security Devices), or Section 551.087 (Deliberations Regarding Economic Development Negotiations) on any of the above items.

NOTICE OF ASSISTANCE AT PUBLIC MEETINGS

The City of Hondo City Council Meetings is available to all persons regardless of disability. If you require special assistance, contact the City Secretary forty-eight (48) hours prior to the meeting time at 830-426-3378.

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City Council Communication

Title: **PRESENT SOLAR OPPORTUNITY FOR HONDO AIRPORT. (JOHN NARON, CITY MANAGER)**
Date: February 24, 2025 ***From:*** John Naron, City Manager

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. Hondo Solar Opportunity February 2025

STAFF CONTACTS:

HONDO

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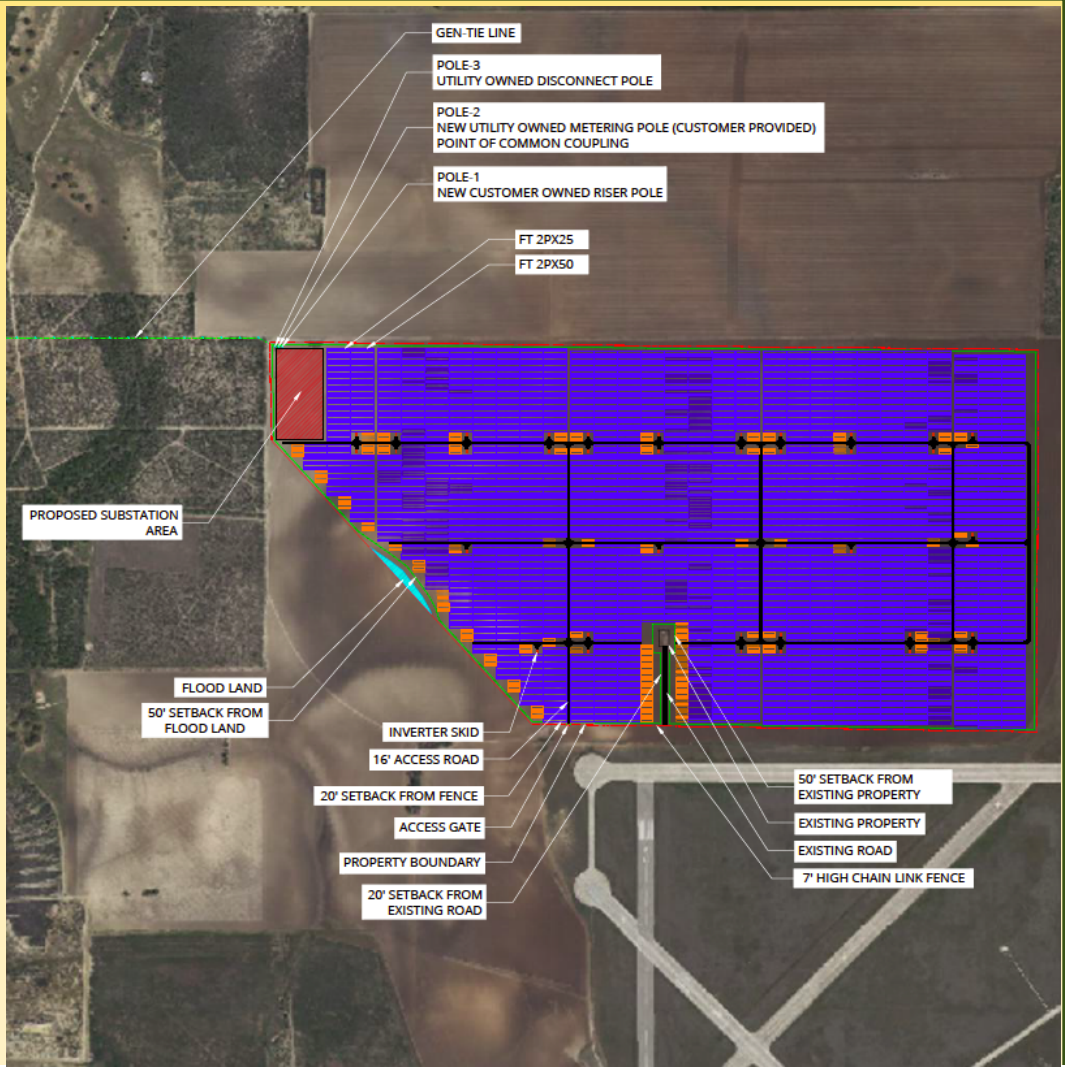


Solar Project Opportunity

February 21, 2025

HOLISTIC
Utility Solutions

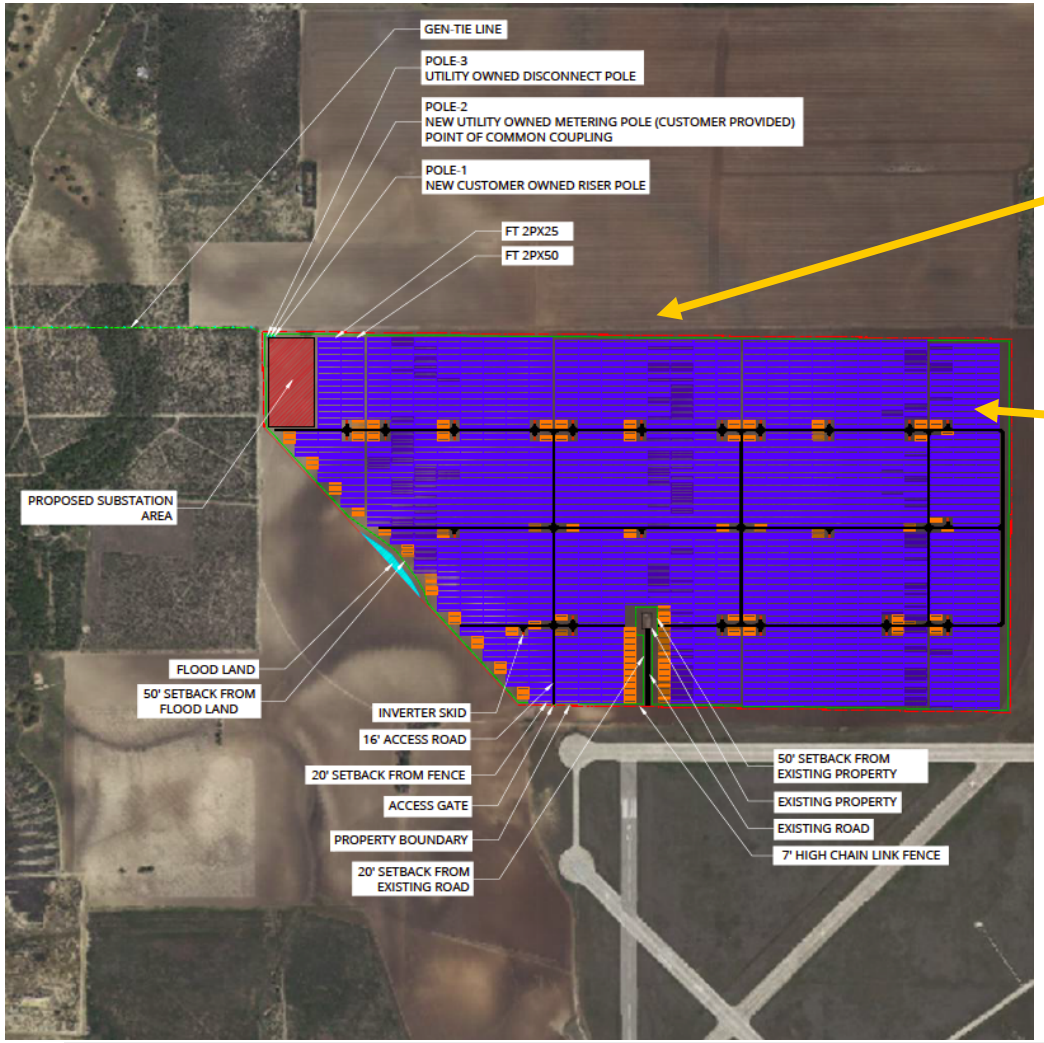
Who We Are

We are a Texas based firm that helps cities lower cost and increase revenue through optimization of electric and water utilities.

HOLISTIC
Utility Solutions

Project Design

System Layout



Large system would take up to ~375 acres of parcel

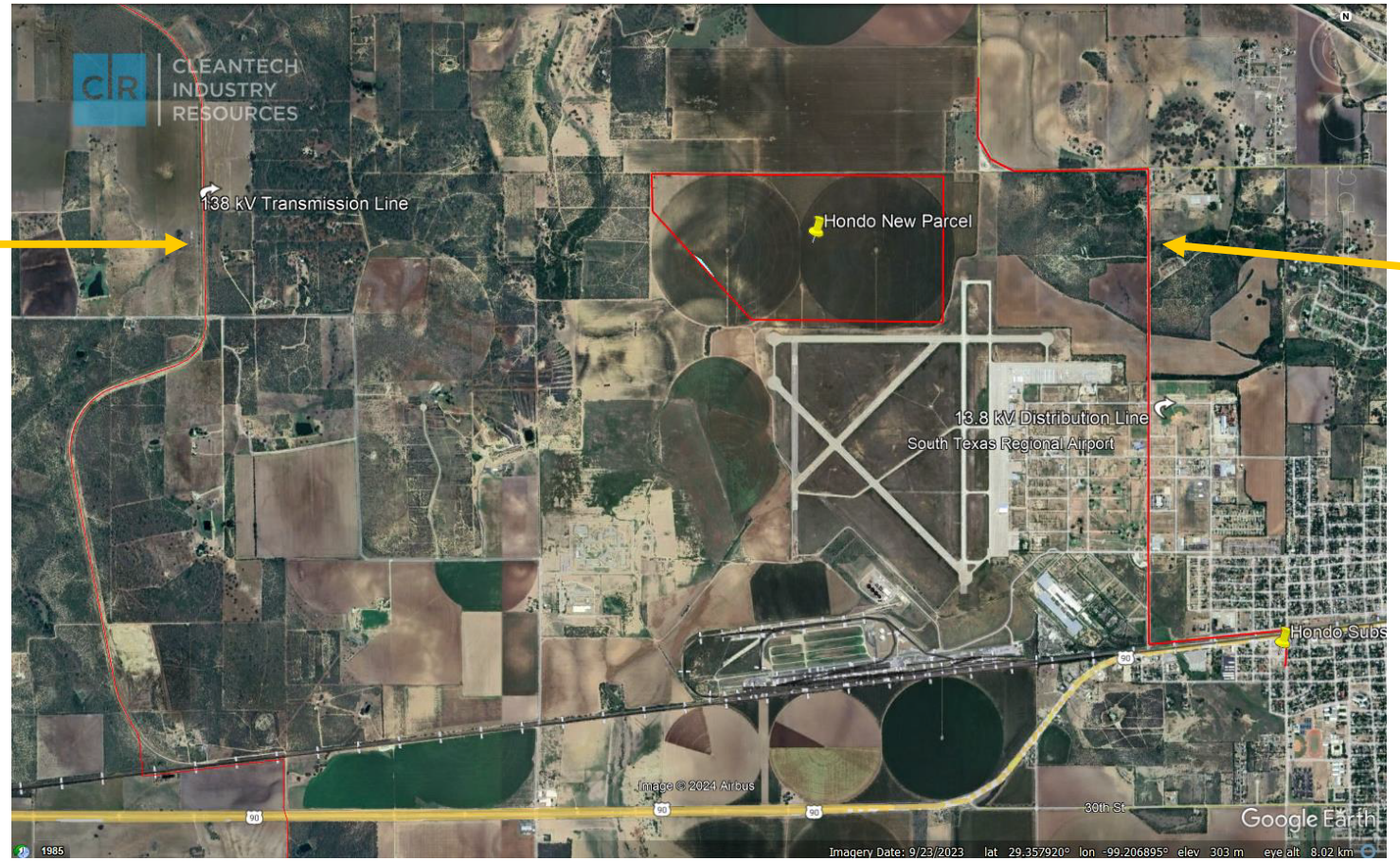
Small system would take a smaller portion (30-60 acres) near the distribution line on the East side

Plan to pursue both concurrently

Project Design

Interconnection

Large System would connect in here. 2-5 miles away, depending on route



Small System would connect in here. 0.35 miles away

Project Design

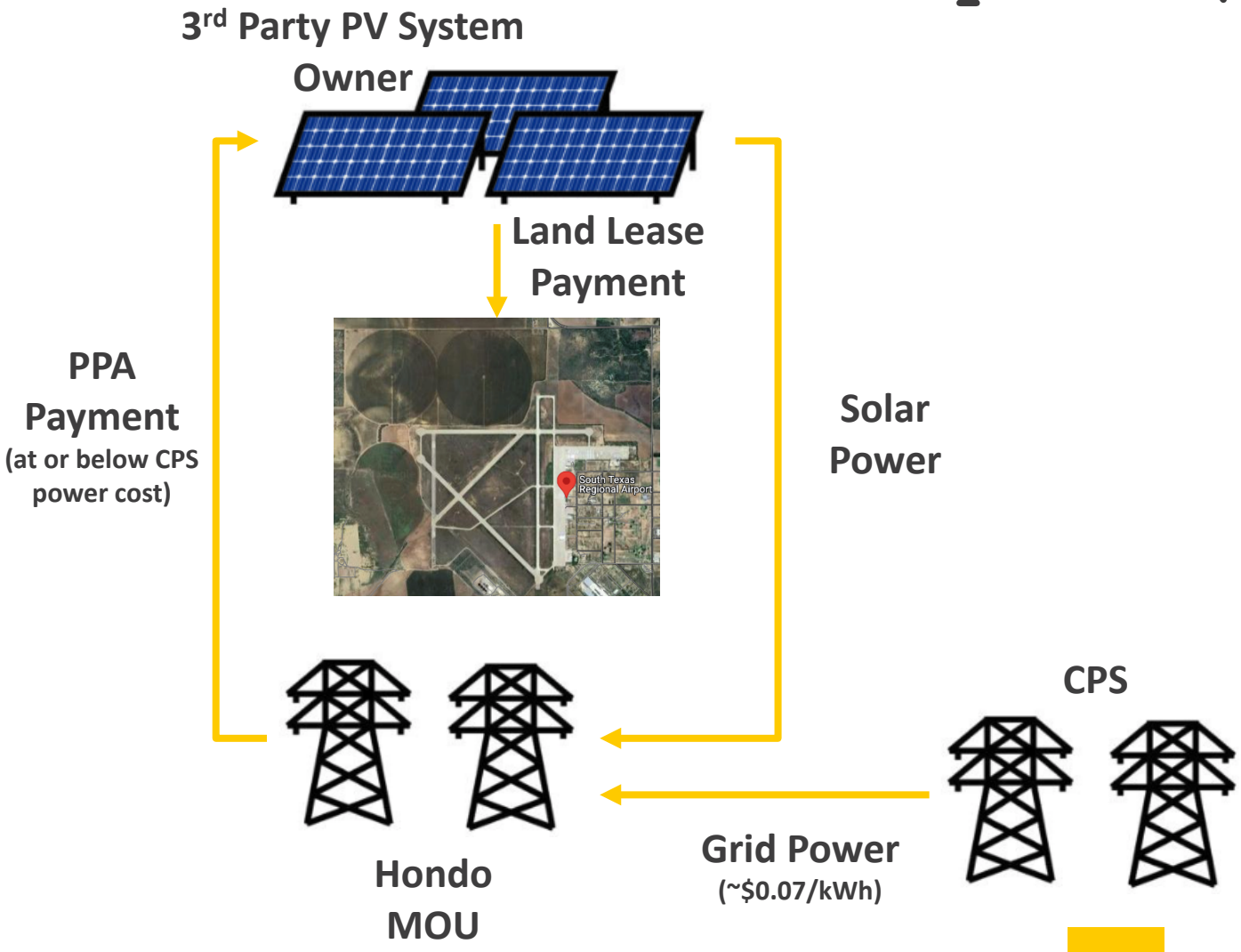
Location

Approximately 500 acres available North of Airport.

System will be designed to adjust for small flood plain in SW corner and flight pathways

Project Design

Small System (~10W-ac)



Hondo Electric currently purchases 84,000 MWh/yr from CPS

System would be sized to offset ~25% of this value.

Hondo receives land lease revenue & PILOT + Hondo Electric realizes lower power cost

Project Design

Large System (~100MWac)

3rd Party System Owner

Payment in Lieu of Taxes (PILOT)

Land Lease Payment

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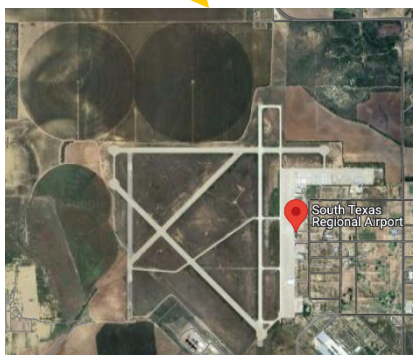


Hondo receives land lease payment and Payment in lieu of Taxes

Power sold to 3rd parties (grid)

Rural Energy Grant

Topic Area	Award Size per Project	Total Expected Award Amount for Topic Area	Cost Share from Applicant	Cost Share from Applicant: Eligible for Lower Amount[25]
1 Open category	$10M–$50M	$150M	50%	20%
2 Dual use and co-location	$10M–$50M	$175M	50%	20%
3 Smaller-scale community-centered	$2M–$10M	$50M	20%	5%
4 Isolated microgrids & unelectrified buildings	$2M–$10M	$25M	20%	5%

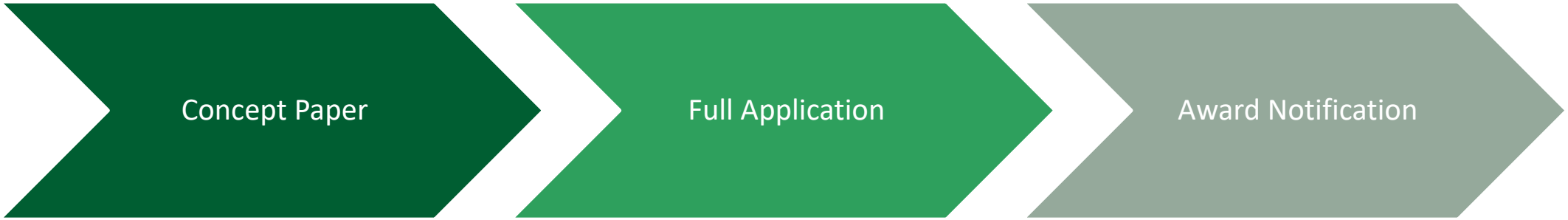
Summary

A Large project would be best in the #1 category and would allow more money to be allocated back to Hondo in land lease and PILOT.

A Small project would be best in the #3 category and would allow a much lower PPA rate, which would be passed along to residents for lower power cost.

If the grants aren't received, either project is still viable.

Grant Timeline



- Due February 27, 2025
- 7 Pages
- "Encourage"/"Discourage" notification mid-May

- Due August 28, 2025
- Much more involved process than Concept Paper (30+ pages)

- Spring 2026

Rural Energy Grant

Community Benefits

- Large Project
  - Workforce training/education center dedicated to solar development, installation, and maintenance
  - Fund for small businesses and/or low- income residents for utility bill cost reduction

- Small Project
  - Lower cost of power
  - Fund for small businesses and/or low- income residents for utility bill cost reduction

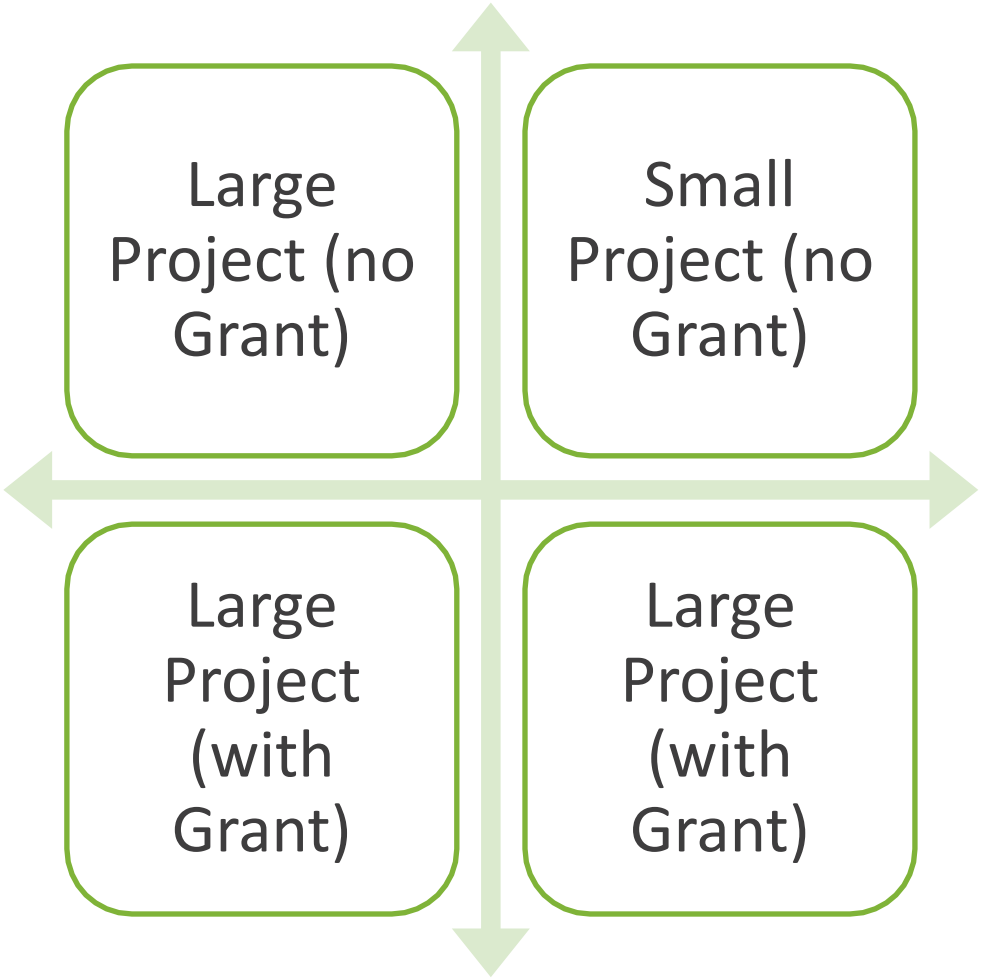
Grant Timeline

	Application	Phase 1: Detailed Planning	Phase 2: Development, Permitting, Financing	Phase 3: Assembly, Installation, Construction, Integration	Phase 4: Ramp-up and Sustained Operations
Approximate Proportion of Project Cost	**Pre-DOE Funding**	**10-20%**	**10-20%**	**30-40%**	**20-30%**
Approximate Duration	**N/A**	**6-18 months**	**6-18 months**	**12-24 months**	**12-24 months**
Phase Summary	N/A	Initial planning and analysis to ensure technological and financial viability and community alignment.	Finalize engineering designs and test plans; business development; National Environmental Policy Act (NEPA) review; permitting; secure financing; workforce and community agreements.	Assembly, installation, construction, and integration of the system.	Transition to operations; share experiences and lessons learned.

2025 **2026** **2027** **2028**

Project Design

Options



Either project is expected to be beneficial to City without the Grant

If Grant is received, savings will be reinvested back into the community through better terms on taxes, cost of power, land lease, workforce training, etc.

Preliminary Financials

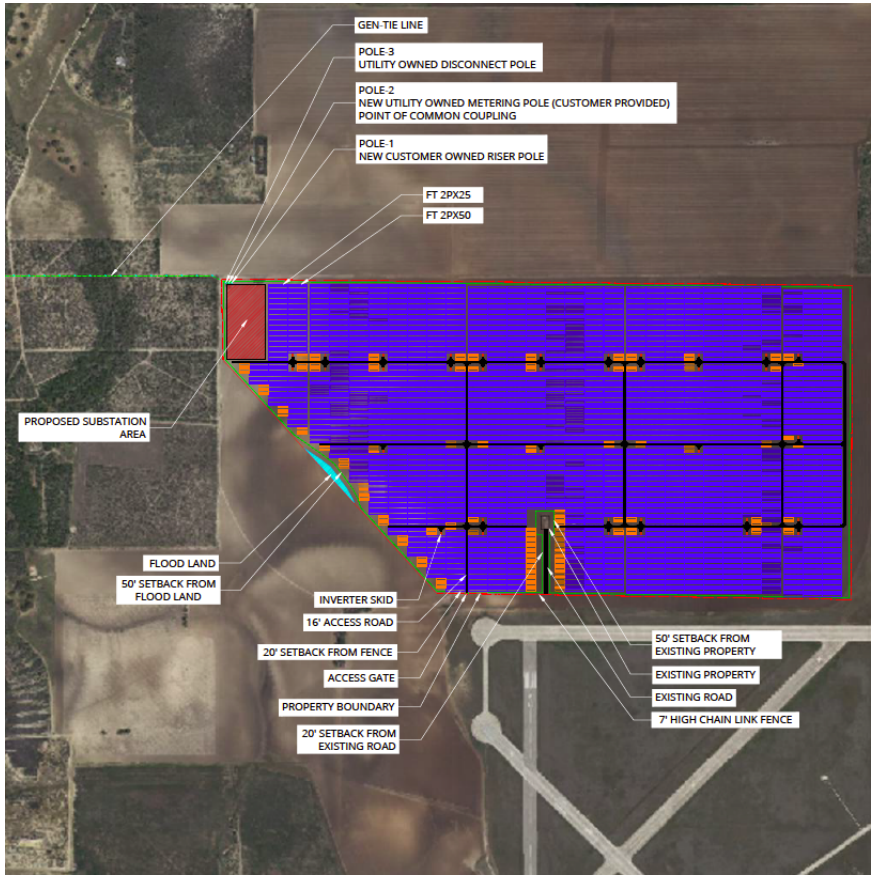
Annual Value to City (with grant)

	Small System	Large System	Combined
Land Lease	$ 50,000	$ 275,000	$ 325,000
MOU Benefit	$ 500,000	$ --	$ 500,000
Payment in Lieu of Taxes (PILOT)	$ 40,000	$ 500,000	$ 540,000
Workforce Development Training		$ 350,000	$ 350,000
TOTAL	**$ 590,000**	**$ 1,125,000**	**$ 1,715,000**

Values are preliminary estimates and are expected to change as project is further developed

Next Step

DSA & PPA Agreements



- Developer Services Agreement to represent City in next stages of development
- PPA Agreement to be off-taker of power on Small system. PPA set at or below cost of CPS power with 2% annual escalator.

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City Council Communication

Title: **CONSIDERATION AND APPROVAL OF THE 1ST QUARTER FINANCIAL REPORT FOR FY 2025. (CHRIS HILL, CHIEF FINANCE OFFICER)**
Date: February 24, 2025 ***From:*** Chris Hill, Chief Finance Officer

INFORMATION:

The first quarter financials have been completed and after the first 3 months all major funds are trending on budget. Please see the attached report for details by fund.

FINANCIAL IMPACT:

N/A

STAFF RECOMMENDATION:

The City Staff recommends approval/acceptance of the 1st Quarter Financial Report for the Fiscal Year ended September 30, 2025, as presented.

MOTION:

Move to approve the 1st Quarter Financial Report for the fiscal year ending September 30, 2025.

ATTACHMENTS:

1. DEC2024FINANCIALS

STAFF CONTACTS:

Chris Hill
Chief Finance Officer
chill@hondo-tx.org

John Naron
City Manager
jnaron@hondo-tx.org

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February 24, 2025

Mayor and Member of City Council
City of Hondo, Texas

We are pleased to present the first quarter budget report for the City of Hondo, Texas. The attached schedules reflect activity for the 3-month period ending December 31, 2024. This report reflects the first 3 months of the fiscal year or 25% of the year (for analysis please compare % of Budget to 25%) All the debt service payments due were paid after the end of quarter on February 1. Detailed fund summaries are included in this document.

This report is based upon the accounting records of the City of Hondo, Texas Finance Department.

General Fund

As the primary operating fund for the City, the General Fund accounts for revenues dedicated to general government activities. These revenues, primarily made up of taxes and fees, fund general administration, public safety, parks, recreation and public works functions. As of December 31, 2024, the general fund was at 22.47% of its budgeted revenues for the year. 21.52% of the property tax has been collected with the majority to be collected next quarter. Sales tax is slightly down to last year but over budget. The city have collected 30% of its user fees to date.

Expenditures in the general fund are trending under budget at 22.98%. The departments trending over budget are due to larger capital expenditures and annual payments in first quarter but will meet budget by year end.

As of December 31, 2024, the City reported a slight deficit of $61K in the general fund due to 21% of property taxes received in the first quarter compared to 23% of expenditures to date. The trend is on budget for the year.

Bond and Sinking Fund

This fund receives an allocation of the property tax levy and debt payment reimbursements from the Economic Development Corporation and Utility Funds (Electric, Water/Wastewater and Airport). These resources are used to fund principal and interest payments on outstanding debt. Property taxes received were 21.50% of budget. Principal and interest payments were not paid until February 1 causing the surplus this quarter. This fund projects to finish breakeven for the year.

Electric Fund

The Electric Fund accounts for the fees received and the cost of service to the electricity customers of Hondo.

Revenue is currently at budget or 24.4% with the seasonal variations expected. Expenses were below budget at 23.87% primarily due supplies and other services under budget. The fund is currently showing a surplus of $55K compared to budget.

Water and Wastewater Fund

The Water/Wastewater Fund accounts for the fees received to fund the cost of water and wastewater services in Hondo. Water and wastewater revenue are trending on budget for the year at 25% but will incur seasonal fluctuations during the year. Expenditures are trending on budget at 26% with capital outlay and projects expenses earlier in the year. The fund is currently showing a deficit of $101K compared to budget due to expenses paid earlier in the year. The fund is trending at budget for the year.

Airport Fund

The City of Hondo Airport fund accounts for the activities of the South Texas Regional Airport and the related property given to the City by the War Assets Department in 1948. Revenue for annual farm land lease was received in first quarter and additional lease of water rights increased revenue. The fund is currently showing a surplus of $87K over budget due to water lease to Water Fund and farm land lease.

Sanitation Fund

This fund accounts for the user charges to residential and commercial customers that finances the cost of this service. The collection and disposal services are performed under contract.

This fund at the end of the first quarter is showing slight surplus of $2K.

Economic Development Corporation

The Hondo EDC is a 4B Type Corporation established for the creation and retention of new or expanded business enterprises that create or retain primary jobs. The Corporation is also authorized to fund the maintenance and operating expenses of eligible projects.

The EDC collected 28% of budgeted sales tax for first quarter of the fiscal year. Interest/Investment revenue is currently above budget 26% and staff expects this to continue for at least another quarter. EDC has a surplus of $42K due to the sales tax and investment income.

As always, we welcome your comments and questions.

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1st QUARTER BUDGET REPORT
CITY OF HONDO

December 31, 2024

City of Hondo
Fiscal Year Overview: FY25
Period Ending: December 31, 2024

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General Fund

Revenue Summary

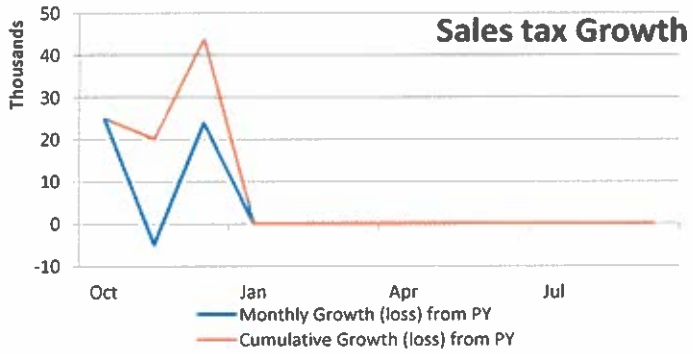
Past 12 Months	Budget	YTD	% of Budget
Property Tax	1,625,903	349,821	21.52%
Sales Tax	1,429,929	388,704	27.18%
User Fees	1,175,263	357,012	30.38%
Transfers	6,156,868	1,539,217	25.00%
Loan Proceeds	390,000	-	0.00%
Sale of Assets	20,000	-	0.00%
Grants	1,022,907	1,000	0.10%
Other Revenue	240,000	73,853	30.77%
Total Revenue	**12,060,870**	**2,709,608**	**22.47%**

Key Revenue Sources

Past 12 Months	Budget	YTD	% of Budget
Sales Tax	1,429,929	388,704	27.18%
Property Tax	1,625,903	349,821	21.52%
Court Fines & Fees	287,638	165,576	57.56%
Building & Permits	280,500	53,703	19.15%
Recreation Fees	60,000	10,025	16.71%
Golf Course	100,000	15,753	15.75%
Interest Income	240,000	68,491	28.54%

Expenditure Summary

Past 12 Months	Budget	YTD	% of Budget
Council	48,600	10,844	22.31%
Administration	896,056	133,041	14.85%
Tax	39,633	8,475	21.38%
Finance	497,982	124,242	24.95%
Police	3,066,745	864,961	28.20%
Legal & Courts	137,640	36,092	26.22%
Emergency Services	19,843	1,946	9.81%
Animal Control	180,939	36,941	20.42%
Streets	1,204,989	402,363	33.39%
Library	533,106	143,692	26.95%
Parks	1,071,475	238,503	22.26%
Facilities Division	548,422	142,979	26.07%
Recreation	739,793	182,755	24.70%
Golf Course	179,046	30,303	16.92%
Development Services	615,808	110,473	17.94%
City Secretary	135,268	28,243	20.88%
Non-profits	20,000	11,475	57.38%
Public Works	249,791	60,436	24.19%
Human Resources	122,014	28,690	23.51%
Information Technology	761,324	172,849	22.70%
Grants	992,396	2,079	0.21%
Total Expenditures	**12,060,870**	**2,771,383**	**22.98%**
Budet Surplus/Deficit	-	(61,775)	



Property Tax Breakdown (M&O & I&S)	
Original Roll	2,449,711
YTD Collections	526,968
% of Roll Collected	21.51%
Uncollected Balance	1,922,743

City of Hondo, Texas
Bond Interest and Sinking Fund
Statement of Revenues and Expenditures
Budget to Actual

December 31, 2024

	Budget	YTD Budget	YTD Actual	Variance	% of Budget
Revenues					
Property Tax	823,808	205,952	177,147	(28,805)	21.50%
Transfers In					
EDC	236,520	59,130	59,130	-	25.00%
Electric Fund	127,040	31,760	31,760	-	25.00%
Water Fund	1,326,249	331,562	306,562	(25,000)	23.11%
Airport Fund	36,987	9,247	9,247	0	25.00%
Total Revenues	**2,550,604**	**637,651**	**583,846**	**(53,805)**	**22.89%**
Expenditures					
Principal Retirements					
2014 Refunding	188,000	47,000	-	(47,000)	0.00%
2016 CO	235,000	58,750	-	(58,750)	0.00%
2015 CO	150,000	37,500	-	(37,500)	0.00%
2017 CO	260,000	65,000	-	(65,000)	0.00%
2021 CO	90,000	22,500	-	(22,500)	(22,500)
2021 EDC Sales Tax	70,000	17,500	-	(17,500)	(17,500)
2022 Tax Notes	95,000	23,750	-	(23,750)	(23,750)
2022A Tax Notes	155,000	38,750	-	(38,750)	(38,750)
Interest					
Miscellaneous (payment to escrow)	7,700	1,925	-	(1,925)	0.00%
2014 Refunding	2,960	740	-	(740)	0.00%
2016 CO	16,891	4,223	-	(4,223)	0.00%
2015 CO	57,284	14,321	-	(14,321)	0.00%
2017 CO	92,699	23,175	-	(23,175)	0.00%
2021 CO	104,550	26,138	-	(26,138)	0.00%
2021 EDC Sales Tax	100,000	25,000	-	(25,000)	0.00%
2022 Tax Notes	7,907	1,977	-	(1,977)	0.00%
2022A Tax Notes	39,133	9,783	-	(9,783)	0.00%
2024 Series CO Principal	170,000	42,500	-	(42,500)	0.00%
2024 Series CO Interest	708,480	177,120	-	(177,120)	0.00%
Total Expenditures	**2,550,604**	**637,651**	**-**	**(637,651)**	**0.00%**
Revenue over (under) expenditures	**-**	**-**	**583,846**	**583,846**	

City of Hondo, Texas
Electric Fund
Statement of Revenues and Expenses
Budget to Actual

December 31, 2024

	Budget	YTD Budget	YTD Actual	Variance	% of Budget
Revenues					
Residential	4,500,000	1,125,000	1,089,677	(35,323)	24.22%
Commercial	4,750,000	1,187,500	1,191,963	4,463	25.09%
Industrial	775,000	193,750	191,028	(2,722)	24.65%
Penalties	110,000	27,500	31,500	4,000	28.64%
New Installs	50,000	12,500	4,120	(8,380)	8.24%
Other	229,301	57,325	33,031	(24,294)	14.40%
Total Revenues	**10,414,301**	**2,603,575**	**2,541,318**	**(62,257)**	**24.40%**
Expenses					
Personnel	779,805	194,951	181,315	(13,636)	23.25%
Supplies	467,150	116,788	79,340	(37,448)	16.98%
Other Services	6,027,068	1,506,767	1,424,176	(82,591)	23.63%
Capital Outlay	25,000	6,250	22,034	15,784	88.14%
Debt Service	127,040	31,760	31,760	-	25.00%
Transfers	2,988,238	747,060	747,060	-	25.00%
Total Expenses	**10,414,301**	**2,603,575**	**2,485,684**	**(117,891)**	**23.87%**
Revenue over (under) expense	**-**	**-**	**55,634**	**55,634**	

City of Hondo, Texas
Water & Wasterwater Fund
Statement of Revenues and Expenses
Budget to Actual

December 31, 2024

	Budget	YTD Budget	YTD Actual	Variance	% of Budget
Revenues					
Operating Revenues					
Water					
Revenue	3,399,032	849,758	814,307	(35,451)	23.96%
EAA Aquifer Management	275,000	68,750	66,850	(1,900)	24.31%
Other Fees	145,500	36,375	40,666	4,291	27.95%
Wastewater					
Revenue	1,613,936	403,484	426,777	23,293	26.44%
Other Fees	28,000	7,000	6,475	(525)	23.12%
Interest	353,000	88,250	108,237	19,987	30.66%
Transfer in - Fund Balance	677,427	169,357	144,357	(25,000)	21.31%
Grants	600,000	150,000	168,000	18,000	28.00%
Total Revenues	**7,091,895**	**1,772,974**	**1,775,670**	**2,696**	**25.04%**
Expenses					
Water					
Personnel	622,861	155,715	137,175	(18,540)	22.02%
Supplies	292,350	73,088	87,821	14,733	30.04%
Other Services	501,814	125,454	105,013	(20,440)	20.93%
Capital Outlay	100,949	25,237	167,348	142,111	165.78%
Debt Service	1,326,250	331,563	306,562	(25,001)	23.11%
Transfers	1,556,365	389,091	389,091	(0)	25.00%
Total Water	4,400,589	1,100,147	1,193,011	92,864	27.11%
Wastewater					
Personnel	430,499	107,625	111,580	3,955	25.92%
Supplies	267,750	66,938	71,156	4,218	26.58%
Other Services	214,298	53,575	61,845	8,270	28.86%
Capital Outlay	113,923	28,481	(9)	(28,490)	-0.01%
Transfers	879,995	219,999	219,999	(0)	25.00%
Total Wastewater	1,906,465	476,616	464,569	(12,047)	24.37%
Utility Billing					
Personnel	264,998	66,250	67,798	1,548	25.58%
Supplies	23,400	5,850	1,575	(4,275)	6.73%
Other Services	97,831	24,458	22,151	(2,307)	22.64%
Total Utility Billing	386,229	96,557	91,524	(5,033)	23.70%
Grants					
CDBG Grants	-	-	-	-	0.00%
Capital Outlay	-	-	-	-	0.00%
TWDB Projects	398,612	99,653	128,536	28,883	32.25%
Total Expenses	**7,091,895**	**1,772,974**	**1,877,639**	**109,699**	**26.48%**
Revenue over (under) expense	-	-	**(101,970)**	**(107,003)**	

City of Hondo, Texas
Airport Fund
Statement of Revenues and Expenses
Budget to Actual

December 31, 2024

	Budget	YTD Budget	YTD Actual	Variance	% of Budget
Revenues					
Aviation					
Fuel	420,000	105,000	103,237	(1,763)	24.58%
Hangars	411,435	102,859	103,042	183	25.04%
Other	15,000	3,750	475	(3,275)	3.17%
Non-Aviation					
Other	197,514	49,379	145,237	95,858	73.53%
Transfer in - Fund Balance	-	-	-		
Grants	100,000	25,000	-	(25,000)	0.00%
Total Revenues	**1,143,949**	**285,987**	**351,990**	**66,003**	**30.77%**
Expenses					
Personnel	406,563	101,641	104,112	2,471	25.61%
Supplies	336,100	84,025	47,006	(37,019)	13.99%
Other Services	137,834	34,459	31,305	(3,154)	22.71%
Debt Service	81,429	20,357	9,247	(11,110)	11.36%
Transfers	42,127	10,532	10,532	-	25.00%
Grants	139,111	34,778	62,750	27,972	45.11%
Total Expenses	**1,143,164**	**285,791**	**264,951**	**(20,840)**	**23.18%**
Revenue over (under) expense	**785**	**196**	**87,040**	**86,843**	

City of Hondo, Texas
Sanitation Fund
Statement of Revenues and Expenses
Budget to Actual

December 31, 2024

	Budget	YTD Budget	YTD Actual	Variance	% of Budget
Revenues					
Charges for Services					
Residential	735,000	183,750	186,634	2,884	25.39%
Commercial	925,000	231,250	235,103	3,853	25.42%
Penalties	15,000	3,750	4,245	495	28.30%
Miscellaneous	500	125	89	(36)	17.73%
Interest	10,000	2,500	6,723	4,223	67.23%
Total Revenues	**1,685,500**	**421,375**	**432,795**	**11,420**	**25.68%**
Expenses					
Services					
Residential	640,000	160,000	165,148	5,148	25.80%
Commercial	865,000	216,250	219,371	3,121	25.36%
Tires and TV Pickups	5,000	1,250	1,800	550	36.00%
Transfers	175,500	43,875	43,875	-	25.00%
Total Expenses	**1,685,500**	**421,375**	**430,194**	**8,819**	**25.52%**
Revenue over (under) expense	**-**	**-**	**2,601**	**2,601**	

City of Hondo, Texas
Economic Development Corporation
Statement of Revenues and Expenses
Budget to Actual

December 31, 2024

	Budget	YTD Budget	YTD Actual	Variance	% of Budget
Revenues					
Sales Tax	695,769	173,942	194,352	20,410	27.93%
Miscellaneous	99,434	24,859	-	(24,859)	0.00%
Interest Revenue	102,500	25,625	26,559	934	25.91%
Total Revenues	**897,703**	**224,426**	**220,911**	**(3,514)**	**24.61%**
Expenses					
Personnel	212,103	53,026	39,646	(13,380)	18.69%
Supplies	3,000	750	269	(481)	8.98%
Other Services	446,080	111,520	79,685	(31,835)	17.86%
Debt Service	236,520	59,130	59,130	-	25.00%
Total Expenses	**897,703**	**224,426**	**178,731**	**(45,695)**	**19.91%**
Revenue over (under) expenses	**-**	**-**	**42,181**	**42,181**	

City of Hondo, Texas
Court Technology/Security Fund
Statement of Revenues and Expenses
Budget to Actual

December 31, 2024

	Budget	YTD Budget	YTD Actual	Variance	% of Budget
Revenues					
Court Security Fee	-	-	29	29	0.00%
Court Technology Fees	4,250	1,063	36	(1,027)	0.85%
Interest Revenue	-	-	-	-	0.00%
Total Revenues	**4,250**	**1,063**	**65**	**(998)**	**1.53%**
Expenses					
Other Services	4,250	1,063	-	(1,063)	0.00%
Total Expenses	**4,250**	**1,063**	**-**	**(1,063)**	**0.00%**
Revenue over (under) expenses	**-**	**-**	**65**	**65**	

City of Hondo, Texas
Perpetual Care Fund
Statement of Revenues and Expenses
Budget to Actual

December 31, 2024

	Budget	YTD Budget	YTD Actual	Variance	% of Budget
Revenues					
Revenues	25,000	6,250	3,700	(2,550)	14.80%
Interest Revenue	20,000	5,000	5,384		
Transfer in - Fund Balance	21,000	5,250	5,250	-	25.00%
Total Revenues	**66,000**	**16,500**	**14,334**	**(2,550)**	**21.72%**
Expenses					
Mowing Fees to General Fund	45,000	11,250	11,250	-	25.00%
Bank Fees	-	-	-	-	0.00%
Cemetery Cleanup	1,000	250	-		
Lawn Mower	20,000	5,000	-	(5,000)	0.00%
Total Expenses	**66,000**	**16,500**	**11,250**	**(5,000)**	**17.05%**
Revenue over (under) expenses	**-**	**-**	**3,084**	**2,450**	

City of Hondo, Texas
South Texas Regional Training Center
Statement of Revenues and Expenses
Budget to Actual

December 31, 2024

	Budget	YTD Budget	YTD Actual	Variance	% of Budget
Revenues					
SWTJC Rent	49,405	12,351	12,351	(0)	25.00%
Alamo Workforce Office Lease	23,747	5,937	5,937	(0)	25.00%
Monthly Utility	8,423	2,106	2,106	(0)	25.00%
Admin Services & Support	20,280	5,070	5,070	-	25.00%
Miscellaneous	20,000	5,000	240	(4,760)	1.20%
Transfers	-	-	-	-	0.00%
Total Revenues	**121,855**	**30,464**	**25,704**	**(4,760)**	**21.09%**
Expenses					
Personnel	84,841	21,210	21,641	431	25.51%
Supplies	4,100	1,025	614	(411)	14.98%
Other Services	32,914	8,229	6,327	(1,901)	19.22%
Capital Outlay	-	-	-	-	0.00%
Total Expenses	**121,855**	**30,464**	**28,582**	**(1,881)**	**23.46%**
Revenue over (under) expenses	**-**	**-**	**(2,879)**	**(2,879)**	

City of Hondo, Texas
Hotel/Motel Tax Fund
Statement of Revenues and Expenses
Budget to Actual

December 31, 2024

	Budget	YTD Budget	YTD Actual	Variance	% of Budget
Revenues					
Hotel/Motel Tax Revenues	135,000	33,750	25,001	(8,749)	18.52%
Interest Revenue	-	-	-	-	0.00%
Total Revenues	**135,000**	**33,750**	**25,001**	**(8,749)**	**18.52%**
Expenses					
Hondo Chamber of Commerce	65,000	16,250	16,250	-	25.00%
Medina County Museum	7,500	1,875	1,875	-	25.00%
Rodeo Association	10,000	2,500	2,500	-	25.00%
Medina Livestock Assoc	5,000	1,250	-	(1,250)	0.00%
Transfers	47,500	11,875	11,875	-	25.00%
Total Expenses	**135,000**	**33,750**	**32,500**	**(1,250)**	**24.07%**
Revenue over (under) expenses	**-**	**-**	**(7,499)**	**(7,499)**	

City of Hondo, Texas
Water Resource Fund
Statement of Revenues and Expenses
Budget to Actual

December 31, 2024

	Budget	YTD Budget	YTD Actual	Variance	% of Budget
Revenues					
Water Resource Revenues	30,000	7,500	7,722	222	25.74%
Interest Revenue	-	-	-	-	0.00%
Total Revenues	**30,000**	**7,500**	**7,722**	**222**	**25.74%**
Expenses					
Transfers	30,000	7,500	64,747	57,247	215.82%
Total Expenses	**30,000**	**7,500**	**64,747**	**57,247**	**215.82%**
Revenue over (under) expenses	**-**	**-**	**(57,025)**	**(57,025)**	

City of Hondo, Texas
Fair Hall & Livestock
Statement of Revenues and Expenses
Budget to Actual

December 31, 2024

	Budget	YTD Budget	YTD Actual	Variance	% of Budget
Revenues					
Fair Building Rental	32,500	8,125	1,900	(6,225)	5.85%
Fair Building Deposits	-	-	-	-	0.00%
Interest Income	-	-	-	-	0.00%
Transfers	47,500	11,875	11,875	-	25.00%
Total Revenues	**80,000**	**20,000**	**13,775**	**(6,225)**	**17.22%**
Expenses					
Personnel	-	-	-	-	0.00%
Supplies	28,775	7,194	2,619	(4,575)	9.10%
Other Services	51,225	12,806	13,663	857	26.67%
Total Expenses	**80,000**	**20,000**	**16,282**	**(3,718)**	**20.35%**
Revenue over (under) expenses	**-**	**-**	**(2,507)**	**(2,507)**	

HONDO

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City Council Communication

Title: **CONSIDERATION AND APPROVAL OF THE 1ST QUARTER INVESTMENT REPORT FOR FY 2025. (CHRIS HILL, CHIEF FINANCE OFFICER)**

Date: February 24, 2025 ***From:*** Chris Hill, Chief Finance Officer

INFORMATION:

In an effort to keep the City Council, staff and public informed of the receipt of quarterly interest earned on the City of Hondo's Investments, the 1st Quarter Investment Report for the Fiscal Year ending September 30, 2025, is presented for review.

FINANCIAL IMPACT:

The City earnings has been steady with the investment strategy of using TexPool Prime and High Rate local CDs. The quarterly earnings for the 1st quarter ended December 31, 2024 was **$235,428** which is another strong quarter and on track to meet the budget for the Fiscal Year 2024/2025.

The quarterly investment reports will be reviewed by the City of Hondo external auditor during the annual financial audit.

STAFF RECOMMENDATION:

The City Staff recommends approval/acceptance of the 1st Quarter Investment Report for the Fiscal Year ended September 30, 2025, as presented.

MOTION:

Move to approve the 1st Quarter Investment Report for the fiscal year ending September 30, 2025.

ATTACHMENTS:

1. Dec 2024 Quarter Investment report signed

STAFF CONTACTS:

Chris Hill
Chief Finance Officer
chill@hondo-tx.org

John Naron
City Manager
jnaron@hondo-tx.org

City of Hondo
Investment Inventory Report
1st Quarter Report
December 31, 2024

HONDO
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Security	Owner	Avg. Rate/ Yield	Next Maturity	Original Amt.	Ending Balance	Ending Market	QTD Earnings
				-			
Water Rights - Owned (Fund 3)	Fund 03	0.00%		$ 199,540.60	$ 199,540.60	$ 199,540.60	
Investment Fund - General	TXN	1.00%	N/A	502,100.65	503,356.94	503,356.94	$ 1,256.29
Investment Fund - 2024 Bonds	TXN	1.00%	N/A	1,007,984.26	1,017,198.90	1,017,198.90	$ 9,214.64
Texpool - General Fund	Texpool	4.83%	N/A	4,250,000.00	5,557,142.05	5,557,142.05	$ 67,234.87
Texpool - Electric	Texpool	4.83%	N/A	1,500,000.00	1,660,382.18	1,660,382.18	$ 20,170.46
Texpool - Water & Wastewater	Texpool	4.83%	N/A	2,375,000.00	2,850,860.03	2,850,860.03	$ 34,962.12
Texpool - Sanitation	Texpool	4.83%	N/A	500,000.00	511,107.91	511,107.91	$ 6,723.48
Texpool - Perpetual Care	Texpool	4.83%	N/A	525,000.00	534,791.90	534,791.90	$ 5,378.79
CD Invesment - 2024 Bonds	CD - TXN - 5892	4.25%	5/28/2025	9,000,000.00	9,064,038.14	9,064,038.14	$ 64,038.14
CD Investment - EDC	CD - TXN - 5862	4.25%	5/17/2025	2,390,627.52	2,417,076.83	2,417,076.83	$ 26,449.31
TOTAL Investments and Interest Earnings				**$ 23,880,526.78**	**$ 24,115,954.88**	**$ 24,115,954.88**	**$ 235,428.10**

WEIGHTED AVERAGE MATURITY

(Interest Bearing Only)	BOOK VALUE	DAYS TO MAT.
Texpool Prime	$ 11,114,284	50
TXN CD (No penalty early withdrawal)		

Fund Totals of Investments

General Fund	25.13%	6,060,498.99
Perpetual Care	2.22%	534,791.90
Water & Wastewater	11.82%	2,850,860.03
EDC	10.02%	2,417,076.83
Sanitation	2.12%	511,107.91
2024 Bond Cos	41.80%	10,081,237.04
Electric	6.88%	1,660,382.18
INVESTMENT TOTALS	100.00%	$ 24,115,954.88

This report is in compliance with the City's Investment Policy Section V. and the Reporting and Texas Government Code

Christopher Hill, Chief Financial Officer

HONDO

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City Council Communication

Title: **CONSIDERATION AND APPROVAL OF ORDINANCE NO. 1299-02-25 OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, AMENDING THE CITY OF HONDO INVESTMENT POLICY AS REQUIRED BY CHAPTER 2256 OF THE TEXAS GOVERNMENT CODE; AND SETTING AN EFFECTIVE DATE. (CHRIS HILL, CHIEF FINANCE OFFICER)**
Date: February 24, 2025 ***From:*** Chris Hill, Chief Finance Officer

INFORMATION:

Annual update is required. No significant changes.

FINANCIAL IMPACT:

N/A

STAFF RECOMMENDATION:

City Staff recommends the City Council approve updated Investment Policy.

MOTION:

Approve Ordinance 1299-02-25 and the City Investment Policy.

ATTACHMENTS:

1. Investment Policy 2025 and Ordinance 1299-02-25

STAFF CONTACTS:

Chris Hill
Chief Finance Officer
chill@hondo-tx.org

John Naron
City Manager
jnaron@hondo-tx.org

ORDINANCE NO. 1299-02-25

AN ORDINANCE AMENDING THE CITY OF HONDO INVESTMENT POLICY AS REQUIRED BY CHAPTER 2256 OF THE TEXAS GOVERNMENT CODE; AND SETTING AN EFFECTIVE DATE.

****

WHEREAS, in accordance with the Public Funds Investment Act, Chapter 2256, Tex Government Code, the City Council of the City of Hondo, Texas adopted an investment policy by Ordinance No. 275-15 on March 9, 2015 amended May 14, 2018 and September 28, 2020 and February 14, 2022 and October 24, 2022: and

WHEREAS, the investment policy must primarily emphasize safety of principal and liquidity and also address investment diversification, yield, and maturity and the quality and capability of investment management; and

WHEREAS, the City has completed its review of the Investment Policy as required by Chapter 2256, attached is the amended Investment Policy, which complies with the Public Funds Investment Act, and authorizes the investment of city funds in safe and prudent investments.

WHEREAS, the governing body of an investing entity shall review its investment policy and investment strategies not less than annually. The governing body shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies.

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

SECTION 1. The City Council of the City of Hondo, Investment Policy attached hereto as "**Exhibit A**" complies with the requirements of the Public Funds Investment Act and is hereby amended and adopted as the Investment Policy of the City of Hondo effective on the date this ordinance is adopted.

SECTION 2. AMENDMENTS. Section VI. Investments. E. FINANCIAL INSTRUMENTS
Maximum allowable percentages of the total portfolio for investments are stated as follows and all of the following are authorized: Investment Type 1. Investment Pools Maximum Limit 75%.

SECTION 3. CHANGES. The City of Hondo, The Investment Policy, as amended, shall remain in full force and effect, save and except as amended by this ordinance.

SECTION 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict with all remaining portions not conflicting being saved from repeal herein.

SECTION 5. EFFECTIVE DATE: This Ordinance shall be effective immediately upon the passage hereof for Fiscal Year Ended September 30, 2024 and going forward.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, THIS 24TH DAY OF FEBRUARY, 2025.

JOHN MCANELLY, MAYOR

ATTEST:

REBEKAH DOLPHUS
CITY SECRETARY

EXHIBIT A

City of Hondo, Texas
Investment Policy

HONDO

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I. POLICY

It is the policy of the City of Hondo, Texas (the "City") to administer and invest its funds in a manner which will preserve the principal and maintain the liquidity through limitations and diversification while meeting the daily cash flow requirements of the City. The City will invest all available funds in conformance with legal and administrative guidelines, seeking to optimize interest earnings to the maximum extent possible.

The purpose of this investment policy is to comply with all statutes governing the investment of the City's funds, including the Public Funds Investment Act, Chapter 2256 of the Texas Government Code (the " Act"), which requires the City to adopt a written investment policy regarding the investment of its funds and funds under its control. The Investment Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the City's funds. This policy will be reviewed annually pursuant to Section 2256.005 of the Act.

II. SCOPE

The City will strive to earn a return on funds invested at the highest investment return possible after taking in consideration the primary goals of preservation of principal and liquidity of funds invested, consistent with the policy objectives described below. This investment policy applies to the investment activities of the government of the City.

FUNDS INCLUDED The City's funds, which are sometimes pooled together, constitute the investment portfolio, include all financial assets of all funds managed by the City, including but not limited to receipts of tax revenues, charges for services, bond proceeds, interest income, loans and funds received by the City where the City performs a custodial function. These funds are accounted for in the City's Annual Financial Report (AFR) and include:

General Fund
Special Revenue Funds
Debt Service Funds
Capital Projects Funds
Enterprise Funds

Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

III. OBJECTIVES

SAFETY The primary objective of the City's investment activity is the preservation of capital and the protection of investment principal in the overall portfolio. Each investment transaction shall seek first to ensure that capital losses are avoided, whether they are from securities defaults or erosion of market value. The City will strive to minimize credit risk by limiting investments to the safest types of investments, prequalifying the financial institutions and broker/dealers with which the City conducts business, and diversify the investment portfolio so that potential losses on individual issuers will be minimized. To minimize interest rate risk, the City will ladder the portfolio and match investments with future cash requirements and invest operating funds in shorter, more liquid securities and investments.

LIQUIDITY The City's investment portfolio will remain sufficiently liquid to enable the City to meet operating requirements that might be reasonably anticipated. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets. Because all possible cash demands cannot be anticipated, a portion of the portfolio may be invested in shares of money market mutual funds or local government investment pools that offer same day liquidity.

PUBLIC TRUST All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment Officials shall avoid any transaction that might impair public confidence in the City's ability to govern effectively. The governing body recognizes that in a diversified portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

YIELD (Optimization of Interest Earnings) The City's cash management portfolio shall be designed with the objective of regularly meeting or exceeding the average rate of return on U.S. Treasury Bills at a maturity level comparable to the City's weighted average maturity in days. The investment program shall seek to augment returns above this threshold consistent with risk limitations identified herein and prudent investment principles.

INVESTMENT STRATEGY The City maintains a commingled portfolio for investment purposes which incorporates the specific uses and the unique characteristics of the funds in the portfolio. The investment strategy has as its primary objective assurance that anticipated liabilities are matched and adequate investment liquidity provided. The City shall pursue conservative portfolio management strategy. This may be accomplished by creating a laddered maturity structure with some extension for yield enhancement. The maximum dollar weighted average maturity of 2 years or less will be calculated using the stated final maturity date of each security.

IV. RESPONSIBILITY AND CONTROL

Oversight Responsibility for the investment activity of the City shall rest with the City Manager. The City Manager will designate investment officer(s), receive and review quarterly reporting, approve and provide for investment officer training, approve broker/dealers, and review and cause to be adopted the Investment Policy and Strategy at least annually.

DELEGATION Management responsibility for the investment program is hereby delegated to the Chief Finance Officer, who shall establish written procedures for the operation of the investment program, consistent with this investment policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions.

SUBORDINATES All persons involved in investment activities will be referred to as "Investment Officers." No person shall engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Chief Finance Officer. The Chief Finance Officer shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of Subordinate Investment Officers. All investment officers, including the Chief Finance Officer, will demonstrate competence in the execution of the city's investments. All Investment Officers will insure compliance with the investment program with ongoing training and evaluation by management.

PRUDENCE Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. Investment Officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided

deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

INDEMNIFICATION The Chief Finance Office and the other Investment Officer(s), acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific investment's credit risk or market price changes, provided that these deviations are reported immediately and the appropriate action is taken to control adverse developments.

ETHICS DISCLOSURE AND CONFLICTS OF INTEREST Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution and management of the investment program, or which could impair their ability to make impartial investment decisions. Employees and Investment Officers shall disclose to the City Manager any material interests in financial institutions that conduct business with the City, and shall further disclose any personal financial or investment positions that could be related to the performance of the City's investment portfolio. Employees and Investment Officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the City.

An Investment Officer who has a personal business relationship with an organization seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under subsection 2256.005(i) of the Act must be filed with the Texas Ethics Commission and the governing body of the City.

TRAINING Pursuant to Section 2256.008 of the Act, the Investment Officers shall attend 10 hours of investment training within 12 months after taking office or assuming duties, and 10 hours every succeeding two years that begins on the first day of the fiscal year, which is October 1st, and consists of the two consecutive fiscal years after that date. The investments training shall be provided from an independent source as approved by the City Council to insure the quality and capability of investment management in compliance with the Act. For the purposes of this policy, an "independent source" has been defined by the City Council as a professional organization, an institute of higher learning or any other sponsor other than a Business Organization with whom the City may engage in investment transactions. Training shall be in accordance with the Act and shall include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with statutes governing the investment of public funds.

V. REPORTING

Investment reports shall be prepared quarterly and be signed and submitted by the Investment Officers, in a timely manner. These reports will be submitted to the City Manager and City Council. This report shall describe in detail the investment position of the City, disclose the market value and book value of each fund group as well as each separate investment, and state the maturity date of each security and accrued interest for the reporting period. The report shall include all information as required by Section 2256.023 of the Act. It must also express compliance of the portfolio to the investment strategy contained in the City's Investment Policy and the Act.

MONITORING The market price of each investment shall be obtained monthly from a source such as the Wall Street Journal newspaper, the City's custodial bank, a reputable brokerage firm or security pricing service and reported on the investment reports. Investments with minimum rating requirements will be monitored for rate changes and liquidation of such investments will be determined at such time.

Monitoring credit ratings – The Investment Officer shall monitor, on no less than a monthly basis,

the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer shall notify the City Manager of the loss of rating, and liquidate the investment within one week.

Monitoring FDIC Status for Mergers and Acquisitions – The Investment Officer shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by the City based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the Investment Officer or Advisor shall immediately liquidate any brokered CD which places the City above the FDIC insurance level.

VI. INVESTMENTS

ACTIVE PORTFOLIO MANAGEMENT The City intends to pursue active versus passive portfolio management philosophy. That is, securities may be sold before they mature if market conditions present an opportunity for the City to benefit from the trade.

AUTHORIZED INVESTMENTS The following are authorized investments as further defined by the Act.

A. Obligations, including letters of credit, of the United States or its agencies and instrumentalities; direct obligations of this state or its agencies and instrumentalities; other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; and obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent. (Section 2256.009 (a) of the Act)

   The following are not authorized investments under Section 2256.009 (b) of the Act:

   - obligations whose payment represents the coupon payment on the outstanding principal balance of the underlying mortgage-backed security collateral and pays not principal (Interest only bonded);
   - obligations whose payment represents the principal stream of cash from the underlying mortgage-backed security collateral and pays no interest (Principal only bonds);
   - collateralized mortgage obligations that have a final stated maturity date of greater than 10 years; and
   - collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

B. Fully collateralized certificates of deposit issued by a depository institution or an approved broker that has its main office or branch office in Texas, selected from a list adopted by the City, and guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor; secured by obligations authorized by Section 2256.010 of the Act, or secured in accordance with Chapter 2257 or any other manner and amount provided by law for deposits of the City.

C. FDIC insured, brokered certificates of deposit securities from a bank in any US state, in an amount not to exceed FDIC insurance, delivered versus payment to the City safekeeping agent, not to exceed one year to maturity. Before purchase, the Investment Officer must verify the FDIC status of the bank on www.fdic.gov to assure that the bank is FDIC insured.

D. AAA-rated, or an equivalent rating, no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission; having a dollar-weighted average stated maturity of 90 days or fewer; and includes in its investment objectives the maintenance of a stable net asset value of $1 for each share. (Section 2256.014 of the Act) The Fund must 1) be registered with and regulated by the Securities and Exchange Commission 2) provide the City with a prospectus and other information required by the Securities and Exchange Act of 1934 (15 U.S.C. Section 80a-1 et seq.) and 3) comply with federal SEC Rule 2a-7;

The City is not authorized by Section 2256.014 (c) of the Act to:

- invest in the aggregate more than 15 percent of its monthly average fund balance, excluding bond proceeds and reserves in other funds held for debt service, in mutual funds described in the Act (Section 2256.014);
- invest any portion of bond proceeds, reserves and funds held for debt service, in mutual funds described in the Act (Section 2256.014); or
- invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one mutual fund described in the Act (Section 2256.014) in an amount that exceeds 10 percent of the total assets of the mutual fund.

E. AAA-rated, or an equivalent rating by at least one nationally recognized rating service, constant dollar, investment pools as authorized by the City Council and as further defined by the Act, which invests in eligible securities as authorized by Section 2256.016 of the Act.

EXISTING INVESTMENTS The Investment Officer is not required to liquidate investments that were authorized investments at the time of purchase. Any investments currently held that do not meet the guidelines of this policy shall be reviewed to determine the ability to liquidate. An investment that requires a minimum rating under this subchapter does not qualify as an authorized investment during the period the investment does not have the minimum rating. An entity shall take all prudent measures that are consistent with its investment policy to liquidate an investment that does not have the minimum rating. If the investment cannot be liquidated because of material adverse change in the value since the time of purchase, and holding the investment to maturity does not negatively affect disbursements or cash flow, a recommendation of holding said investment to maturity is acceptable.

MAXIMUM MATURITIES The maximum stated maturity, from the date of purchase, for any individual investment may not exceed three (3) years and the maximum dollar-weighted average maturity for the pooled fund group (investment portfolio) may not exceed 2 years.

DIVERSIFICATION It is the policy of the City to diversify its investment portfolios. Assets held in the pooled investment portfolio shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, specific issuer or specific class of securities. Diversification strategies shall be determined and revised periodically by the City Manager.

FINANCIAL INSTRUMENTS Maximum allowable percentages of the total portfolio for investments are stated as follows and all of the following are authorized:

	Investment Type	Maximum Limit
1.	Investment Pools	75%
2.	Money Market Accounts	10%
3.	Certificates of Deposit	100%
4.	U.S. Government Securities	40%
5.	U.S. Agency Securities	40%

VII. SELECTION OF FINANCIAL INSTITUTIONS AND BROKER DEALERS

SELECTION OF FINANCIAL INSTITUTIONS Depositories shall be selected through the City's banking services procurement process, which shall include a formal request for proposal (RFP) issued every five (5) years. In selecting depositories, the services available, service costs, and credit worthiness of institutions shall be considered, and the Director of Finance shall conduct a comprehensive review of prospective depositories' credit characteristics and financial history. The depository contract will provide for collateral if balance exceeds FDIC Insurance amounts.

The City shall select financial institutions from which the City may purchase certificates of deposit in accordance with the Act and this policy and will have a written depository agreement with the selected institution, which was approved by resolution of the Bank's Board if collateral is required. The Investment Officer shall monitor the fiscal condition of financial institutions where certificates of deposit are held.

AUTHORIZED FINANCIAL BROKER/DEALERS AND INSTITUTIONS The Investment Officer shall maintain a list of broker/dealers and financial institutions authorized to provide investment services. These may include primary dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must submit: audited financial statements, proof of National Association of Security Dealers certification, and proof of state registration.

Before engaging in investment transactions with a financial institutions or broker/dealers, the Investment Officer shall have received, from a Qualified Representative of said firm, a signed Certification Form. (Exhibit B) This form shall attest that the individual responsible for the City's account with that firm has (1) received and reviewed the investment policy of the City; and (2) acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the organization that are not authorized by the City's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards. Investment Officers of the City may not acquire or otherwise obtain any authorized investment described in the investment policy from a person who has not delivered a signed Certification Form. The City Manager shall at least annually review, revise, and recommend to City Council a list of qualified broker/dealers and other financial institutions that are authorized to engage in investment transactions with the City. (Exhibit A)

COMPETITIVE BIDDING All investment transactions must be competitively transacted and executed with broker/dealers or financial institutions that have been authorized by the City. The City will obtain at least three competitive offers. Exception: New issues will not be required to be competitively transacted as all broker/dealers would show the same price and yield.

VIII. COLLATERAL

COLLATERALIZATION OF PUBLIC DEPOSITS Collateralization requirements are governed by the Texas Government Code Chapter 2257 (Public Funds Collateral Act). All bank deposits, certificates of deposit, and repurchase agreements shall be secured by pledged collateral. In order to anticipate market changes and provide a level of security for all funds, the required minimum collateral level will be a market value equal to no less than 102% of the deposits. Collateral levels should be monitored and maintained by the financial institution. Repurchase agreements shall be documented by specific agreement noting the collateral pledged in each agreement and should be monitored daily. Collateral shall be reviewed monthly to assure the market value of the securities pledged equals or exceeds the related bank balances.

Collateral shall always be held in the City's name by an independent third party with whom the City has a current custodial agreement. Evidence of the pledged collateral shall be maintained by a written agreement. A safekeeping receipt must be supplied to the City for any transaction involving sales/purchases/maturities of securities and/or underlying collateral, which the City will retain. The right of collateral substitution is granted provided the substitution has prior approval of the City and is followed by the delivery of an original safekeeping receipt to the City, and replacement collateral is received prior to the release of original collateral.

COLLATERAL DEFINED The City shall accept only the following securities as collateral:

A. FDIC insurance coverage;
B. United States Treasuries and Agencies;
C. Obligations, including letters of credit, of the United States or its agencies and instrumentalities.
D. Security issued by a public entity as defined and permitted under the Texas Government Code Chapter 2257 (Public Funds Collateral Act).

SUBJECT TO AUDIT All collateral shall be subject to inspection and audit by the Director of Finance or the City's independent auditors.

IX. SAFEKEEPING AND CUSTODY

SAFEKEEPING AGREEMENT All securities owned by the City shall be held in the City's designated third party safekeeping. The third party custodian shall be required to issue safekeeping receipts to the City listing each specific security, description, maturity, cusip number yield and/or coupon, market value and other pertinent information. Each safekeeping receipt shall clearly indicate that the instrument is held for the City. All safekeeping arrangements shall be documented by the Investment Officer.

DELIVERY VERSUS PAYMENT All investment transactions shall be executed on a delivery versus payment basis. That is, funds shall not be wired or paid until verification has been made that the collateral was received by the Trustee. The collateral shall be held in the name of the City. The Trustee's records shall assure the notation of the City's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the City.

X. MANAGEMENT AND INTERNAL CONTROLS

The Director of Finance shall establish a system of internal controls, which shall be reviewed by an independent auditor. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees or Investment Officers of the City.

Controls and managerial emphasis deemed most important that shall be employed where practical are:

A. Control of collusion
B. Separation of duties
C. Separation of transaction authority from accounting and record keeping
D. Custodian safekeeping receipts records management
E. Avoidance of physical delivery securities
F. Clear delegation of authority to subordinate staff members
G. Documentation on investment bidding events
H. Written confirmation of transactions for investments and wire transfers

I. Reconcilement and comparisons of security receipts with the investment subsidiary records
J. Compliance with investment policies
K. Accurate and timely reports
L. Validation of investment maturity decisions with supporting cash flow data
M. Adequate training and development of Investment Officers
O. Review of financial condition of all brokers, dealers and financial institutions
P. Staying informed about market conditions, changes, and trends that require adjustments in investment strategies
Q. Monitor credit ratings
R. Monitor FDIC status for mergers and acquisitions for brokered CD's

COMPLIANCE AUDIT The City shall perform, in conjunction with its annual financial audit, a compliance audit of management controls on investments and adherence to the entity's established investment policies. The audit shall include a formal review of the quarterly investment reports by an independent auditor and the results reported to the governing body by the independent auditor. Also, the governing body shall review its investment policy and investment strategy not less than annually and adopt a written instrument by ordinance or resolution stating that it has reviewed the investment policy and strategy, and recorded any changes made to them.

City of Hondo
Approved List of Brokers/Dealers and Investment Pools

Brokers/Dealers

None at this time

Investment Pools

TexPool

LOGIC Investment Pool

TexStar Pool

Any AAA rated Texas Government Pool

TEXAS PUBLIC FUNDS INVESTMENT ACT CERTIFICATION FORM
As required by Texas Government Code 2256.005 (k-l)

CITY OF HONDO, TEXAS

This certification is executed on behalf of the City of Hondo, Texas (the Investor) and _____ (the Seller) pursuant to the Public Funds Investment Act, Chapter 2256, Government Code, Texas Codes Annotated (the Act) in connection with investment transactions conducted between the Investor and Dealer.

The Undersigned Qualified Representative of the Seller hereby certifies on behalf of the Seller that:

1. The Qualified Representative is duly authorized to execute this Certification on behalf of the Seller, and

2. The Qualified Representative has received and reviewed the Investment Policy furnished by the Investor, and

3. The Seller has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Seller and the Investor that are not authorized by the entity's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio or requires an interpretation of subjective investment standards.

Qualified Representative

_____
Signature

_____
Name (Printed):

_____
Title:

_____
Date:

City of Hondo, Texas
Investment Strategy Statement

The City of Hondo, Texas (the "City") will strive to administer and invest its pooled funds at the highest investment return possible while always taking into account the primary goals of preservation of principal and liquidity of funds invested consistent with the City's investment policy.

The City's funds, which are pooled together and constitute the investment portfolio, include all financial assets of all funds managed by the City, including but not limited to receipts of tax revenues, charges for services, bond proceeds, interest incomes, loans and funds received by the City where the City performs a custodial function.

The City will never invest its funds in a security that is deemed unsuitable to the financial requirements of the City. Maturities will be staggered in a manner that meets the cash flow needs of the City.

The primary investment objective is the preservation and safety of principal. Each investment transaction shall seek first to ensure that principal losses are avoided, whether they are from security defaults or erosion of market value.

The City's investment portfolio will remain sufficiently liquid to enable the City to meet operating requirements that might be reasonably anticipated. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets.

The City shall always maintain a highly diversified investment portfolio in order to reduce the amount of credit and market risk exposed to the City's portfolio.

After first considering safety and liquidity, the City's investment portfolio shall be designed with the objective of regularly exceeding the average rate of return on U.S. Treasury Bills at a maturity level comparable to the City's weighted average maturity in days. The City shall seek to augment returns above this threshold consistent with risk limitations identified in the City's investment policy and prudent investment principles.

HONDO

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City Council Communication

Title: **CONSIDERATION AND APPROVAL TO REPLACE EMERGENCY ALERT SIREN AT 29°20'34.1"N 99°09'25.2"W NEAR AVE Z. (JUSTIN SOZA, CHIEF OF POLICE)**

Date: February 24, 2025 ***From:*** Justin Soza

INFORMATION:

The City of Hondo's emergency siren located off Avenue Z sustained significant damage after being struck by lightning, rendering it inoperable. Following an assessment by Federal Signal, the county's contracted emergency siren service provider, it has been determined that the siren is beyond repair and must be replaced to restore full emergency alert capabilities.

Given the critical role of the emergency siren system in public safety—providing life-saving alerts during severe weather and other emergencies—this replacement is essential. The City has been in contact with Texas Municipal League (TML), our insurance provider, and as part of our coverage, the City will be responsible for a $5,000 deductible. The total cost for the replacement of the emergency siren is $38,517.30, with insurance covering the remaining balance.

FINANCIAL IMPACT:

$5,000.00

STAFF RECOMMENDATION:

Authorize the replacement of the emergency siren.

MOTION:

I move to authorize the Chief of Police to enter into an agreement for the replacement of the emergency siren located at 29°20'34.1"N 99°09'25.2"W, in accordance with the City of Hondo's insurance policy with Texas Municipal League (TML), and to proceed with all necessary actions to complete the project.

ATTACHMENTS:

1. TIPS Quote #632 - Hondo, Texas - (1) New Outdoor Warning Siren

STAFF CONTACTS:

Chief Soza

TIPS Quote #632 - Hondo, Texas - (1) New Outdoor Warning Siren

FEDERAL SIGNAL
Protecting people and our planet

2001-130
2001-130 High Powered Outdoor Siren

The Federal Signal 2001-130 siren is a high power outdoor warning siren. The high-decibel output provides maximum coverage with minimum installation cost. The siren produces 130dB(C) at 100ft & rotates at 3 RPM. Three distinct warning signals available: steady, wail and fast wail.

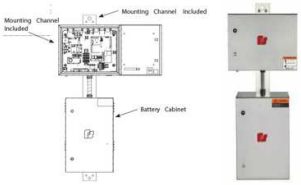
ELECTRO-MECHANICAL ROTATING SIREN, 130 DB(C) 800HZ

2001-130 Data Sheet

12,659.00
x 1
30% discount
8,861.30

DCFCTBDH
Two Way Siren Controller (DC Siren) (VHF)

Two-way siren controller for 48VDC Sirens. Two-way radio control and status monitoring. Simultaneous two-tone sequential, DTMF, EAS, POCSAG, and digital AFSK decoding for security. Able to utilize multiple communication paths for redundancy. Controls mechanical sirens, including models 2001-130, Equinox, 508-128 and Eclipse8. UL Listed for general signaling. DNV Certified
DIGITAL CONTROLLER, HIGH BAND



11,146.00
x 1
30% discount
7,802.20

OMNI-BVH-35
Antenna Kit: 150-174MHZ VHF

- Federal Signal high gain antenna kit with grounding plane.
- High quality, corrosion-resistant components
- Light weight, easy to ship and install
- Compatible with (AMB-P) pole mount and (AMB-W) wall mount
- 35ft LMR400 Coax, Type N male

565.00
x 1
30% discount
395.50

FROM
Ryan Dean
OmniWarn, CRO - Vice President
1-833-360-9276 Ext. 102

Federal Signal
2645 Federal Signal Dr.
University Park, IL 60484
www.omni-warn.com

PHONE
1-833-360-9276

FOR
Hondo, Texas

TO
Justin Soza

EMAIL
jsoza800@hondo-tx.org

PHONE
830-426-5353

QUOTE NUMBER
632

DATE
December 10, 2024

EXPIRY DATE
March 9, 2025

AMB-P

Antenna Mounting Bracket - Pole

• Antenna bracket, pole mount

178.00
x 1
30% discount
124.60

TK-PVS240W-48

Solar Power Kit - Universal

• (2) Sunwize Solar Panel, 12V
• (1) Victron Solar Charge Controller
• (1) Side of pole mounting bracket

4,819.00
x 1
30% discount
3,373.30

TK-IK-BATT-STD

Battery Set: AC Delco M24M680

Battery Set Quantity: 4
Warranty: 18 Month Limited Warranty
Battery Type: Standard Flooded
Voltage: 12 Volt
Cold Cranking Amps (CCA): 550
Cranking Amps (CA): 680
Amp Hour (Ah): 80
Marine Cranking Amps (MCA): 680

184.00
x 4
10% discount
662.40

TK-IO-CUSTINS-POLE

50ft Galvanized Steel Pole

50ft Galvanized Steel Pole
Standard Duty
Direct Bury
Federal Mechanical - 2001 - Equinox - Eclipse

5,754.00
x 1
5,754.00

TK-IO-CUSTINS (Install Standard) **Install Service: (1) Warning Siren** This price is for Federal Signal/OmniWarn Public Safety providing the entire crew for installation. We are currently working with the local electric co-op to see if we can utilize their crew to assist with installation and reduce costs. Federal Signal authorized installer will leverage the expertise of their skilled crew for the construction and installation of warning sirens. • Provide installation crew • Provide digger truck • Provide bucket truck • Provide building materials and supplies • Provide removal of old sirens if necessary • Adhering to established protocols for siren installations. • Erecting utility pole using industry-standard installation techniques • Performing on-site surveys and 811 locates for comprehensive project planning. • The authorized installer is responsible for providing trucks and essential hardware required for the installation.	10,500.00 x 1 10,500.00
Freight2 **Shipping & Handling** Shipping from University Park, IL to Customer location. FOB - University Park, IL (Factory)	1,044.00 x 1 1,044.00
Subtotal, includes discount of 8,883.70	38,517.30
Total	**$38,517.30**

Download PDF Quote

You may download a PDF copy of this quote using the download PDF option found on the right side of this digital quote.

Purchase Order Instructions

ATTENTION
ALL PURCHASE ORDERS SHOULD BE EMAILED TO ORDERS@OMNI-WARN.COM
All purchase orders must be made out to the following:
Federal Signal Corporation
Alerting & Notification Systems
2645 Federal Signal Drive
University Park, IL 60484

Remittance Instructions

Please find our W9 and remittance information attached for your convenience.

Checks may be mailed to:
PO BOX 200217
Dallas, Texas
75320-0217

Federal Signal 2023 W9

Remittance Instructions

Sales Tax

All quotes exclude sales tax. If your organization qualifies for sales tax exemption in your area, we kindly request that you provide the necessary details by submitting a Sales Tax Exemption Form with your order.

Credit Card Purchases

Please indicate upon acceptance whether you will be paying by credit card as a customer. Our internal sales team will contact you via phone to process the credit card payment.

Terms & Conditions

Prices are firm for 30 days from the date of quotation unless shown otherwise. Upon acceptance, prices are firm for 6 months. This quotation is expressly subject to acceptance by Buyer of all Terms stated in the Terms document, available for download on this quote. Any exception to or modification of such Terms shall not be binding on Seller unless expressly accepted in writing by an authorized agent or Officer of Seller. Any order submitted to Seller on the basis set forth above, in whole or in part, shall constitute an acceptance by Buyer of the Terms. Any such order shall be subject to acceptance by Seller in its discretion. If the total price for the items set forth above exceeds $50,000 then this quotation IS ONLY VALID if countersigned below by a Regional Manager of the Safety & Security Systems Group, Federal Signal Corporation. Installation is not included unless specifically quoted as a line item above. Adverse Site Conditions, including rock, caving soil conditions, contaminated soil, poor site access availability, and other circumstances which result in more than 2 hours to install a pole, will result in a $385.00 per hour fee, plus equipment. Trenching is additional. Power Clause, bringing power to the equipment is the responsibility of the purchaser. Permit Clause, any special permits, licenses or fees will be additional.

Download full terms and conditions here:

Terms Conditions Warranty

HONDO

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City Council Communication

Title: **CONSIDERATION AND APPROVAL OF THE ADMINISTRATION SERVICES AGREEMENT BETWEEN THE CITY OF HONDO AND THE HONDO ECONOMIC DEVELOPMENT CORPORATION.**
Date: February 24, 2025 ***From:***

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. EDC AND CITY AGREEMENT

STAFF CONTACTS:

ADMINISTRATIVE SERVICES AGREEMENT BETWEEN THE CITY OF HONDO AND THE HONDO ECONOMIC DEVELOPMENT CORPORATION

This Administrative Service Agreement ("this Agreement") is made and entered into by and between the City of Hondo, Texas, a Texas Municipal Corporation, ("the City") and the City of Hondo Economic Development Corporation ("HEDC") (each a "Party" or collectively the "Parties"), acting by and through their authorized representatives.

WHEREAS, pursuant to The Texas Development Corporation Act, Texas Local Government Code Chapters 501, 502 and 505 (the "Act"), the City created the HEDC and collects, on behalf of the HEDC, an additional sales and use tax of which a portion may be used by the HEDC to pay certain administrative costs; and

WHEREAS, the City and HEDC desire to aid, and cooperate with each other in coordinating certain functions and services, including administrative and financial services for the effective, efficient operation of the HEDC; and

WHEREAS, the City Council for the City ("City Council") and the HEDC Board of Directors ("Board") have both duly authorized this Agreement.

NOW, THEREFORE, in exchange for the mutual covenants set forth herein and other valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the Parties agree as follows:

Article I
Term

1.1 The Initial Term of this Agreement shall commence on October 1, 2024, and shall continue until September 30, 2025, unless sooner terminated as provided herein. This Agreement shall automatically renew for successive terms of one (1) year each beginning on October 1 of each fiscal year thereafter unless either Party provides written notice at least thirty (30) days prior to the expiration of the then current term.

1.2 Either Party may terminate this Agreement with or without cause by providing sixty (60) days prior written notice thereof to the other Party. In the event this Agreement is terminated by HEDC, HEDC shall be responsible for compensating the City for services performed through the date of termination.

Article II
Scope of Services

2.1 Use of City Facilities. The City agrees to:

(a) To share a mailbox at City Hall with the City for receipt of mail to HEDC.

2.2 City Services to be Provided to HEDC.

(a) The City will provide finance and accounting services to the HEDC including bookkeeping services, compilation and preparation of financial statements, tax services, and all other related services.

(b) The City will provide Information and Technology services to the HEDC. Such services will include the acquisition of any necessary equipment, equipment leases, maintenance services, official email accounts for HEDC board members.

(c) The City will provide the HEDC with additional administrative services from the City Secretary and related staff, as needed, to prepare meeting agendas and minutes, and maintain official HEDC records.

(d) The City will provide Human Resources services to the HEDC. Such services will include recruiting, onboarding and documentation related to Employee Files the same as City of Hondo Employees. HEDC employees will be able to participate in all City of Hondo Benefits including Medical, Dental, Retirement and Other Ancillary Services at the same rate as City of Hondo Employees.

(e) The City will offer Texas Municipal League (TML) Insurance Services for General Liability, Errors and Omissions and Workers Compensation at same rate as the City of Hondo.

(f) The City will include the HEDC as a blended component unit as part of the Annual Financial Audit.

Article III
Compensation

3.1 HEDC shall pay the City for the services provided in Article II of this Agreement ("Service Fee") the annual sum of Thirty Thousand Dollars ($30,000.00) for each fiscal year to be divided equally into four (4) quarterly payments. In addition, HEDC will be charged for the applicable rates for any Employee Benefits and TML Workers Compensation Insurance. During the then-current fiscal year, HEDC may elect to remit some or all of the quarterly payments in advance, in which event the City shall credit HEDC accordingly. The Service Fee shall be provided annually in HEDC's annual operating budget.

3.2 The City shall collect the quarterly Service Fee via accounting transfer from HEDC to General Fund, which shall be paid by HEDC to the City within ninety (90) days of the beginning of each quarter, if such payment has not already been remitted to the City in advance.

Article IV
Devotion of Time; Personnel; and Equipment

4.1 The City shall devote such time as reasonably necessary for the satisfactory performance of the work under this Agreement. Should HEDC require additional services not included under this Agreement, HEDC must submit a written request for these services to the City Manager. The City shall not provide additional services other than those set forth in this Agreement without written approval from the City Manager, which may require approval by City Council.

4.2 City employees providing services to HEDC as set forth under this Agreement shall be considered City employees at all times.

Article V
Miscellaneous

5.1 Entire Agreement. This Agreement is the entire Agreement between the Parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written agreement between the Parties that in any manner relates to the subject matter of this Agreement.

5.2 Open Meetings. The Parties shall comply with the Texas Open Meetings Act (Chapter 551 of the Texas Government Code) and Texas Public Information Act (Chapter 552 of the Texas Government Code) with respect to all services provided under this Agreement.

5.3 Successors and Assigns. Subject to the provisions regarding assignment, this Agreement shall be binding on an inure to the benefit of the Parties to it and their respective heirs, executors, administrators, legal representatives, successors and assigns.

5.4 Governing Law. The laws of the State of Texas shall govern this Agreement; and venue for any action concerning this Agreement shall be in Medina County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said Court.

5.5 Amendments. This Agreement may be amended by the mutual written agreement of the Parties.

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

5.7 Notice. Any notice required shall be delivered to the address specified below, or to such other Party or address as either Party may designate in writing, and shall be deemed received three (3) days after delivery set forth herein:

If intended for City, to:	If intended for HEDC, to:
City of Hondo, Texas	Hondo Economic Development Corporation

Attn: City Manager
1600 Avenue M
Hondo, Texas 78861

Attn: Board President
1600 Avenue M
Hondo, Texas 78861

With Copy to:
City of Hondo, Texas
Attn: City Attorney
601 NW Loop 410, Ste. 100
San Antonio, Texas 78216

5.8 Recitals. The recitals to this Agreement are incorporated herein.

5.9 Counterparts. This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all the counterparts shall constitute one and the same instrument.

5.10 Legal Construction. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the Parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

5.11 Compliance with Federal, State and Local Laws. The City shall in the performance of services under this Agreement comply with all applicable federal and state laws and ordinances.

EXECUTED THIS ____ DAY OF _____ 2025.

CITY OF HONDO:

_____
John McAnelly, Mayor

HONDO ECONOMIC DEVELOPMENT CORPORATION:

_____
~~Jay~~ Gruber, HEDC Board President

Approved as to form:
City Attorney

_____

HONDO

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City Council Communication

Title: **CONSIDERATION AND APPROVAL TO AUTHORIZE THE CITY MANAGER TO SIGN HA5 AGREEMENT WITH HOLBROOK ASPHALT LLC. (JOHN NARON, CITY MANAGER)**
Date: February 24, 2025 ***From:*** John Naron, City Manager

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. HA5 W HOLBROOK ASPHALT LLC

STAFF CONTACTS:

AGREEMENT
BETWEEN CITY OF HONDO AND CONTRACTOR
FOR NON-PROFESSIONAL SERVICES

TERM CONTRACT FOR HIGH DENSITY MINERAL BOND TREATMENT
("HA5")

This General Services Contract for High Density Mineral Bond Treatment (the "Contract") is made and entered into, by and between the City of Hondo, 1600 Avenue M, Hondo, Texas 78861 (the "City") and Holbrook Asphalt, LLC (the "Contractor") and having its principal place of business at 1545 E. Commerce Drive Saint George, UT 84790, jointly referred to as the "Parties," for the following work described in the Scope of Work attached as Exhibit "A." and the locations as Exhibit "A-1."

WITNESSETH:

WHEREAS, City of Hurst ("Hurst") sought competitive bids in full compliance with municipal competitive bidding requirement, under Bid Reference Number 24-004 for High Density Mineral Bond Seal and awarded the bid to Andale Construction, Inc. ("Andale"); and

WHEREAS, Andale and the Hurst entered into an Agreement identified as Standard Form of Agreement Between the City of Hurst and Contractor, which was effective March 26, 2024, for work related to Hurst's Bid Reference Number 24-004 for High Density Mineral Bond Seal; and

WHEREAS, Andale and Hurst executed the First Amendment to the Standard Form of Agreement Between City of Hurst and Contractor on April 28, 2024 to amend the Contract Documents by adding a provision authorization to permit a Co-Contractor; and

WHEREAS, through written agreement by Assignment and Assumption of Contract on April 28, 2024, Andale assigned and conveyed all its rights, interests, and obligations under the Contract Documents to Holbrook Asphalt, LLC as Co-Contractor; and

WHEREAS, Hurst and the City of Hondo (the" City") entered into an Interlocal Agreement effective on May 13, 2024 under Chapter 791 and Chapter 271.102 of the Texas Local Government Code to purchase services commonly utilized by the two Cities, including services from vendors under present and future contracts; and

WHEREAS, pursuant to the Interlocal Agreement and Hurst's contract assigned to Contractor, the City hereby engages with Contractor to perform certain services in accordance with the specifications of the Contract; and

WHEREAS, this Contract is effective the date of the last signature; and

WHEREAS, the Contractor has agreed to perform such services in accordance with the specifications of the Contract;

NOW, THEREFORE, the City of Hondo and the Contractor do hereby agree as follows:

1. **Scope of Work.** The services to be performed by the Contractor are specified in **Exhibit "A"** and **Exhibit "A-1"** to this Contract, which are attached and incorporated herein under the terms and conditions of this Contract (the "Work" or "Project"). All Work shall be performed in compliance with the terms, conditions, obligations, warranties and specifications identified in **Exhibit "B"** entitled 'City of Hurst Invitation to Bid/Proposal' attached hereto and incorporated by reference herein with the designations "Andale" and "Hurst" meaning "Holbrook" and "Hondo."

   This is a term contract for services with no guarantee to the quantity to be ordered or the specified locations. The City will contact the vendor to order the goods/services and may request an estimate for the work based on the unit pricing in detailed in Section 3 below.

2. **Amendment.** Any changes to this Contract shall be by written amendment and executed by both Parties.

3. **Pricing and Limit of Payments.** The Work shall be performed in place and complete at the unit prices identified in **Exhibit "A-2"** which is attached and incorporated herein for all purposes and will be invoiced monthly based on square yards completed and accepted during the preceding month in accordance with the pricing. Payments under this Contract may not exceed **$751,524.70** without written amendment of this Contract executed by both parties. The City reserves the right to adjust or add locations of the services to be provided herein without any increase to the Contract price unless the adjusted or additional locations increase the total square yardage that will exceed the Contract price, which will then require compliance with Section 2 provided herein.

4. **Period of Performance.** The term of this contract shall start at the beginning of the date of execution by the City and continue for an initial term of one year. This agreement may be renewed for up to four (4) additional one-year terms upon mutual agreement.

5. **Incorporation by Reference**. The City and Contract incorporate all whereas statements into this contract. The City and Contractor hereby incorporate the attached heretofore Contract Documents between Hurst and Andale by reference attached hereto as **Exhibit "B", Exhibit "C"**, and **Exhibit "D"**. As incorporated into this Contract, the designations "Andale" and "Hurst" shall mean "Holbrook" and "Hondo," and any designation of "Tarrant County" shall mean "Medina County."

6. **Gratuities & Bribes.** Contractor certifies that no bribes in the form of entertainment, gifts, or otherwise, were offered or given by the Contractor, or its agent or representative, to any City officer, employee, or elected representative, with respect to this Contract or any contract with the City, and that if any such bribe is found to have been made this shall be grounds for voiding of the Contract.

7. **Required Licenses.** Contractor certifies that they hold all licenses required by the federal government and the State of Texas for a provider of the goods and/or services described by the Scope of Work herein. Services must be performed with the professional skill and care ordinarily provided by competent professionals (e.g., licensed engineers or registered architects) practicing in the same or similar locality and under the same or similar circumstances and professional license.

8. **Authority to Enter Contract.** The individual signing this Contract on behalf of the Contractor acknowledges that they are authorized to do so and said individual further warrants that they are authorized to commit and bind the City to the terms and conditions of this Contract.

9. **Anti-Boycott of Energy Companies.** Contractor verifies that it does not boycott energy companies and will not boycott energy companies during the Term of this Contract, as those terms are defined by Texas Government Code Chapter 2274. This provision includes a company with 10 or more full-time employees and a contract that has a value of $100,000 or more to be paid wholly or partly from the entity's public funds, as well as a sole proprietorship as a contractor for purposes of this prohibition.

10. **Nondiscrimination Against Firearm & Ammunition Industries**. Contractor verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the Term of this Contract against a firearm entity or firearm trade association, as those terms are defined by Texas Government Code Chapter 2274.

11. **Public Information.** The requirements of Texas Government Code Chapter 552, Subchapter J, may apply to this Contract and the Contractor or its agents agrees that the Contract may be terminated if the Contractor or its agents knowingly or intentionally fail to comply with a requirement of that subchapter. The Contractor is required to:
    (1) preserve all contracting information related to the Contract as provided by the records retention requirements applicable to the City for the duration of the Contract;
    (2) promptly provide to the City any contracting information related to the Contract that is in the custody or possession of the entity on request of the governmental body; and
    (3) on completion of the Contract, either:
        i) provide at no cost to the City all contracting information related to the Contract that is in the custody or possession of the Contractor; or
        ii) preserve the contracting information related to the Contract as provided by the records retention requirements applicable to the City.

12. **Confidentiality**. Any provision in the Contract that attempts to prevent the City's disclosure of information that is subject to public disclosure under federal or Texas law is invalid. (Texas Government Code Chapter 552).

13. **Independent Contractor**. The execution of this Contract and the rendering of services prescribed by this Contract do not change the independent status of City or the Contractor. It is understood and agreed by the Parties that the Contractor is an independent contractor retained for the services described in Exhibit "A", attached and incorporated herein. The City will not control the manner or the means of the Contractor's performance but shall be entitled to work product as detailed in Exhibit "A". No provision of this Contract or act of City in performance of the Contract shall be construed as making the Contractor the agent, servant or employee of the City, the State of Texas or the United States government. This Contract does not create a joint venture. Services performed by the Contractor under this Contract are solely for the benefit of the City. Nothing contained in this Contract creates any duties on the part of the Contractor toward any person not a party to this Contract. No person or entity not a signatory to this Contract shall be entitled to rely on the Contractor's performance of its Services hereunder, and no right to assert a claim against the Contractor by assignment of indemnity rights or otherwise shall accrue to a third party as a result of this Contract or the performance of the Contractor's Services hereunder. Employees of the Contractor are subject to the exclusive control and supervision of the Contractor. The Contractor is solely responsible for employee-related disputes and discrepancies, including employee payrolls and any claims arising therefrom.

14. **Entire Agreement.** This Contract, the Contract Documents between Hurst and Andale under bid 24-004, and all other attachments and exhibits, as provided herein, constitute the entire agreement between the parties hereto, and supersede any and all oral and written contracts between the Parties relating to matters herein. Except as otherwise provided herein, this Contract cannot be modified without the written consent of the parties.

15. **Subcontracts & Assignments.** Contractor may utilize the services of specialty subcontractors on those parts of the work which under normal contracting practices are performed by specialty subcontractors. Contractor shall not award any work to any subcontractor until Contractor submits to the City a written statement concerning the proposed award to the subcontractor which statement shall contain such information as the City may require. The Contractor acknowledges that the City is not liable to any subcontractor or assignee of the Contractor. The Contractor shall be fully responsible to the City for the acts and omissions of its Subcontractors. Nothing contained herein shall create any contractual or employment relations between any Subcontractor and the City. The Contractor shall ensure that the performance rendered under all subcontracts shall result in compliance with all the terms and provisions of this Contract as if the performance rendered was rendered by the Contractor. Contractor shall give all required notices and comply with all laws and regulations applicable to the furnishing and performance of the work. Except where otherwise expressly required by applicable law or regulation, City shall not be responsible for monitoring Contractor's compliance, or that of Contractor's subcontractors, with any laws or regulations. Nothing contained herein shall create any contractual relationship between any subcontractor and the City.

16. **Payment Provisions.** The City's payments under the Contract, including the time of payment and the payment of interest on overdue amounts, are subject to Texas Government Code Chapter 2251. The City reserves the right to modify any amount due on an invoice that has been presented by the Contractor to the City if necessary to conform the amount to the terms of the Contract. Invoices must be sent to the following address to assure timely processing:

    City of Hondo, Texas – Public Works
    Attn: Rene Saenz, Director of Public Works
    1600 Avenue M,
    Hondo, Texas 78861
    (830) 741-5077
    rsaenz@hondo-tx.org

17. **Abandonment or Default.** A Contractor who abandons or defaults the work on the contract and causes the City to purchase goods, materials or services elsewhere may:

    (a) be charged for any increased cost of goods, materials and/or services related thereto;

    (b) be considered disqualified in any re-advertisement of the service; and

    (c) not be considered in future bids for the same type of work for a period of three years for the same scope of work, goods or services.

18. **Compliance With Other Laws.** This Contract shall be considered an executed certification that the Contractor will comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, (as amended during the contracting period) and any orders and decrees of any court, administrative bodies or tribunals in any matter affecting the performance of the Contract, including without limitation, immigration laws, workers' compensation laws, minimum and maximum salary and wage statutes and

regulations, and licensing laws and regulations. None of the terms or provisions of the specification shall be construed as waiving any rules, regulations or requirements of these authorities. The successful Contractor shall be responsible for obtaining all necessary permits, certificates and/or licenses to fulfill contractual obligations.

19. **INDEMNIFICATION.** CONTRACTOR SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS, AGENTS, AND EMPLOYEES FROM AND AGAINST ANY AND ALL SUITS, ACTIONS, LEGAL PROCEEDINGS, CLAIMS, DEMANDS, DAMAGES, COSTS, EXPENSES, ATTORNEY'S FEES AND ANY AND ALL OTHER COSTS OR FEES (WHETHER GROUNDED IN CONSTITUTIONAL LAW, TORT, CONTRACT, OR PROPERTY LAW, OR RAISED PURSUANT TO LOCAL, STATE OR FEDERAL STATUTORY PROVISION), ARISING OUT OF THE PERFORMANCE OF THE CONTRACT AND/OR ARISING OUT OF A WILLFUL OR NEGLIGENT ACT OR OMISSION OF THE CONTRACTOR ITS OFFICERS, AGENTS, AND EMPLOYEES. THE CONTRACTOR ASSUMES FULL RESPONSIBILITY FOR THE WORK TO BE PERFORMED HEREUNDER AND HEREBY RELEASES, RELINQUISHES, AND DISCHARGES THE CITY, ITS OFFICERS, AGENTS, VOLUNTEERS, AND EMPLOYEES FROM ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION OF EVERY KIND AND CHARACTER, INCLUDING THE COST OF DEFENSE THEREOF, FOR ANY INJURY TO OR DEATH OF ANY PERSON, AND ANY LOSS OF OR DAMAGE TO ANY PROPERTY THAT IS CAUSED BY, OR ALLEGED TO BE CAUSED BY, THE NEGLIGENCE, RECKLESSNESS, OR WILLFUL MISCONDUCT OF THE CONTRACTOR, ITS AGENTS, REPRESENTATIVES, VOLUNTEERS, EMPLOYEES, OR SUBCONTRACTORS. IT IS UNDERSTOOD AND AGREED THAT THE CONTRACTOR AND ANY EMPLOYEE OR SUB- CONTRACTOR OF THE CONTRACTOR SHALL NOT BE CONSIDERED AN EMPLOYEE OF THE CITY. THE CONTRACTOR SHALL NOT BE WITHIN PROTECTION OR COVERAGE OF THE CITY'S WORKERS' COMPENSATION INSURANCE, HEALTH INSURANCE, LIABILITY INSURANCE OR ANY OTHER INSURANCE THAT THE CITY FROM TIME TO TIME MAY HAVE IN FORCE AND EFFECT. CITY SPECIFICALLY RESERVES THE RIGHT TO REJECT ANY AND ALL CONTRACTOR'S EMPLOYEES, REPRESENTATIVES OR SUB-CONTRACTORS AND/OR THEIR EMPLOYEES FOR ANY CAUSE, SHOULD THE PRESENCE OF ANY SUCH PERSON ON CITY PROPERTY OR THEIR INTERACTION WITH CITY EMPLOYEES BE FOUND NOT IN THE BEST INTEREST OF THE CITY OR IS FOUND TO INTERFERE WITH THE EFFECTIVE AND EFFICIENT OPERATION OF THE CITY'S WORKPLACE. THIS PARAGRAPH IS SUBJECT TO THE LIMITATIONS OF TEXAS LAW.

20. **Disclosure of Interested Persons for Council-Approved Contracts** (**Form 1295 Filing).** Contracts that require City Council approval, such as contracts that exceed $50,000, are subject to the requirements of Section 2252.908, Tex. Gov't Code. Under the provisions of this statute:

    (1) The City may not enter into a contract with a business entity that requires Council approval unless the business entity submits a disclosure of interested persons at the time the business entity submits a signed contract to the City;

    (2) A disclosure of interested parties must be submitted on a form prescribed by the Texas Ethics Commission that includes:

        a) A list of each interested party for the contract of which the contractor business entity is aware, an interested party being a person who has a controlling interest in the business entity or who actively participates in facilitating or negotiating the terms of the contract,

including a broker, intermediary, adviser, or attorney for the business entity; and

b) The signature of the authorized agent of the contracting business entity, acknowledging that the disclosure is made under oath and under penalty of perjury.

21. **Prohibition on Contracts with Companies Boycotting Israel**. Certain contracts for goods and services are subject to the requirements of Section 2270.002, Tex. Gov't Code (H.B. 89, as amended by H.B. 793). Specifically, this statute applies to contracts for goods and services that:

    (1) are between the City and a company with 10 or more full-time employees; and

    (2) have a value of $100,000.00 or more that is to be paid wholly or partly from public funds of the City.

    Under the provisions of this statute, if the above conditions apply the City may not enter into a contract with a company for goods and services unless the contract contains a written verification from the company that it:

    (1) does not boycott Israel; and

    (2) will not boycott Israel during the term of the contract.

    If this is a contract to which the verification requirement applies, the City has approved a verification form which must be filled out and signed by the Contractor and submitted to the City at the time of execution of this Contract.

22. **Sovereign Immunity.** Any provision of the Contract that seeks to waive the City's immunity from suit and/or immunity from liability is void unless agreed to by specific acknowledgment of the provision within the Contract.

23. **Titles Not Restrictive.** The titles assigned to the various Articles of this Contract are for convenience only. Titles shall not be considered restrictive of the subject matter of any article, or part of this Contract.

24. **Iran, Sudan, and Foreign Terrorist Organizations.** The signatory executing the Contract on behalf of Contractor represents that neither Contractor nor any of its parent company, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Texas Government Code Sections 2252.153 or 2270.0201, and posted on such officer's internet website.

    The foregoing representation is made solely to comply with Texas Government Code Section 2252.152, and to the extent such section does not contravene applicable Federal law and excludes the entity and each of its parent company, wholly-owned subsidiaries, majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The signatory understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the signatory and exists to make a profit.

25. **Discrimination.** The Contractor, sub-recipient, or sub-contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Contract. The Contractor shall carry out

applicable requirements of 49 CFR Part 26 in the award and administration of federally assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this Contract, which may result in the termination of this Contract or such other remedy as the recipient deems appropriate.

26. Notices. Notifications shall be sent to the Contractor to the address and point of contact as follows:

Holbrook Asphalt, LLC
Attn: Chris Rasmussen
1545 E. Commerce Drive
St. George, UT 84790
(435) 272-4013
chris@holbrookasphalt.com

with a copy to:

Holbrook Asphalt, LLC
Attn: Michael Davidson, General Counsel
1545 E. Commerce Drive
St. George, UT 84790
(435) 627-5634
mike.davidson@holbrookasphalt.com

Notifications shall be sent to the City to the address and point of contact as follows:

City of Hondo
Attn: John Naron, City Manager
1600 Avenue M,
Hondo, Texas 78861

27. Force Majeure. It is expressly understood and agreed by both parties that, if the performance of any provision of a contract resulting from this procurement is delayed by force majeure, defined as reason of war, civil commotion, act of God, governmental restriction, regulation or interference, fire, explosion, hurricane, flood, failure of transportation, court injunction, or any circumstances that are reasonably beyond the control of the party obligated or permitted under the terms of the contract to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated herein, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the period of time applicable to such requirement shall be extended for a period of time equal to the period of time such party was delayed. Each party must inform the other in writing within a reasonable time of the existence of such force majeure.

28. Performance and Payment Bonds. Contractor shall furnish Performance and Payment Bonds, each in an amount at least equal to the Annual Amount of **$751,524.70** as security for the faithful performance of the Work for the City and payment of all Contractor's labor, materials, equipment and supply obligations under the Contract Documents. These Bonds shall remain in effect by Contractor at least until one year after the date when final payment becomes due for that year term and renewed

if the Contract is extended an additional year term, and except as otherwise provided by Law or Regulation or by the Contract Documents. All Bonds shall be in the forms prescribed by Law or Regulation and on the Forms provided in **Exhibit "E"** to this Contract and be executed by such sureties as authorized to do business in the State of Texas and listed in the current Federal Circular 570 as authorized to issue bonds. All Bonds signed by an agent ("attorney in fact") must be accompany by a certified copy of the authority to act on behalf of the surety. Contractor and its surety understand that the Bonds shall automatically be increased in the amount of any additive Amendment signed by the City and Contractor. Contractor shall supply said Bonds to the City for approval not later than five (5) days after the date of execution of this Contract. The Bonds shall be in the form required by the City and shall name the City as obliges. Contractor's failure to provide Bonds shall constitute a material breach of the Contract, entitling the City to terminate the Contract and to exercise all rights, remedies and recoveries under the Contract Documents, at law and in equity. All refunds, if any, from any such premiums shall accrue to the City. Upon the request of any person or entity appearing to be a potential beneficiary of Bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the Bonds or shall authorize a copy to be furnished.

If the surety on any Bond furnished by Contractor is declared a bankrupt or becomes insolvent, or its right to do business in Texas is terminated or it ceased to meet the requirements herein, Contractor shall within five (5) calendar days thereafter substitute another Bond and surety, both of which must be acceptable by the City.

29. Insurance. The Contractor certifies, consistent with its status as an independent contractor, shall carry, and shall require any of its subcontractors to carry, at least the same insurance requirements provided in Exhibit "B" attached hereto.

30. Termination. The City may terminate the Contract by giving Contractor notice in writing in accordance with section 26 hereto for cause or convenience. Upon delivery of such notice by the City to Contractor, Contractor shall discontinue all services in connection with the performance of the Contract and shall proceed to cancel promptly all existing orders and contracts insofar as such orders or contracts are chargeable to this Contract. As soon as practicable after receipt of notice of termination, Contractor shall submit a statement, showing in detail the services performed under this Contract to the date of the termination. The City shall then pay Contractor that portion of the prescribed charges which the services actually performed under this Contract bear to the total services call for under this Contract less such payments on account of the changes as have been previously made. Copies of all completed designs, plans, and specifications prepared under this Contract shall be delivered to the City when and if this Contract is terminated.

31. Changes & Amendments. Any alterations, additions, or deletions to the terms of this Contract, which are required by changes in federal or state law or by regulations, are automatically incorporated without written amendment hereto, and shall become effective on the date designated by such law or by regulation.

To ensure the legal and effective performance of this Contract, both parties agree that any amendment that affects the performance under this Contract must be mutually agreed upon and that all such amendments must be in writing. After a period of no less than 30 days subsequent to written notice, unless sooner implementation is required by law, such amendments shall have the effect of qualifying the terms of this Contract and shall be binding upon the parties as if written herein.

32. **Governing Law & Venue.** Texas law governs this Contract and any lawsuit on this Contract must be filed in a court that has jurisdiction in Medina County, Texas.

33. **Attorney's Fees**. Should either Party to this Contract bring suit against the other Party for any matter relating to this Contract, the prevailing Party shall be entitled to have and recover from the losing Party reasonable attorney's fees and all other costs of such action.

34. **Severability.** The City and Contractor agree that should any provision of this Contract be determined to be invalid or unenforceable, such determination shall not affect any other term of this Contract, which shall continue in full force and effect.

35. **Primary Contract.** The Contract Documents attached heretofore between Hurst and Andale Construction governs over any conflicting terms or conditions found in this Contract. Notwithstanding the foregoing, this Contract's Scope of Work identified in Exhibit "A" and Exhibit "B" control and any other specified work related to the City of Hondo. In addition, the Contractor will be required to comply with the Insurance and Performance and Payment Bond requirements to this Contract.

36. **Entire Contract.** This Contract represents the entire Contract between the City and the Contractor and supersedes all prior negotiations, representations, or contracts, either written or oral. This Contract may be amended only by written instrument signed by both Parties.

37. **Additional Contract Documents**. The following documents attached to this Contract are part of this Contract:

EXHIBIT "A" – Scope of Work;

EXHIBIT "A-1" – List of Streets and Boundaries for services;

EXHIBIT "A-2" – Hondo Pricing;

EXHIBIT "B" - City of Hurst Invitation to Bid/Proposal (including any addenda issued) As incorporated into this Contract, the designations "Andale" and "Hurst" shall mean "Holbrook" and "Hondo," and any designation of "Tarrant County" shall mean "Medina County."

EXHIBIT "C" – First Amendment to the Standard Form of Agreement Between City of Hurst and Contractor;

EXHIBIT "D" – Assignment and Assumption of Contract;

EXHIBIT "E" – Performance and Payment Bonds.

EXHIBIT "F" – Insurance Certificate

The City and the Contractor have read, understood and agreed to the whole Contract as executed by:

"**City"**	**"Contractor"**
City of Hondo	**Holbrook Asphalt, LLC**
By:_____	By:_____
Print Name: John Naron	Print Name: _____
Title: City Manager	Title:_____
Date: _____	Date: _____
Attest:	
_____ Rebekah Dolphus, City Secretary	

EXHIBIT "A"
Scope of Work

1. **ESTIMATED ANNUAL QUANTITIES**
The City estimates that it will treat approximately **168,567 SY** of asphalt a year. These estimated quantities are based upon the best available information. The City reserves the right to increase or decrease the quantity by any amount deemed necessary to meet its needs without any adjustments in the Contract price.

2. **MINIMUM QUALITY SPECIFICATIONS**
All products quoted must be in full compliance with acceptable portions of the last edition of Texas Highway Standards Specifications.

Holbrook will comply with all terms, conditions, specifications, proposals, certifications set out in City of Hurst Invitation to Bid/Proposal 24-004, including the Proposal, Standard Form of Agreement Between The City of Hurst and Contractor and all Contract Documents identified therein, attached hereto as **Exhibit "B"** and incorporated for reference for all purposes herein as incorporated into this Contract, the designations "Andale" and "Hurst" shall mean "Holbrook" and "Hondo," and any designation of "Tarrant County" shall mean "Medina County" subject to the following Special Terms and Conditions for Hondo which shall control and replace conflicting pricing, locations and terms therein:

a. **DELIVERY LOCATION**

The City of Hondo has identified various locations within the City of Hondo identified in **Exhibit "A-1"** which is attached hereto and incorporated by reference for all purposes herein.

b. **SPECIAL HONDO TERMS AND CONDITIONS**
The parties have agreed to the pricing and special terms and conditions indicated in **Exhibit "A-2"** which is attached hereto and incorporated by reference for all purposes herein.

c. **MISCELLANEOUS:**

- No maintenance bond or bid bond shall be required.
- Payment and Performance Bonds shall be in favor of City of Hondo.
- Pursuant to Chapter 2258, Texas Government Code, CONTRACTOR shall comply with the minimum General Prevailing Wage Rate of per diem wages for work of similar character in Medina County, Texas, for each type of laborer, workman or mechanic needed to implement the Contract at the Project Site, and not less than the general prevailing rate per diem wages for legal holiday and overtime Work. The Schedule of General Prevailing Wage Rates specifically adopted by the OWNER for this Project, and other important Wage and Labor Standard Provisions are included in these Contract Documents attached as Exhibit "B". City of Hondo hereby designates wage determination: Davis-Bacon Act WD #: TX20240007 published January 4, 2024 and incorporates it by refence to this Contract as if attached hereto in its entirety.

EXHIBIT A-1
Streets and Boundaries

The City reserves the right to adjust or add locations of the services to be provided herein without any increase to the Contract price unless the adjusted or additional locations increase the total square yardage that will exceed the Contract price, which will then require compliance with Section 2 of the Contract

2025 City of Hondo
South of Hwy 90
HOLBROOK
ASPHALT CO.
Asset Preservation
HA5
HIGH DENSITY MINERAL BOND

EXHIBIT A-2
Hondo Pricing

For more information visit:
www.holbrookasphalt.com/HA5

Proposal

HOLBROOK ASPHALT CO.

Project Location	Proposal #	Date Issued	PO/LD #
City of Hondo, TX Various Streets Hondo TX 78861	HAU950783	10/30/2024	

Terms
Due Upon Completion

Bill To
City of Hondo, TX
Attn: John Naron
1101 16th St
Hondo TX 78861

Adviser Information
Kent Nobis
P: 435-619-0575 | E: kent@preserveasphalt.com

Description
HA5 High Density Mineral Bond

Item	Quantity	UM	Rate	Amount
One Year Payment and Performance Bonds		LS		16,900.00
Mobilization Mobilization and setup. Estimated project start date is May 2025. Preconstruction meeting April 2025.		LS		15,000.00
HA5 Clean & prepare surface using high pressure air & wire bristle brooms. Install "HA5" High Density Mineral Bond advanced performance pavement preservation treatment. No guarantee surface treatments will adhere to areas saturated with motor oil. HA5 meets demands of High Density Mineral Bond Specification established by agency engineers.	168,567	SqYd	4.10	691,124.70
Contingency Street sweeping and extra cleaning.		LS		28,500.00
City of Hondo will be responsible for noticing TxDOT, Installation of special Traffic control devices, TCP plans, and any TxDOT permits, if required.				
City to provide any crack sealing and necessary level up asphalt repairs, deep patching, striping, etc.				
Other than incidental cleaning all button or pavement marking removal will be the responsibility of the city.				
City will help contractor construct, maintain, and dispose of a wash out pit, provide a staging yard for HA5 equipment, and provide water meter at no cost.				
If the city has a towing ordinance there will be additional costs for no park signs.				

Total $751,524.70

Please sign for proposal acceptance: Do not sign this page, see final page for signing

HAUB16000

EXHIBIT "B"

City of Hurst Invitation to Bid/Proposal (including any addenda issued)

CITY OF HURST

INVITATION TO BID

The City of Hurst is soliciting sealed bids to award an annual contract for the City's **High-Density Mineral Bond Seal Service**. At the City's option, this agreement may be renewed for four additional twelve-month periods.

The successful bidder shall furnish all materials, labor, tools, public safety equipment, and incidentals necessary to install a high-performance pavement seal to City locations as set forth in these specifications.

Designate on the front, lower, left hand corner of your response envelope, the following:

Bid Reference Number: 24-004

Subject: High Density Mineral Bond Seal Service

Bid Closing Time: February 27th, 2024 @ 2:30 pm

Note: Submit one original and one copy of your bid to the City. Please note on the front page which one is the original bid.

For Convenience at Bid Opening, Enter Total Quote on this Cover Page and Include in Sealed Response Envelope. (**Do Not** Place Quoted Prices on the Outside of the Envelope):

Bidder's Name: Andale Construction, Inc.

Total Cost: $ 205,000.00
(Also, Enter Amount in "Authority to Quote" Section)

INSTRUCTIONS TO BIDDERS

1. **BID SUBMISSION ADDRESS AND DEADLINE**
Completed bids will be received in Risk/Purchasing, City Hall, 1505 Precinct Line Road, Hurst, TX 76054 until the bid submission deadline (closing time and date) as stated on the cover page. Bid responses received after the closing time and date cannot be accepted. Faxed responses or other electronically submitted bids cannot be accepted.

If you do not wish to bid at this time, please submit a "No Bid" by the same time and date at the same location as stated for bidding.

2. **SIGNATURES**
All bid responses are required to be signed by an authorized representative of the bidding entity. Bid responses received unsigned will not be accepted.

3. **DEVIATIONS BETWEEN BID SPECIFICATIONS AND WORK PERFORMED**
The City reserves the right to perform a visual inspection and conduct engineering tests to verify compliance with all bid specifications and engineering standards for this type of work. Should the work fail to meet the bid specifications or engineering standards, the successful Bidder agrees that the City may elect to require specific performance by the successful Bidder at no additional cost to the City.

4. **SAMPLES**
Samples of items used in this project, when required, must be furnished free, and, if the Bidder has not requested the return of the samples within 30 days from the bid opening date, the samples may be disposed of by the City.

5. **ALTERING BIDS**
Bids cannot be altered, amended or withdrawn by the Bidder after the bid opening deadline. Any interlineations, alteration, or erasure made before this deadline, must be initialed by the signer of the bid, guaranteeing authenticity.

6. **MODIFICATIONS AND AMENDMENTS**
The City shall have the right to modify the specifications prior to the bid submission deadline and will endeavor to notify all potential Bidders that have received a copy of the bid specifications, but failure to notify shall impose no obligation or liability on the City.

7. **BID WITHDRAWAL OR REJECTION**
The City reserves the right to withdraw the request for bids for any reason. The City further reserves the right to accept or reject part or all of any specific bid or all bids and to accept or reject any trade-in.

8. **LATE BIDS**
The City of Hurst is not responsible for lateness or non-delivery of mail, carrier, etc. to the City, and the time and date recorded in the Purchasing Office shall be the official time of receipt.

9. **IDENTICAL BIDS**
In the event of two or more identical low bids, the contract will be awarded as prescribed by Chapter 271, Subchapter Z, Section 271.901 of Vernon's Texas Local Government Codes Annotated.

10. **PRICES HELD FIRM**
All prices quoted by the Bidder will remain firm for a minimum of 90 days from the date of the bid closing until contract execution unless otherwise specified by the City.

11. **DESTINATION CHARGES**
All materials and equipment used in this project shall be included in the Bidder's quote, including all travel and destination charges.

12. **TITLE/RISK OF LOSS**
The risk of loss of the project shall not pass to the City until the City actually takes final acceptance of the project.

13. **CONTRACT COMPLETION DATE**
A delivery or contract completion date is to be provided by the Bidder unless otherwise stated in the City's specifications. This date may, where time is of the essence, determine the contract award. Fees for delay may be assessed beginning on the first day following the maximum delivery or completion time as stated in the plans and specifications.

14. **DEVIATION FROM SPECIFICATIONS**
Any deviations from specifications and alternate bids must be clearly shown with complete information provided by the Bidder. They may or may not be considered by the City.

15. **UNIT PRICES AND EXTENSIONS**
If unit prices and their extensions do not coincide, the City may accept the bid for the lesser amount.

16. **ASSIGNMENT**
The successful Bidder's rights and duties awarded by the agreement may not be assigned to another without the written consent of the City signed by the City's authorized agent. Such consent shall not relieve the assignor of the liability in the event of default by the assignee.

17. **BID AMBIGUITY**
Any ambiguity in the bid as a result of omission, error, lack of clarity or non-compliance by the Bidder with the specifications, instructions, and all conditions of bidding shall be construed in the favor of the City.

18. **CHANGE ORDERS**
No oral statement of any person shall modify or otherwise change, or affect the terms, conditions, or specifications. All change orders to the agreement will be made in writing and shall not be effective unless signed by an authorized representative of the City.

19. **LIENS**
The successful Bidder agrees to and shall indemnify and save harmless the City of Hurst against any and all leans and encumbrances for all labor, goods, and services which may be provided under the City's request, by seller or seller's Supplier(s) and if the City requests, a proper release of all liens or satisfactory evidence of freedom from liens shall be delivered to the City.

20. **PATENT INDEMNITY**
The successful Bidder hereby warrants that the use or sale of the products and materials delivered hereunder will not infringe on the rights of any patent, copyright, or registered trademark, covering such materials and the successful Bidder agrees to indemnify and hold harmless the City of any and all costs, expenses, judgments, and damages which the City may have to pay or incur.

21. **GRATUITIES/BRIBES**
The City may, by written notice to the successful Bidder, cancel this agreement without liability to the successful Bidder if it is determined by the City that gratuities or bribes in the form of entertainment, gifts, or otherwise, were offered or given by the successful Bidder, or its agent or representative to any City officer, employee, or elected representative with the respect to the performance of the agreement. In addition, the successful Bidder may be subject to penalties stated in Title 8 of the Texas Penal Code.

22. **RESPONSE FORM TO BE USED**
Unless otherwise stated in these specifications, the bid quote must be submitted on the form provided. See Paragraph 37.

23. **SAFETY DATA SHEETS (SDS)**
No SDS's are required for this bid.

24. **DURATION OF AGREEMENT and PRICE ADJUSTMENTS**
The successful Bidder will be awarded a twelve (12) month agreement effective the date of award. Prices must not be increase for the entire agreement period. At the City's option, the agreement may be renewed for four (4) additional twelve (12) month periods, then from month-to-month until a new agreement is terminated. The items purchased under this agreement may be subject to a price increase at the time of renewal based on the current Producers Price Index or Employment Cost Index for your industry or product category as published by the U.S. Department of Labor, Bureau of Labor Statistics. If the Bureau of Labor Statistics does not accumulate data on the products or services defined by these specifications, by mutual agreement, the successful bidder may increase its prices for an amount not the exceed 5%.

Price decrease are allowed at any time.

Any request for a price increase must be presented to the City at least 60 days before the expiration of the current agreement.

25. **TERMINATION OF AGREEMENT**
The City reserves the right to terminate this agreement with ten (10) days written notice if the successful Bidder fails to perform in a manner deemed acceptable to the City. Upon

delivery of such notice by the city to the successful Bidder, the successful Bidder shall discontinue all services in connection with the performance of this agreement and shall proceed to cancel promptly all existing orders and contracts insofar as such order or contracts are chargeable to this agreement. As soon as practicable after receipt of notice of termination, the Bidder shall submit a statement to the City for payment of that portion of the agreement successfully performed.

26. **PAYMENT and TAXES**

Payment to the successful Bidder will be as a lump sum payment after satisfactory receipt of the product, as determined by the City, and receipt of invoice or other billing instrument used by the successful Bidder. In accordance with Sec. 2251.021 of the Texas Government Code, payment to the successful Proposer. The City is exempt from Federal Excise and State Tax; therefore, tax must not be included in the bid price.

All prices quoted shall include all charges, including delivery and set-up fees.

27. **WAGE RATES FOR CONSTRUCTION OF A PUBLIC WORK**

All bidders will be required to comply with Chapter 2258, Prevailing Wage Rates of Vernon's Texas Codes Annotated with respect to the payment of prevailing wage rates. This applies to the construction of a public work, including a building, highway, road, excavation, and repair work or other project development or improvement, paid for in whole or in part from public funds, without regard to whether the work is done under the public supervision or direction. A worker is employed on a public work if the worker is employed by the contractor or any subcontractor in the execution of the contract for the project.

A worker employed on a public work by or on behalf of the City shall be paid not less than the general prevailing rate of per diem wages for the work of a similar character in the locality in which the work is performed, and not less than the general prevailing rate of per diem wages for legal holiday and overtime work.

The State of Texas has adopted the Federal Davis-Bacon wage rates for the use in Texas and the City pursuant to and in accordance with the Texas Government Code, Section 2258.022. You may access the U. S. Department of Labor web site at the following web address to obtain these rates to be used in Tarrant County:

https://www.dol.gov/agencies/whd/government-contracts/construction/faq/conformance

It shall be the responsibility of the successful bidder to obtain the proper wage rates from this site for Tarrant County for the type of work defined in these bid specifications.

28. **BRAND or MANUFACTURER'S REFERENCE**

The City of Hurst has determined that any brand name listed in the specifications meets the City's needs. This manufacturer's reference is not intended to be restrictive, but descriptive of the type and quality the City desires to purchase. Quotes for similar manufactured products of like quality will be considered if the bid is fully noted with the manufacturer's brand name and model. The city reserves the right to determine products of equal value.

Bidders will not be allowed to make unauthorized substitutions after award is made.

29. **COOPERATIVE GOVERNMENTAL PURCHASING**

Other Governmental entities utilizing interlocal agreements with the City of Hurst, may desire, but are not obligated, to purchase goods or services defined in this solicitation from the successful Bidder. All purchases by governmental entities, other than the City of Hurst, will be billed directly to and paid by that governmental entity. The City of Hurst will not be responsible for another governmental entity's debts. Each governmental entity will place their own orders with successful Bidder and be responsible for ensuring full compliance with the bid specifications.

Prior to other governmental entities placing orders, the City of Hurst will notify the successful bidder of their intent.

Please indicate below if you will permit other governmental entities to purchase from your agreement with the City of Hurst.

[X] Yes, Others can purchase; [ ] No, Only the City of Hurst can purchase

30. **NOTIFICATION OF BID SPECIFICATIONS**

Please check below how you learned of these bids specifications:

[ ] City Newspaper Advertisement; [X] PublicPurchase.com

[ ] City Mailed Me a Copy; [ ] Cold Call to the City

[ ] City's Web Site [ ] Other: _____

31. **COMMENCEMENT OF WORK**

The successful Bidder will notify the City 48 hours prior to beginning work.

32. **FINANCIAL STATEMENT**

If requested by the City, the bidder shall provide a current financial statement audited by a Certified Public Accountant (CPA).

33. **STANDARD FORM OF AGREEMENT**

The successful Bidder shall agree to use the City's "Standard Form of Agreement". See sample attached.

34. **REFERENCES**

Each Bidder is to provide a minimum of three (3) verifiable references in which the Bidder has provided this or a similar service. List the references on Attachment I.

35. **CLAIMS and DAMAGES**

The Contractor agrees to assist and cooperate with its insurance carrier in the investigation and review of all third-party claims. In the event the Contractor fails to assist and cooperate with its insurance company, the City reserves the right and option to

withhold a sum from the next payment due the Contractor or its final payment equal to a reasonable sum equivalent to the claim. In the event the Contractor continues its failure to assist and cooperate with its insurance company for a period of thirty (30) days after the City notifies it that the City has withheld such amount, the City reserves the right and option to resolve and settle the claim with said funds. Any funds in excess of the amount necessary to settle the claim shall be paid to the Contractor.

36. **VIDEO TAPE OF PRE-EXISTING CONDITIONS**

At the City's request, the successful Bidder agrees to video tape, to the City's satisfaction, the property site, and its adjacent areas, prior to the beginning of site preparation or construction. A copy of this tape shall be given to the City for its records.

37. **CONFLICT OF INTEREST**

Pursuant to the requirements of Section 176.002(a) of the Texas Local Government Code, Suppliers or Respondents who meet the following criteria must fill out a conflict of interest questionnaire no later than the 7th day after the person begins contract discussions or negotiations with the City or submits to the City an application, response to a request for proposals or bids, correspondence or another writing related to a potential agreement with the City:

A Supplier or Respondent that:

(1) contracts or seeks to contract for the sale or purchase of property, goods, or services with a local governmental entity; or

(2) is an agent of a person described in Subdivision (1) in the person's business with a local governmental entity. Any person who meets the criteria. As for enforcement to ensure the veracity of the Suppliers, the statute makes it a Class C Misdemeanor to violate the Supplier disclosure provisions.

By submitting a response to this Bid/RFP, supplier, contractor or person represents that it is in compliance with the requirements of Chapter 176 of the Texas Local Government Code.

38. **FUNDING OUT**

The continuation of this annual agreement with the successful bidder is contingent, in part, upon the continued availability of appropriations.

39. **EXCESS OR INCORRECT QUANTITIES**

Materials delivered in error or in excess of the quantity ordered may, at the City's option, be returned at the Bidder's expense.

40. **NUMBER OF BIDS TO SUBMIT TO THE CITY**

Submit one original and one copy of your bid to the City. Please note on the front page which one is the original bid.

41. **SPECIFICATION CLARIFICATION**

For clarification to these specifications, call the City's Streets Division at (817) 788-7202 or Risk/Purchasing at (817) 788-7017.

42. **CONSTRUCTION REQUIREMENTS**

- Equipment: Use a continuous flow mixing unit.
    1. Capable of applying at least 15,000 square yards of material per day.
    2. Equipped with full sweep agitation system to assure proper suspension of fine aggregates.
    3. Equipped with an operator control station that adjusts material spread rate in accordance with project calibration process.
    4. Equipped with two separate filters. The primary filter should be at least 200 square inches with a face of 3/8 inch. The secondary filter needs to be at least 1,500 square inches with a filter face of 1/8 inch.
    5. Equipped with retractable spray bar capable of applying mixture without drilling. The bar should be positioned to meet calibration requirements.

- Storage Tanks.
    1. When delivering mix from the central mixing plant to a job site storage tank, use only storage tanks with a capacity to contain the entire transport load.
    2. Ensure that all site storage tanks have internal full sweep mixing mechanisms and mixing capability that can provide at any given point in the tank a homogenous mix.

43. **PREPERATION**

- Calibration: On a test strip at least 300 feet long, determine the correct pump settings, spray bar height, and ground speed for the application equipment. Apply material with pump settings at 80 percent of maximum output (+ or – 5%) and a ground speed of 300 to 400 feet per minute.
    1. Do not begin or continue application without Engineer's knowledge of the calibration process and equipment settings.
    2. Do not deviate from calibration settings without Engineer's knowledge.
- Cleaning: Remove loose material, mud spots, sand, dust, oil, vegetation and other objectionable material. Do not flush water over cracks or apply pressurized water to cracked pavement. Clean the surface prior to installation.

44. **PROTECTION**

- Implement the traffic control plan requirements. Provide safe passage for pedestrians and vehicles. Do not proceed without flaggers.
    1. All barricades, signs and traffic control for this project shall conform to the latest edition of the Texas Manual on Uniform Traffic Control Devices (TMUTCD) for Streets and Highways. Proper traffic control is the sole responsibility of the contractor and shall be in accordance with the TMUTCD. Care shall be used to create a safe work area, with minimal impact on the flow of traffic.
    2. A minimum of two travel lanes (one for each direction) shall remain open at all times on all arterial streets.
    3. A traffic control plan for each phase of the project shall be submitted to the City of Hurst Streets Division no less than 48 hours prior to the beginning of construction.

4. Construction cannot begin without a traffic control plan approved by the City.

- Protect trees, plants, and other ground cover from damage at no additional cost to the City.
- Install invert covers.
- Mask off end of streets and intersections to provide straight lines:
    1. Make straight lines along lip of gutters and shoulders. Keep same thickness in these areas. No runoff on these areas will be permitted.
    2. Mask-off Street Fixtures
- Protect structures, curb, gutter, sidewalks, guardrails, guide posts, etc. from spatter, mar, or overcoat.
- Protect surface treatment materials from traffic until it has cured.

45. APPLICATION

- Application Rate: If two separate application coats are required. The first application must be thoroughly dry and free of any damp areas before the second application begins.
    1. First application: 0.20 gallons per square yard minimum.
    2. Second application: 0.16 gallons per square yard minimum.
- Spreading. Keep constant delivery rate of material per square yard of surface.
    1. Do not reduce application rate along edges or around manhole covers.
    2. Apply both applications right to the edge of the pavement. Do not back away from curbs, manhole covers, and edges on either application.
    3. Make straight lines at all locations.
    4. Use hand squeegees to spread mix in areas that cannot be reached with distribution spray bar.
    5. Provide complete and uniform coverage.
    6. Avoid unsightly appearance from hand work.

46. AFTER APPLICATION

- Leave no streaks caused by plugged nozzle or improper spray bar height.
- Leave no holes, bare spots, or cracks.
- Expose and clean manholes, valve boxes, inlets and other service entrances and Street Fixtures.
- Do not permit traffic on product until surface has cured.

47. SUBMITTALS

- Traffic control plan.
- Notification plan for residents, mail, trash, other delivery services and emergency services.
- Mix Design: 10 days prior to use.
- Certification from emulsion manufacturer stating the base emulsion meets the requirements of the High Density Mineral Bond base emulsion in section 55 of this specification.
- Certification from the manufacturer stating the completed High Density Mineral Bond meets the requirements of section 56 of this specification.
- Warranty.

48. **QUILITY ASSURANCE**

- Contractor has successfully completed at least five (5) projects of similar size and nature, using the same mix design as described. Acceptable performance after five year period is no less than 70% residual coverage in the treated surface area.
- Forman of the crew has completed at least three (3) projects of similar size and nature.
- Do not change the source of the emulsified asphalt or aggregate without supporting changes in the mix design.
- Reject asphalt emulsion that does not meet requirements of this section.
- Remove product found defective after installation and install acceptable product at no additional cost to the City.

49. **WEATHER**

- Temperature:
    1. Apply surface treatment material when air and roadbed temperatures in the shade are 45° Fahrenheit (°F) and rising.
    2. Do not apply surface treatment material if pavement or air temperature is below 45° Fahrenheit (°F) and falling or if the finished product will freeze before 48 hours.
- Moisture: Do not apply surface treatment material during rain or unsuitable weather.

50. **WARRANT**

- The surface treatment material must carry a warranty from both the Contractor and the manufacturer for a period of five (5) years when applied to pavement in appropriate condition. Acceptable performance after 5 years is defined as, no less than 70% residual inter-aggregate coverage in the treated surface area. The warrant includes coverage for peeling and delamination. Mechanical disturbances by snow plow chatter, studded tires, etc. are excluded from warranty.

51. **HIGH DENSITY MINERAL BOND BASE EMULSIFIED ASPHALT**

- Non-ionic base emulsion used in High Density Mineral Bond, at 77° F., must meet the requirements of Table 1 below.

Table 1

Non-Ionic Emulsion – Emulsifier Type: Inorganic*			
Criteria	ASTM/AASHTO METHOD	Specification	Unit
Initial Brookfield Viscosity at 77°F (RV-5, 20 rpm)	D2196	11,000 – 20,000	cPs
pH	E70	5.0 – 7.5	pH
Density	T59	8.5 – 9.0	lbs/gal
Solids Content	T59	50.0 – 54.0	%, by weight
Ash Content of emulsion	T111	4.0 – 6.0	%, by weight
*Inorganic is defined as a non-carbon-based emulsifier			

52. **AGGREGATE**

- Slate:

Table 2

Slate			
Criteria	ASTM METHOD	Specification	Unit
Specific gravity	C128	>2.6	--
Compression	C170	11,000 min	psi

- Refined Corundum

Table 3

Refined Corundum		
Criteria	ASTM Method	Specification
Specific Gravity	C128	> 3.9
Knoop 100 Hardness	C1326	> 2,000
Ball Mill Fiability	ANSI B74.8	50 (14 grit)

53. COMPLETED HIGH DENSITY MINERAL BOND MIX DESIGN

- Completed high Density Mineral Bond material, prior to being loaded for install must meet the requirements in Table 4 below:

Table 4

Criterion	ASTM/AASHTO Method	Specification	Unit
Asphalt Content	D2172[1]	17.0 – 20.0	%, by weight
Solids Content	D1644	55.0 – 63.0	%, by weight
Initial Brookfield Viscosity at 77°F (RV-4, 20 rpm)	D2196	5,500 – 9,000	cPs
Ash Content of wet mix	C2939	>38.0	%, by weight
Ash Content of Solids	T111[2]	>63.0	%, by weight
Density	T59	>11.0	lbs/gal
pH	E70	6.0 – 8.0	
Total Inorganic Aggregate Content	T111[3]	>34.0	%, by weight
Total Sand Content		<6.0	%, by weight
Maximum VOC	D3960	<5.0	g/l
Resistance to Re-emulsification	D2939	No Re-emulsification	--
Wear Resistance	D2486 Modified[4]	<4.0%	% loss, by weight

1. Report Asphalt Content of Mixture prior to being loaded for install as % Solids minus % Ash.
2. Ash Content as a percentage of Solids Content.
3. Ash Content of completed HDMB minus Ash Content of HDMB Base Non-Ionic Emulsion. Total Inorganic Aggregate Content defined as slate, refined corundum, and sand.
4. ASTM D2486 (Modified): Prepare samples at 48 Wet Mils on glass panel. Dry at 77°F for 3 days. Immerse in water for 24 hours at 77°F. Test scrub resistance with 1,000 gram brass brush for 12,000 cycles. Report % of dry film lost.

BONDS, INSURANCE, and INDEMNITY

BONDS

Bid Bonds

All bids shall be accompanied by a bid bond and power of attorney issued by a corporate surety authorized (licensed) to do business in the State of Texas and acceptable to the City in the amount of 5% of the total maximum bid as guarantee that the bidder will enter into a contract and execute performance, payment, and (if required) maintenance bonds within ten (10) days after notice of award of contract. In lieu of a bid bond, the City will accept a cashier's check issued on a national or state bank.

Performance, Payment, and Maintenance Bonds

The successful bidder must furnish performance, payment, and maintenance bonds with the appropriate "powers of attorney" in the amount of one hundred percent (100%) of the contract total maximum price from a corporate surety authorized (licensed) by the State of Texas and acceptable to the City. The maintenance bond shall be in effect for a period of two (2) years after final acceptance of the work.

NOTE: Performance, payment, and maintenance bonds will not be required on contracts that do not exceed the annual sum of $25,000.

INSURANCE

The successful Bidder shall meet the minimum insurance requirements as defined in Attachment II.

INDEMNITY

The successful Bidder agrees to defend, indemnify, and hold the City and all of its officers, agents, employees, and elected officials whole and harmless to the extent authorized by law against any and all claims for damages, costs, and expenses of persons or property that may arise out of, or be occasioned by, or from any negligent act, or omission of the successful Bidder, or any agent, servant, or employee of the successful Bidder in the execution of the performance of this agreement, without regard to whether such persons are under the direction of City agents or employees.

SPECIFICATIONS

1. ESTIMATED ANNUAL QUANTITIES
   The City estimates that it will treat approximately 50,000 SY of asphalt a year. These estimated quantities are based upon the best available information. The City reserves the right to increase or decrease the quantity by any amount deemed necessary to meet its needs without any adjustments in the quoted price.

2. MINIMUM QUALITY SPECIFICATIONS
   All products quoted must be in full compliance with acceptable portions of the last edition of Texas Highway Standard Specifications.

3. DELIVERY LOCATION
   All deliveries are to be made to the following address:

   Streets Division
   Various locations within Hurst
   City of Hurst Service Center
   2001 Precinct Line Road
   Hurst, TX 76054

AUTHORITY TO QUOTE

I agree to meet the stated minimum requirements as set forth in these specifications and any documents attached for the total price of:

The following quote includes the cost of all labor, materials, incidentals, tools, and safety equipment.

As Primary Supplier

ITEM	DESCRIPTION	UNIT PRICE	ESTIMATED QUANTITY	TOTAL
1.	Mobilization, Notification, Traffic Control, Clean, prepare and place High Density Mineral Bond seal in accordance with attached Bid Item Notes and Specifications	$ 4.10	50,000 SY	$ 205,000.00
TOTAL (Also, place this total on the cover page)				$ 205,000.00

WE AGREE TO SERVE AS A SECONDARY SUPPLIER IF NOT SELECTED AS THE PRIMARY SUPPLIER…….. [ ] YES; [X] NO.

Bidder/Company Name: Andale Construction, Inc.

Authorized Representative: Peter J. Molitor

Signed:

Title: President

Address: 3170 N Ohio St

City, State & Zip: Wichita, KS 67219

Telephone: ( ) 316-832-0063

Fax #: ( ) 316-440-8810

E-Mail Address: jackie@andaleconstruction.com

Date: 02/26/2024

Estimated Number of Days to Begin Work After Receipt of City's Proceed Letter: 30

Warranty (Please Describe): 5 Year Warranty

ATTACHMENT I

REFERENCES

Each Bidder is to provide a minimum of three (3) verifiable references in which the Bidder has sold and maintained this or a similar product.

Company Name: City of Pflugerville, TX

Address: P O Box 589, Pflugerville, TX 78691

Contact Person: Evan Groeschel

Telephone #: ( ) 512-990-6416

Project Awarded by Reference: P O 23478

Company Name: City of San Angelo, TX

Address: 72 W College Ave., San Angelo, TX 76903

Contact Person: Nick Cosentino

Telephone #: ( ) 325-657-4547

Project Awarded by Reference: P O 130669

Company Name: City of Hurst, TX

Address: 1505 Precinct Line Rd., Hurst, TX 76054

Contact Person: Jerry Lewandowski

Telephone #: ( ) 817-788-7018

Project Awarded by Reference: Contract 19-007

ATTACHMENT II

INSURANCE

SECTION A. Prior to the approval of this agreement/contract by the City, the successful Bidder/Contractor shall furnish a completed Insurance Certificate to the City, which shall be completed by an agent authorized to bind the named underwriters/insurance carriers to the coverages, limits, and termination provisions shown thereon. THE CITY SHALL HAVE NO DUTY TO PAY OR PERFORM UNDER THIS CONTRACT UNTIL SUCH CERTIFICATE HAS BEEN DELIVERED TO THE CITY.

INSURANCE COVERAGE REQUIRED

SECTION B. The City reserves the right to review the insurance requirements of this section during the effective period of the contract and to require adjustment of insurance coverages and their limits when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, or the claims history of the industry as well as the Contractor.

SECTION C. Subject to the Contractor's right to maintain reasonable deductibles in such amounts as are approved by the City, the Contractor shall obtain and maintain in full force and effect for the duration of this contract, and any extension hereof, at the Contractor's sole expense, insurance coverage written by companies approved by the State of Texas and acceptable to the City, in the following types and amounts:

	TYPE	AMOUNT
1.	**Workers' Compensation and Employer's Liability**	Statutory $100,000/500,000/100,000

	TYPE	AMOUNT
2.	Commercial General (Public) Liability insurance including coverage for the following: a. Premises Operations b. Independent contractors c. Products/completed operations d. Personal injury e. Advertising injury f. Contractual liability g. Medical payments	Combined single limit for bodily injury and property damage in the amount of $500,000 per occurrence or its equivalent.

	TYPE	AMOUNT
3.	**Comprehensive Automobile** insurance, including coverage for loading and unloading hazards, for: a. Owned/leased vehicles b. Non-owned vehicles c. Hired vehicles	Combined single limit for bodily injury and property damage in the amount of $500,000 per accident or its equivalent.

ADDITIONAL POLICY ENDORSEMENTS

The City shall be entitled, upon request, and without expense, to receive copies of the policies and all endorsements thereto and may make any reasonable request for deletion, revision, or modification of particular policy terms, conditions, limitations, or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any of such policies). Upon such request by the City, the Contractor shall exercise reasonable efforts to accomplish such changes in policy coverages, and shall pay the cost thereof.

REQUIRED PROVISIONS

The successful Contractor agrees that with respect to the above required insurance, all insurance contracts and certificate(s) of insurance will contain and state, in writing, on the certificate, or its attachment, the following required provisions:

A. Name the City of Hurst and its officer, employees, and elected representatives as additional insureds, (as the interest of each insured may appear) as to all applicable coverage;

B. Provide for 30 days notice to the City for cancellation, nonrenewal, or material change; 10 days notice for workers' compensation coverage;

C. The Contractor agrees to waive subrogation against the City of Hurst, its officers, employees, and elected representatives for injuries, including death, property damage, or any other loss to the extent same may be covered by the proceeds of insurance;

D. All copies of the certificates of insurance shall reference the project name or bid number for which the insurance applies;

E. Provide that all provisions of this agreement concerning liability, duty, and standard of care, together with the indemnification provision, shall be underwritten by contractual liability sufficient to include such obligations within applicable policies;

F. For coverages that are only available with claims made policies, the required period of coverage will be determined by the following formula: Continuous coverage for the life

of the contract, plus one year (to provide coverage for the warranty period) and an extended discovery period for a minimum of 5 years which shall begin at the end of the warranty period;

G. Provide for notice to the City of Hurst at the two addresses shown below by registered mail.

NOTICES

The Contractor shall notify the City in the event of any change in coverage and shall give such notices not less than 30 days prior to the change. The notice must be accompanied by a replacement Certificate of Insurance.

All notices shall be given to the City at the following two addresses:

Streets Division
City of Hurst Public Works Department
2001 Precinct Line Road
Hurst, TX 76054

Risk/Purchasing
City Hall
1505 Precinct Line Road
Hurst, TX 76054

SECTION D. Approval, disapproval, or failure to act by the City of Hurst regarding any insurance supplied by the Contractor shall not relieve the Contractor of full responsibility or liability for damages and accidents as set forth in the contract documents. Neither shall the bankruptcy, insolvency, or denial of liability by the insurance company exonerate the Contractor from liability.

WORKERS' COMPENSATION INSURANCE
FOR
BUILDING OR CONSTRUCTION PROJECTS

TEXAS WORKERS' COMPENSATION COMMISSION RULE 28, §110.110

As required by the Texas Workers' Compensation Commission Rule 28, §110.110, the Contractor shall accept the following definitions and comply with the following provisions:

Workers' Compensation Insurance Coverage

A. Definitions:

Certificate of coverage ("certificate") – A copy of a certificate of insurance, a certificate of authority to self-insure issued by the commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC-83, or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the project.

Duration of the Project – includes the time from the beginning of the work on the project until the Contractor's/Person's work on the project has been completed and accepted by the City of Hurst.

Persons providing services on the project ("Subcontractor" in §406.096) – includes all persons or entities performing all or part of the services the Contractor has undertaken to perform on the project, regardless of whether that person contracted directly with Contractor and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, owner-operators, employee of any such entity, or employees of any entity which furnishes persons to provide services on the project. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a project. "Services" does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

B. The Contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011 (44) for all employees of the Contractor providing services on the project, for the duration of the project.

C. The Contractor must provide a certificate of coverage to the City of Hurst prior to being awarded the contract.

D. If the coverage period shown on the Contractor's current certificate of coverage ends during the duration of the project, the Contractor must, prior to the end of the coverage period, file a new certificate of coverage with the City of Hurst showing that coverage has been extended.

E. The Contractor shall obtain from each person providing services on a project, and provide to the City of Hurst:

(1) A certificate of coverage, prior to that person beginning work on the project, so the City of Hurst will have on file certificates of coverage showing coverage for all persons providing services on the project; and

(2) No later than seven days after receipt by the Contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.

F. The Contractor shall retain all required certificates of coverage for the duration of the project and for one year thereafter.

G. The Contractor shall notify the City of Hurst in writing by certified mail or personal delivery, within 10 days after the Contractor knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project.

H. The Contractor shall post on each project site a notice, in the text, form, and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services on the project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.

I. The Contractor shall contractually require each person with whom it contracts to provide services on a project, to:

(1) Provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011 (44) for all of its employees providing services on the project, for the duration of the project;

(2) Provide to the Contractor, prior to that person beginning work on the project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the project, for the duration of the project;

(3) Provide the Contractor, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

(4) Obtain from each other person with whom it contracts, and provide to the Contractor:

(a) A Certificate of coverage prior to the other person beginning work on the project; and

(b) A new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

(5) Retain all required certificates of coverage on file for the duration of the project, and for one year thereafter;

(6) Notify the City of Hurst in writing by certified mail or personal delivery, within 10 days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project; and

(7) Contractually require each person with whom it contracts, to perform as required by paragraphs (I) – (7), with the certificates of coverage to be provided to the person for whom they are providing services.

J. By signing this contract or providing or causing to be provided a certificate of coverage, the Contractor is representing to the City of Hurst that all employees of the Contractor who provide services on the project will be covered by workers' compensation coverage for the duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the Contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.

K. The Contractor's failure to comply with any of these provision is a breach of contract by the Contractor which entitles the City of Hurst to declare the contract void if the Contractor does not remedy the breach within ten days after receipt of notice of breach from the City of Hurst.

As defined by the Texas Labor Code, Chapter 269, Section 406.096 (e), building or construction is defined as:

1. Erecting or preparing to erect a structure, including a building, bridge, roadway, public utility facility, or related appurtenance;

2. Remodeling, extending, repairing, or demolishing a structure; or

3. Otherwise improving real property or an appurtenance to real property through similar activities.

The employment of a maintenance employee who is not engaging in building or construction as the employer's primary business does not constitute engaging in building or construction.

Document A310™ – 2010

Conforms with The American Institute of Architects AIA Document 310

Bid Bond

CONTRACTOR:
(Name, legal status and address)

Andale Construction Inc.
3170 N. Ohio Street
Wichita, KS 67219

SURETY:
(Name, legal status and principal place of business)

Old Republic Surety Company
P. O. Box 1635
Milwaukee, WI 53201-1635

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

OWNER:
(Name, legal status and address)

City of Hurst
1505 Precinct Line Road
Hurst, TX 76054

BOND AMOUNT: $ 5%

Five Percent of Amount Bid

PROJECT:
(Name, location or address, and Project number, if any)

High Density Mineral Bond Seal Service; Bid Reference Number: 24-004

The Contractor and Surety are bound to the Owner in the amount set forth above, for the payment of which the Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, as provided herein. The conditions of this Bond are such that if the Owner accepts the bid of the Contractor within the time specified in the bid documents, or within such time period as may be agreed to by the Owner and Contractor, and the Contractor either (1) enters into a contract with the Owner in accordance with the terms of such bid, and gives such bond or bonds as may be specified in the bidding or Contract Documents, with a surety admitted in the jurisdiction of the Project and otherwise acceptable to the Owner, for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof; or (2) pays to the Owner the difference, not to exceed the amount of this Bond, between the amount specified in said bid and such larger amount for which the Owner may in good faith contract with another party to perform the work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect. The Surety hereby waives any notice of an agreement between the Owner and Contractor to extend the time in which the Owner may accept the bid. Waiver of notice by the Surety shall not apply to any extension exceeding sixty (60) days in the aggregate beyond the time for acceptance of bids specified in the bid documents, and the Owner and Contractor shall obtain the Surety's consent for an extension beyond sixty (60) days.

If this Bond is issued in connection with a subcontractor's bid to a Contractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

When this Bond has been furnished to comply with a statutory or other legal requirement in the location of the Project, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

Signed and sealed this 27th day of February, 2024

(Witness)

Andale Construction Inc.
(Principal) (Seal)

By: _____
(Title) President

(Witness)

Old Republic Surety Company
(Surety) (Seal)

By: _____
(Title) Rebecca S. Leal Attorney-in-Fact

Surety Phone No. 262-797-2640

S-0054/AS 6/10

OLD REPUBLIC SURETY COMPANY

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That OLD REPUBLIC SURETY COMPANY, a Wisconsin stock insurance corporation, does make, constitute and appoint: CHRISTY M. GRAUE, DEBRA J. SCARBOROUGH, JEFFREY C. CAREY, MARY T. FLANIGAN, PATRICK T. PRIBYL, EVAN D. SIZEMORE, CHARISSA D. LECUYER, REBECCA S. LEAL, TAHITIA M. FRY, C. STEPHENS GRIGGS, VERONICA LAWIVER , LAUREN SCOTT, HILLARY D. SHEPARD

ERIN C. LAVIN KELLIE A. MEYER of Kansas City, MO

its true and lawful Attorney(s)-in-Fact, with full power and authority for and on behalf of the company as surety, to execute and deliver and affix the seal of the company thereto (if a seal is required), bonds, undertakings, recognizances or other written obligations in the nature thereof, *(other than bail bonds, bank depository bonds, mortgage deficiency bonds, mortgage guaranty bonds, guarantees of installment paper and note guaranty bonds, self-insurance workers compensation bonds guaranteeing payment of benefits, or black lung bonds)*, as follows:

ALL WRITTEN INSTRUMENTS

and to bind OLD REPUBLIC SURETY COMPANY thereby, and all of the acts of said Attorneys-in-Fact, pursuant to these presents, are ratified and confirmed. This appointment is made under and by authority of the board of directors at a special meeting held on February 18, 1982.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following resolutions adopted by the board of directors of the OLD REPUBLIC SURETY COMPANY on February 18,1982.

RESOLVED that, the president, any vice-president or assistant vice president, in conjunction with the secretary or any assistant secretary, may appoint attorneys-in-fact or agents with authority as defined or limited in the instrument evidencing the appointment in each case, for and on behalf of the company to execute and deliver and affix the seal of the company to bonds, undertakings, recognizances, and suretyship obligations of all kinds; and said officers may remove any such attorney-in-fact or agent and revoke any Power of Attorney previously granted to such person.

RESOLVED FURTHER, that any bond, undertaking, recognizance, or suretyship obligation shall be valid and binding upon the Company

(i) when signed by the president, any vice president or assistant vice president, and attested and sealed (if a seal be required) by any secretary or assistant secretary; or

(ii) when signed by the president, any vice president or assistant vice president, secretary or assistant secretary, and countersigned and sealed (if a seal be required) by a duly authorized attorney-in-fact or agent; or

(iii) when duly executed and sealed (if a seal be required) by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority evidenced by the Power of Attorney issued by the company to such person or persons.

RESOLVED FURTHER that the signature of any authorized officer and the seal of the company may be affixed by facsimile to any Power of Attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the company, and such signature and seal when so used shall have the same force and effect as though manually affixed.

IN WITNESS WHEREOF, OLD REPUBLIC SURETY COMPANY has caused these presents to be signed by its proper officer, and its corporate seal to be affixed this 7th day of October 2022.

OLD REPUBLIC SURETY COMPANY

Karen J. Haffner
Assistant Secretary

SEAL

Alan Pavlic
President

STATE OF WISCONSIN, COUNTY OF WAUKESHA - SS

On this 7th day of October 2022, personally came before me, Alan Pavlic and Karen J Haffner, to me known to be the individuals and officers of the OLD REPUBLIC SURETY COMPANY who executed the above instrument, and they each acknowledged the execution of the same, and being by me duly sworn, did severally depose and say: that they are the said officers of the corporation aforesaid, and that the seal affixed to the above instrument is the seal of the corporation, and that said corporate seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority of the board of directors of said corporation.

NOTARY PUBLIC

Kathryn R. Pearson
Notary Public

My Commission Expires: September 28, 2026

(Expiration of notary's commission does not invalidate this instrument)

CERTIFICATE

I, the undersigned, assistant secretary of the OLD REPUBLIC SURETY COMPANY, a Wisconsin corporation, CERTIFY that the foregoing and attached Power of Attorney remains in full force and has not been revoked; and furthermore, that the Resolutions of the board of directors set forth in the Power of Attorney, are now in force.

SEAL

40-5654

Signed and sealed at the City of Brookfield, WI this 27th day of February 2024.

Karen J. Haffner
Assistant Secretary

OSSC 2205J (3-08)

LOCKTON COMPANIES, LLC.

IMPORTANT NOTICE

To obtain information or make a complaint:

You may call Old Republic Surety Company's and/or Old Republic Insurance Company's toll-free telephone number for information or to make a complaint at:

1-(800) 527-9834

You may also write to Old Republic Surety Company and/or Old Republic Insurance Company at:

PO Box 569480
Dallas, TX 75356-9480

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

1-(800) 252-3439

You may write the Texas Department of Insurance:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: http://www.tdi.state.tx.us
E-Mail: ConsumerProtection@tdi.state.tx.us

PREMIUM OR CLAIM DISPUTES: Should you have a dispute concerning your premium or about a claim you should contact the agent or Old Republic Surety Company and/or Old Republic Insurance Company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY: This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para obtener informacion o para someter una queja:

Usted puede llamar al numero de telefono gratis de Old Republic Surety Company's / Old Republic Insurance Company's para informacion o para someter una queja al:

1-(800) 527-9834

Usted tambien puede escribir a Old Republic Surety Company / Old Republic Insurance Company:

PO Box 569480
Dallas, TX 75356-9480

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companies, coberturas, derechos o quejas al:

1-(800) 252-3439

Puede escribir al Departamento de Seguros de Texas:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: http://www.tdi.state.tx.us
E-Mail: ConsumerProtection@tdi.state.tx.us

DISPUTAS SOBRE PRIMAS O RECLAMOS: Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el agente o Old Republic Surety Company / Old Republic Insurance Company primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA: Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

ACORD

CERTIFICATE OF LIABILITY INSURANCE

10/1/2024

DATE (MM/DD/YYYY): 2/20/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER: Lockton Companies
444 W. 47th Street, Suite 900
Kansas City MO 64112-1906
(816) 960-9000
kcsau@lockton.com

CONTACT NAME:
PHONE (A/C, No, Ext): FAX (A/C, No):
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Zurich American Insurance Company	16535
INSURER B: The Cincinnati Insurance Company	10677
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED
1401588 ANDALE READY MIX CENTRAL, INC.
ANDALE CONSTRUCTION, INC.
3170 N. OHIO
WICHITA KS 67219

COVERAGES * CERTIFICATE NUMBER: 20305526 REVISION NUMBER: XXXXXXX

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	[X] COMMERCIAL GENERAL LIABILITY	Y	Y	GLO0183143-07	10/1/2023	10/1/2024	EACH OCCURRENCE	$ 2,000,000
	[ ] CLAIMS-MADE [X] OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 10,000
							PERSONAL & ADV INJURY	$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 4,000,000
	[X] POLICY [X] PRO-JECT [X] LOC						PRODUCTS - COMP/OP AGG	$ 4,000,000
	[ ] OTHER							$
A	AUTOMOBILE LIABILITY	Y	Y	BAP0183144-07	10/1/2023	10/1/2024	COMBINED SINGLE LIMIT (Ea accident)	$ 2,000,000
	[X] ANY AUTO						BODILY INJURY (Per person)	$ XXXXXXX
	[ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS						BODILY INJURY (Per accident)	$ XXXXXXX
	[X] HIRED AUTOS ONLY [X] NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$ XXXXXXX
								$ XXXXXXX
B	[X] UMBRELLA LIAB [X] OCCUR	Y	Y	EXS0665313	10/1/2023	10/1/2024	EACH OCCURRENCE	$ 5,000,000
	EXCESS LIAB [ ] CLAIMS-MADE						AGGREGATE	$ 5,000,000
	[ ] DED [ ] RETENTION $						PROD/COMP OPS	$ 5,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N	N/A	Y	WC0183142-07	10/1/2023	10/1/2024	[X] PER STATUTE [ ] OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [N] (Mandatory in NH)						E.L. EACH ACCIDENT	$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
RE: BID NUMBER: 24-004 - HIGH DENSITY MINERAL BOND SEAL SERVICE. CITY OF HURST AND ITS OFFICER, EMPLOYEES, AND ELECTED REPRESENTATIVES ARE ADDITIONAL INSUREDS ON GENERAL LIABILITY, AUTOMOBILE LIABILITY AND UMBRELLA LIABILITY, IF REQUIRED BY WRITTEN CONTRACT. WAIVER OF SUBROGATION IN FAVOR OF THE ADDITIONAL INSUREDS APPLIES ON GENERAL LIABILITY, AUTOMOBILE LIABILITY, UMBRELLA LIABILITY AND WORKERS COMPENSATION, AS REQUIRED BY WRITTEN CONTRACT AND WHERE ALLOWED BY LAW. COVERAGE IS SUBJECT TO THE TERMS AND CONDITIONS OF THE POLICY. FOR CANCELLATION FOR ANY REASON OTHER THAN NONPAYMENT OF PREMIUM, THE INSURER(S) WILL SEND 30 DAYS NOTICE OF CANCELLATION TO THE CERTIFICATE HOLDER.

CERTIFICATE HOLDER

20305526
CITY OF HURST
2001 PRECINCT LINE ROAD
HURST, TX 76054

CANCELLATION See Attachments

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Joseph M Agnello

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ATTACHMENT III

STANDARD FORM OF AGREEMENT BETWEEN THE CITY OF HURST AND CONTRACTOR

THIS AGREEMENT is effective as of the date stated on the signatory page by and between the City of Hurst (hereinafter called OWNER) and

Andale Constrution, Inc.

of the City of Wichita, County of Sedgwick,

State of Kansas (hereinafter called CONTRACTOR).

OWNER and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

Article 1. WORK.

The PROJECT for the Work detailed under the Contract Documents (see Article 7 of this Agreement for items included in the "Contract Documents") is generally identified as follows:

High Density Mineral Bond Seal Service

Bid Reference Number: **24-004**

Article 2. CONTRACT TIME

2.1. This contract will begin on its execution and continue for twelve months. At the City's option this agreement may be renewed for four, additional 12-month periods.

2.2. OWNER and CONTRACTOR recognize that time is of the essence with this agreement and OWNER and CONTRACTOR agree that if the Work is not completed within the time mutually determined by the CONTRACTOR and OWNER, plus written extensions allowed by OWNER, that OWNER shall deduct $100 a working day from the amount due CONTRACTOR for delay (but not as a penalty) for each day that expires after the time period set at the beginning of the project.

Article 3. CONTRACT PRICE.

3.1 OWNER shall pay CONTRACTOR price as quoted in Contractor's bid plus additional work performed when authorized by OWNER.

Article 4. PAYMENT PROCEDURES.

4.1 Payment to CONTRACTOR will in one lump sum after satisfactory completion, and acceptance by the City, of the work defined in the contract documents and receipt of invoice or other billing instrument used by CONTRACTOR. All charges are to be less sales tax as OWNER is tax exempt.

Article 5. CONTRACTOR'S REPRESENTATIONS.

In order to induce OWNER to enter into this agreement CONTRACTOR makes the following representations:

5.1 CONTRACTOR has familiarized itself with the nature and extent of the Contract, Documents, Work to be performed, site(s), locality, tests, reports, and all local conditions and laws and regulations that in any manner may affect cost, progress, performance or furnishing of the Work.

5.2 CONTRACTOR has correlated the results of all such observations, investigations, explorations, tests, reports, and studies with the terms and conditions of the Contract Documents.

5.3 CONTRACTOR has given OWNER written notice of all conflicts, errors or discrepancies that he has discovered in the Contract Documents and the written resolution by OWNER is acceptable to CONTRACTOR.

Article 6. MISCELLANEOUS

6.1 ASSIGNMENTS: No assignments by a party hereto of any rights under or interest in the Contract Documents will be binding on another party hereto without written consent of the party sought to be bound; and specifically, but without limitation, moneys that may come due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

6.2 OWNER and CONTRACTOR each binds itself, its partners, successors, assigns and legal representatives to the other party hereto, its partners, successors, assigns and legal representatives in respect of all covenants, agreements, and obligations contained in the Contract Documents.

6.3 TERMINATION: OWNER may terminate the Contract by giving CONTRACTOR notice in writing. Upon delivery of such notice by OWNER to CONTRACTOR, CONTRACTOR shall discontinue all services in connection with the performance of the Contract and shall proceed to cancel promptly all existing orders and contracts insofar as such orders or contracts are chargeable to this Contract. As soon as practicable after receipt of notice of termination, CONTRACTOR shall submit a statement, showing in detail the services performed under this Contract to the date of the termination. OWNER shall then pay CONTRACTOR that portion of the prescribed charges which the services actually performed under this Contract bear to the total services called for under this Contract less such payments on account of the changes as have been previously made. Copies of all completed designs, plans, and specifications prepared under this Contract shall be delivered to OWNER when and if this Contract is terminated.

6.4 CLEANUP:

During Work

CONTRACTOR shall, at all times, keep the job site free from materials, debris, and rubbish as is practical and shall remove same from any portion of the job site when, in the opinion of the City's

representative, it becomes objectionable, interferes with the project or endangers the safety of the general public.

Final

Upon completion of the work, CONTRACTOR shall remove from the site, all materials, tools and equipment belonging to him, and leave the site with an appearance acceptable to the City's representative. CONTRACTOR shall thoroughly clean all equipment and material installed by him and shall deliver over such materials and equipment in a clean and new appearing condition. Any area damaged or disturbed by CONTRACTOR outside the City rights of way and easements shall be restored to original condition to the satisfaction of the property owner. A release from the property owner may be required. Restoration of all other areas outside the actual work site shall be to original condition or as outlined in the Contract Documents.

6.5 SUBCONTRACTING

1. CONTRACTOR may utilize the services of specialty subcontractors on those parts of the work which, under normal contracting practices, are performed by specialty subcontractors.

2. CONTRACTOR shall not award any work to any subcontractor until CONTRACTOR submits to OWNER a written statement concerning the proposed award to the subcontractor, which statement shall contain such information as OWNER may require.

3. CONTRACTOR shall be as fully responsible to OWNER for the acts and omissions of his subcontractors, and of persons either directly or indirectly employed by them, as he is for the acts and omissions of persons directly employed by him.

4. CONTRACTOR shall have a person, that is on his payroll and with the authority to make decisions, on site at all times. This individual must be able to communicate in English.

5. Nothing contained in this Contract shall create any contractual relation between any subcontractor and OWNER. CONTRACTOR is an independent contractor.

6.6 PERMITS AND LICENSES: CONTRACTOR shall procure at his expense all permits and licenses necessary, pay all charges and fees and give all notices necessary and incident to the prosecution of the work. Fees, except for special licensing, such as Master Electrician, etc., will be waived for required City permits.

6.7 EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE: CONTRACTOR will not discriminate against any employee or applicant for employment because of race, color, sex, religion, national origin or disability. CONTRACTOR shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, sex, religion, national origin, or disability. Such action shall include, but not be limited to the following: employment, upgrading, demotions or transfers, recruitment or recruitment advertising, layoffs or terminations, rates of pay, or other forms of compensation, selection of training, including apprenticeship, and participating in recreational and education activities. CONTRACTOR will in all solicitations or advertisements for employees placed by or on behalf of CONTRACTOR, state that all qualified applicants will receive consideration of employment without regard to race, color, sex, religion, national origin, or disability. CONTRACTOR will cause the foregoing provisions to be inserted in all subcontracts for standard commercial supplies, raw materials, and labor.

6.8 INSURANCE: Prior to execution of this Contract, and before CONTRACTOR begins Work, CONTRACTOR must provide OWNER with proof of insurance as defined in the Contract Documents.

6.9 SAFETY: CONTRACTOR shall comply with all Occupational Safety and Health Act (OSHA) standards and any other Federal, State or Local rules and regulations applicable to construction and/or maintenance activities in the State of Texas.

City Safety Personnel or any supervisor may, but are not required to, order that the work be stopped if a condition of immediate danger is found to exist. Nothing contained herein shall be construed to shift responsibility or risk or loss for injuries or damage sustained as a result of a violation of theses safety articles from CONTRACTOR to OWNER. CONTRACTOR shall remain solely and exclusively responsible for compliance with all safety requirements and for the safety of all persons and property at the project site.

6.10 CLAIMS and DAMAGES: Any bodily injury or property damage to OWNER or third parties caused by CONTRACTOR, his employees, agents, or subcontractors must be resolved to OWNER's satisfaction prior to OWNER's release of CONTRACTOR's final payment.

Article 7. CONTRACT DOCUMENTS.

The Contract Documents which comprise the entire agreement between CONTRACTOR and OWNER concerning the work consist of the following:

7.1 Invitation to Bid

7.2 Bid Specifications and CONTRACTOR's Response

7.3 Insurance Attachment

7.4 Insurance Certificate (completed by CONTRACTOR's insurance agent/broker)

7.5 Bid, Performance, Payment, and Maintenance Bonds

Executed on behalf of CONTRACTOR by its owner or authorized representative shown below, and on behalf of OWNER by its authorized representative, this agreement will be effective on

the 4th day of March, 2024.

OWNER:

City of Hurst

1505 Precinct Line Road

Hurst, TX 76054

By: _____

Clay Caruthers
(Print Name)

City Manager
(Print Title)

CONTRACTOR:

Name: Andale Construction, Inc.

Address: 3170 N Ohio St

City: Wichita

State: Kansas

Zip: 67219

By: _____

Peter J. Molitor
(Print Name)

President
(Print Title)

Seal (If Corporation)

Recommended By:

_____
(Signature)

Gregory W. Dickens
(Print Name)

Executive Director of Public Works
(Title)

Approved as to Form and Legality this 26th day of March, 2024.

_____
City Attorney

ATTACHMENT III

STANDARD FORM OF AGREEMENT
BETWEEN THE CITY OF HURST AND CONTRACTOR

THIS AGREEMENT is effective as of the date stated on the signatory page by and between the City of Hurst (hereinafter called OWNER) and

Andale Constrution, Inc.

of the City of Wichita, County of Sedgwick,

State of Kansas (hereinafter called CONTRACTOR).

OWNER and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

Article 1. WORK.

The PROJECT for the Work detailed under the Contract Documents (see Article 7 of this Agreement for items included in the "Contract Documents") is generally identified as follows:

High Density Mineral Bond Seal Service

Bid Reference Number: **24-004**

Article 2. CONTRACT TIME

2.1. This contract will begin on its execution and continue for twelve months. At the City's option this agreement may be renewed for four, additional 12-month periods.

2.2. OWNER and CONTRACTOR recognize that time is of the essence with this agreement and OWNER and CONTRACTOR agree that if the Work is not completed within the time mutually determined by the CONTRACTOR and OWNER, plus written extensions allowed by OWNER, that OWNER shall deduct $100 a working day from the amount due CONTRACTOR for delay (but not as a penalty) for each day that expires after the time period set at the beginning of the project.

Article 3. CONTRACT PRICE.

3.1 OWNER shall pay CONTRACTOR price as quoted in Contractor's bid plus additional work performed when authorized by OWNER.

Article 4. PAYMENT PROCEDURES.

4.1 Payment to CONTRACTOR will in one lump sum after satisfactory completion, and acceptance by the City, of the work defined in the contract documents and receipt of invoice or other billing instrument used by CONTRACTOR. All charges are to be less sales tax as OWNER is tax exempt.

Article 5. CONTRACTOR'S REPRESENTATIONS.

In order to induce OWNER to enter into this agreement CONTRACTOR makes the following representations:

5.1 CONTRACTOR has familiarized itself with the nature and extent of the Contract, Documents, Work to be performed, site(s), locality, tests, reports, and all local conditions and laws and regulations that in any manner may affect cost, progress, performance or furnishing of the Work.

5.2 CONTRACTOR has correlated the results of all such observations, investigations, explorations, tests, reports, and studies with the terms and conditions of the Contract Documents.

5.3 CONTRACTOR has given OWNER written notice of all conflicts, errors or discrepancies that he has discovered in the Contract Documents and the written resolution by OWNER is acceptable to CONTRACTOR.

Article 6. MISCELLANEOUS

6.1 ASSIGNMENTS: No assignments by a party hereto of any rights under or interest in the Contract Documents will be binding on another party hereto without written consent of the party sought to be bound; and specifically, but without limitation, moneys that may come due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

6.2 OWNER and CONTRACTOR each binds itself, its partners, successors, assigns and legal representatives to the other party hereto, its partners, successors, assigns and legal representatives in respect of all covenants, agreements, and obligations contained in the Contract Documents.

6.3 TERMINATION: OWNER may terminate the Contract by giving CONTRACTOR notice in writing. Upon delivery of such notice by OWNER to CONTRACTOR, CONTRACTOR shall discontinue all services in connection with the performance of the Contract and shall proceed to cancel promptly all existing orders and contracts insofar as such orders or contracts are chargeable to this Contract. As soon as practicable after receipt of notice of termination, CONTRACTOR shall submit a statement, showing in detail the services performed under this Contract to the date of the termination. OWNER shall then pay CONTRACTOR that portion of the prescribed charges which the services actually performed under this Contract bear to the total services called for under this Contract less such payments on account of the changes as have been previously made. Copies of all completed designs, plans, and specifications prepared under this Contract shall be delivered to OWNER when and if this Contract is terminated.

6.4 CLEANUP:

During Work

CONTRACTOR shall, at all times, keep the job site free from materials, debris, and rubbish as is practical and shall remove same from any portion of the job site when, in the opinion of the City's

representative, it becomes objectionable, interferes with the project or endangers the safety of the general public.

Final

Upon completion of the work, CONTRACTOR shall remove from the site, all materials, tools and equipment belonging to him, and leave the site with an appearance acceptable to the City's representative. CONTRACTOR shall thoroughly clean all equipment and material installed by him and shall deliver over such materials and equipment in a clean and new appearing condition. Any area damaged or disturbed by CONTRACTOR outside the City rights of way and easements shall be restored to original condition to the satisfaction of the property owner. A release from the property owner may be required. Restoration of all other areas outside the actual work site shall be to original condition or as outlined in the Contract Documents.

6.5 SUBCONTRACTING

1. CONTRACTOR may utilize the services of specialty subcontractors on those parts of the work which, under normal contracting practices, are performed by specialty subcontractors.

2. CONTRACTOR shall not award any work to any subcontractor until CONTRACTOR submits to OWNER a written statement concerning the proposed award to the subcontractor, which statement shall contain such information as OWNER may require.

3. CONTRACTOR shall be as fully responsible to OWNER for the acts and omissions of his subcontractors, and of persons either directly or indirectly employed by them, as he is for the acts and omissions of persons directly employed by him.

4. CONTRACTOR shall have a person, that is on his payroll and with the authority to make decisions, on site at all times. This individual must be able to communicate in English.

5. Nothing contained in this Contract shall create any contractual relation between any subcontractor and OWNER. CONTRACTOR is an independent contractor.

6.6 PERMITS AND LICENSES: CONTRACTOR shall procure at his expense all permits and licenses necessary, pay all charges and fees and give all notices necessary and incident to the prosecution of the work. Fees, except for special licensing, such as Master Electrician, etc., will be waived for required City permits.

6.7 EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE: CONTRACTOR will not discriminate against any employee or applicant for employment because of race, color, sex, religion, national origin or disability. CONTRACTOR shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, sex, religion, national origin, or disability. Such action shall include, but not be limited to the following: employment, upgrading, demotions or transfers, recruitment or recruitment advertising, layoffs or terminations, rates of pay, or other forms of compensation, selection of training, including apprenticeship, and participating in recreational and education activities. CONTRACTOR will in all solicitations or advertisements for employees placed by or on behalf of CONTRACTOR, state that all qualified applicants will receive consideration of employment without regard to race, color, sex, religion, national origin, or disability. CONTRACTOR will cause the foregoing provisions to be inserted in all subcontracts for standard commercial supplies, raw materials, and labor.

6.8 INSURANCE: Prior to execution of this Contract, and before CONTRACTOR begins Work, CONTRACTOR must provide OWNER with proof of insurance as defined in the Contract Documents.

6.9 SAFETY: CONTRACTOR shall comply with all Occupational Safety and Health Act (OSHA) standards and any other Federal, State or Local rules and regulations applicable to construction and/or maintenance activities in the State of Texas.

City Safety Personnel or any supervisor may, but are not required to, order that the work be stopped if a condition of immediate danger is found to exist. Nothing contained herein shall be construed to shift responsibility or risk or loss for injuries or damage sustained as a result of a violation of theses safety articles from CONTRACTOR to OWNER. CONTRACTOR shall remain solely and exclusively responsible for compliance with all safety requirements and for the safety of all persons and property at the project site.

6.10 CLAIMS and DAMAGES: Any bodily injury or property damage to OWNER or third parties caused by CONTRACTOR, his employees, agents, or subcontractors must be resolved to OWNER's satisfaction prior to OWNER's release of CONTRACTOR's final payment.

Article 7. CONTRACT DOCUMENTS.

The Contract Documents which comprise the entire agreement between CONTRACTOR and OWNER concerning the work consist of the following:

7.1 Invitation to Bid

7.2 Bid Specifications and CONTRACTOR's Response

7.3 Insurance Attachment

7.4 Insurance Certificate (completed by CONTRACTOR's insurance agent/broker)

7.5 Bid, Performance, Payment, and Maintenance Bonds

Executed on behalf of CONTRACTOR by its owner or authorized representative shown below, and on behalf of OWNER by its authorized representative, this agreement will be effective on

the 4th day of March, 2024.

OWNER:

City of Hurst

1505 Precinct Line Road

Hurst, TX 76054

By: _____

Clay Caruthers
(Print Name)

City Manager
(Print Title)

CONTRACTOR:

Name: Andale Construction, Inc.

Address: 3170 N Ohio St

City: Wichita

State: Kansas

Zip: 67219

By: _____

Peter J. Molitor
(Print Name)

President
(Print Title)

Seal (If Corporation)

Recommended By:

_____
(Signature)

Gregory W. Dickens
(Print Name)

Executive Director of Public Works
(Title)

Approved as to Form and Legality this 26th day of March, 2024.

_____
City Attorney

Bond Term: March 5, 2024 - March 4, 2025
***Bonds MUST be Renewed by Consent of Surety at the End of Term**

Bond No. 7456429

High Density Mineral Bond Seal Service, 24-004

PERFORMANCE BOND

STATE OF TEXAS
COUNTY OF Tarrant

KNOWN ALL MEN BY THESE PRESENTS: That Andale Construction, Inc. of the City of Wichita, County of Sedgwick and the State of Kansas as Principal, and Old Republic Surety Company authorized under the laws of the State of Texas to act as surety on bonds for principals, are held and firmly bound unto The City of Hurst (Owner), in the penal sum of Two Hundred Five Thousand and No/100 Dollars ($ 205,000.00) for the payment whereof, the said Principal and Surety bind themselves, and their heirs, administrators, executors, successors, and assigns, jointly and severally, by these presents:

WHEREAS: the Principal has entered into a certain written contract with the Owner, dated the 4th day of March, 2024, to which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW, THEREFORE THE CONDITIONS OF THIS OBLIGATION IS SUCH, that if the said Principal shall faithfully perform said Contract and shall in all respects duly and faithfully observe and perform all and singular the covenants, conditions, and agreements in and by said contract agreed and covenanted by the Principal to be observed and conformed, and according to the true and meaning of said Contract and the Plans and Specifications hereto annexed, then this obligation shall be void; otherwise to remain in full force and effect;

PROVIDED, HOWEVER, that this bond executed pursuant to the provisions of (Article 5160) for Public Works)(Article 5472d for Private Work)* of the Revised Civil Statutes of Texas as amended and all liabilities of this bond shall be determined in accordance with the provisions of said Article to the same extent as if it were copied at length herein.

Surety, for value received, stipulates and agrees that no charge, extension of time, alteration or addition to the terms of the contract, or to the work performed thereunder, or the plans, specifications, or drawing accompany accompanying the same , shall in anyway affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract, or to the work to be performed thereunder.

---

* Not applicable for federal work. See "The Miller Act" 40 U.S.C. S270

IN WITNESS, WHEREOF, the said Principal and Surety have signed and sealed this instrument this 5th day of March, 2024.

Andale Construction, Inc.	Old Republic Surety Company
Principal	Surety
By:	By:
Title: President	Title: C. Stephens Griggs, Attorney-in-Fact
Address: 3170 N. Ohio Street	Address: P.O. Box 1635
Wichita, KS 67219	Milwaukee, WI 53201-1635
	(262) 797-2640

The name and address of the Resident Agent or Surety is:

Lockton Companies, LLC

3657 Briarpark Drive, Suite 700

Houston, TX 77042

Bond Term: March 5, 2024 - March 4, 2025
***Bonds MUST be Renewed by Consent of Surety at the End of Term**

PAYMENT BOND

Bond No. 7456429

High Density Mineral Bond Seal Service, 24-004

STATE OF TEXAS
COUNTY OF Tarrant

KNOWN ALL MEN BY THESE PRESENTS: That Andale Construction, Inc. of the City of Wichita, County of Sedgwick and the State of Kansas as Principal, and Old Republic Surety Company authorized under the laws of the State of WI to act as surety on bonds for principals, are held and firmly bound unto the City of Hurst (Owner), in the penal sum of Two Hundred Five Thousand and No/100 Dollars ($ 205,000.00) for the payment whereof, the said Principal and Surety bind themselves, and their heirs, administrators, executors, successors, and assigns, jointly and severally, by these presents:

WHEREAS: the Principal has entered into a certain written contract with the Owner, dated the 4th day of March, 2024, to which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW, THEREFORE THE CONDITIONS OF THIS OBLIGATION IS SUCH, that if the said Principal shall pay all claimants supplying labor and material to him or a subcontractor in the prosecution of the work provided for in said contract, then, this obligation shall be void; otherwise to remain in full force and effect;

PROVIDED, HOWEVER, that this bond executed pursuant to the provisions of Article 5160 for Public Works of the Revised Civil Statutes of Texas as amended and all liabilities of this bond shall be determined in accordance with the provisions of said Article to the same extent as if it were copied at length herein.

Surety, for value received, stipulates and agrees that no charge, extension of time, alteration or addition to the terms of the contract, or to the work performed thereunder, or the plans, specifications, or drawing accompany the same, shall in anyway affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract, or to the work to be performed thereunder.

IN WITNESS, WHEREOF, the said Principal and Surety have signed and sealed this instrument this 5th day of March, 2024.

Andale Construction, Inc.	Old Republic Surety Company
Principal	Surety
By:	By:
Title: President	Title: C. Stephens Griggs, Attorney-in-Fact
Address: 3170 N. Ohio Street	Address: P.O. Box 1635
Wichita, KS 67219	Milwaukee, WI 53201-1635
	(262) 797-2640

The name and address of the Resident Agent or Surety is:

Lockton Companies, LLC

3657 Briarpark Drive, Suite 700

Houston, TX 77042

Bond No. 7456429

MAINTENANCE BOND

KNOWN ALL MEN BY THESE PRESENTS:

THAT Andale Construction, Inc. as PRINCIPAL, and

Old Republic Surety Company a CORPORATION organized under

the laws of WI, as Sureties, do hereby expressly acknowledge themselves to be held and bound to pay unto the City of Hurst, a municipal corporation chartered by virtue of a Special Act of the Legislature of the State of Texas, at Hurst, Tarrant County,

Texas, the sum of Two Hundred Five Thousand and No/100 Dollars ($ 205,000.00)
for the payment of which sum will and truly to be made until said City of Hurst, its successors jointly and severally.

This obligation is conditioned, however, that whereas said Andale Construction, Inc.

has this 4th day of March, 2024, entered into a written contract with

the said City of Hurst to build and construct the **High Density Mineral Bond Seal Service, 24-004;**

Bond Term: March 5, 2024 - March 4, 2025

***Bonds MUST be Renewed by Consent of Surety at the End of Term**

in the City of Hurst, Texas, which contract and the Plans and Specifications therein mentioned adopted by the City of Hurst, are hereby expressly made a part hereof as though the same were written and embodied herein.

WHEREAS, under the plans and Specifications, and contract, it is provided that the CONTRACTOR will maintain and keep in good repair the work herein contracted to be done and performed for a period of two (2) years from the date of acceptance, and to do all necessary repairs that may arise on account of water leakage or otherwise, out of or arising from improper doing of the same, or on account of any defect arising in any parts of said work laid or constructed by the said CONTRACTOR, or on account of improper application or workmanship; and to respond to within five days and initiate repairs after proper notification of said repairs due to leakage, or otherwise, that may arise during the two (2) year period from the date of acceptance. It being understood that the purpose of this section is to cover all defective conditions arising by reason of defective material, work, or labor performed by said CONTRACTOR; and in case the said CONTRACTOR shall fail to do so, it is agreed that the City may do said work and supply such materials, and charge the same against the said CONTRACTOR and SURETIES, on this obligation, and said CONTRACTOR and SURETIES hereon shall be subject to the liquidated damages mentioned in said contract for each day's failure on its part to comply wit the terms of the said provision of said contract.

NOW, THEREFORE, if the said CONTRACTOR shall keep and perform its said agreement to maintain said work and keep the same in repair for the said maintenance period of two (2) years, as provided, then these presents shall by null and void, and have no further effect, but if default shall be made by the said CONTRACTOR in the performance of this contract to so maintain and repair said work, then these presents shall have full force and effect, and said CITY of HURST shall have and recover from said CONTRACTOR and SURETIES damages in the premises, as provided, and is further agreed that this obligation shall be continuing one against the PRINCIPAL and SURETIES, hereon, and that successive recoveries may be had thereon for successive breaches until the full amount shall have been exhausted; and it is further understood that the obligation herein to maintain

said work shall continue throughout said maintenance period, and the same shall not be changed, diminished, or in any manner affected from any cause during said time.

IN WITNESS WHEREOF, the said Andale Construction, Inc. has caused these presents to be executed by them; and the said Old Republic Surety Company has caused these presents to be executed by its ATTORNEY-IN-FACT _____ and the said ATTORNEY-IN-FACT C. Stephens Griggs has hereunto set his hand this the 5th day of March, 2024.

Andale Construction, Inc.
Principal

By: _____

Title: President

Address: 3170 N. Ohio Street

Wichita, KS 67219

Old Republic Surety Company
Surety

By: _____

Title: C. Stephens Griggs, Attorney-in-Fact

Address: P.O. Box 1635

Milwaukee, WI 53201-1635

(262) 797-2640

The name and address of the Resident Agent or Surety is:

Lockton Companies, LLC

3657 Briarpark Drive, Suite 700

Houston, TX 77042

OLD REPUBLIC SURETY COMPANY

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That OLD REPUBLIC SURETY COMPANY, a Wisconsin stock insurance corporation, does make, constitute and appoint: CHRISTY M. BRAILE, DEBRA J. SCARBOROUGH, JEFFREY C. CAREY, MARY T. FLANIGAN, PATRICK T. PRIBYL, EVAN D. SIZEMORE, CHARISSA D. LECUYER, REBECCA S. LEAL, TAHITIA M. FRY, C. STEPHENS GRIGGS, VERONICA LAWVER , LAUREN SCOTT, HILLARY D. SHEPARD

ERIN C. LAVIN KELLIE A. MEYER of Kansas City, MO

its true and lawful Attorney(s)-in-Fact, with full power and authority for and on behalf of the company as surety, to execute and deliver and affix the seal of the company thereto (if a seal is required), bonds, undertakings, recognizances or other written obligations in the nature thereof, ***(other than bail bonds, bank depository bonds, mortgage deficiency bonds, mortgage guaranty bonds, guarantees of installment paper and note guaranty bonds, self-insurance workers compensation bonds guaranteeing payment of benefits, or black lung bonds)***, as follows:

ALL WRITTEN INSTRUMENTS

and to bind OLD REPUBLIC SURETY COMPANY thereby, and all of the acts of said Attorneys-in-Fact, pursuant to these presents, are ratified and confirmed. This appointment is made under and by authority of the board of directors at a special meeting held on February 18, 1982.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following resolutions adopted by the board of directors of the OLD REPUBLIC SURETY COMPANY on February 18,1982.

RESOLVED that, the president, any vice-president or assistant vice president, in conjunction with the secretary or any assistant secretary, may appoint attorneys-in-fact or agents with authority as defined or limited in the instrument evidencing the appointment in each case, for and on behalf of the company to execute and deliver and affix the seal of the company to bonds, undertakings, recognizances, and suretyship obligations of all kinds; and said officers may remove any such attorney-in-fact or agent and revoke any Power of Attorney previously granted to such person.

RESOLVED FURTHER, that any bond, undertaking, recognizance, or suretyship obligation shall be valid and binding upon the Company

(i) when signed by the president, any vice president or assistant vice president, and attested and sealed (if a seal be required) by any secretary or assistant secretary; or

(ii) when signed by the president, any vice president or assistant vice president, secretary or assistant secretary, and countersigned and sealed (if a seal be required) by a duly authorized attorney-in-fact or agent; or

(iii) when duly executed and sealed (if a seal be required) by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority evidenced by the Power of Attorney issued by the company to such person or persons.

RESOLVED FURTHER that the signature of any authorized officer and the seal of the company may be affixed by facsimile to any Power of Attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the company; and such signature and seal when so used shall have the same force and effect as though manually affixed.

IN WITNESS WHEREOF, OLD REPUBLIC SURETY COMPANY has caused these presents to be signed by its proper officer, and its corporate seal to be affixed this 7th day of October, 2022.

Karen J. Haffner
Assistant Secretary

SEAL

OLD REPUBLIC SURETY COMPANY

Alan Pavlic
President

STATE OF WISCONSIN, COUNTY OF WAUKESHA - SS

On this 7th day of October, 2022, personally came before me, Alan Pavlic and Karen J Haffner, to me known to be the individuals and officers of the OLD REPUBLIC SURETY COMPANY who executed the above instrument, and they each acknowledged the execution of the same, and being by me duly sworn, did severally depose and say: that they are the said officers of the corporation aforesaid, and that the seal affixed to the above instrument is the seal of the corporation, and that said corporate seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority of the board of directors of said corporation.

NOTARY PUBLIC

Kathryn R. Pearson
Notary Public

My Commission Expires: September 28, 2026

(Expiration of notary's commission does not invalidate this instrument)

CERTIFICATE

I, the undersigned, assistant secretary of the OLD REPUBLIC SURETY COMPANY, a Wisconsin corporation, CERTIFY that the foregoing and attached Power of Attorney remains in full force and has not been revoked; and furthermore, that the Resolutions of the board of directors set forth in the Power of Attorney, are now in force.

SEAL

40-5654

Signed and sealed at the City of Brookfield, WI this 5th day of March, 2024.

Karen J. Haffner
Assistant Secretary

ORSC 22282 (3-06)

LOCKTON COMPANIES, LLC.

CERTIFICATE OF LIABILITY INSURANCE

10/1/2024

DATE (MM/DD/YYYY): 2/20/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER: Lockton Companies 444 W. 47th Street, Suite 900 Kansas City MO 64112-1906 (816) 960-9000 kcasu@lockton.com	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS:
INSURED: 1401588 ANDALE READY MIX CENTRAL, INC. ANDALE CONSTRUCTION, INC. 3170 N. OHIO WICHITA KS 67219	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A : Zurich American Insurance Company — 16535 INSURER B : The Cincinnati Insurance Company — 10677 INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES * **CERTIFICATE NUMBER:** 20305526 **REVISION NUMBER:** XXXXXXX

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY X PRO-JECT X LOC OTHER:	Y	Y	GLO0183143-07	10/1/2023	10/1/2024	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 2,000,000 $ 100,000 $ 10,000 $ 2,000,000 $ 4,000,000 $ 4,000,000 $
A	AUTOMOBILE LIABILITY X ANY AUTO OWNED AUTOS ONLY X HIRED AUTOS ONLY SCHEDULED AUTOS X NON-OWNED AUTOS ONLY	Y	Y	BAP0183144-07	10/1/2023	10/1/2024	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 2,000,000 $ XXXXXXX $ XXXXXXX $ XXXXXXX $ XXXXXXX
B	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $	Y	Y	EXS0665313	10/1/2023	10/1/2024	EACH OCCURRENCE AGGREGATE PROD/COMP OPS	$ 5,000,000 $ 5,000,000 $ 5,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N: N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	Y	WC0183142-07	10/1/2023	10/1/2024	X PER STATUTE OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 1,000,000 $ 1,000,000 $ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: BID NUMBER: 24-004 - HIGH DENSITY MINERAL BOND SEAL SERVICE. CITY OF HURST AND ITS OFFICER, EMPLOYERS, AND ELECTED REPRESENTATIVES ARE ADDITIONAL INSUREDS ON GENERAL LIABILITY, AUTOMOBILE LIABILITY AND UMBRELLA LIABILITY, IF REQUIRED BY WRITTEN CONTRACT. WAIVER OF SUBROGATION IN FAVOR OF THE ADDITIONAL INSUREDS APPLIES ON GENERAL LIABILITY, AUTOMOBILE LIABILITY, UMBRELLA LIABILITY AND WORKERS COMPENSATION, AS REQUIRED BY WRITTEN CONTRACT AND WHERE ALLOWED BY LAW. COVERAGE IS SUBJECT TO THE TERMS AND CONDITIONS OF THE POLICY. FOR CANCELLATION FOR ANY REASON OTHER THAN NONPAYMENT OF PREMIUM, THE INSURER(S) WILL SEND 30 DAYS NOTICE OF CANCELLATION TO THE CERTIFICATE HOLDER.

CERTIFICATE HOLDER

20305526
CITY OF HURST
2001 PRECINCT LINE ROAD
HURST, TX 76054

CANCELLATION See Attachments

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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EXHIBIT "C"

First Amendment to the Standard Form of Agreement Between City of Hurst and Contractor

FIRST AMENDMENT TO STANDARD FORM OF AGREEMENT BETWEEN CITY OF HURST AND CONTRACTOR

This FIRST AMENDMENT TO STANDARD FORM OF AGREEMENT BETWEEN CITY OF HURST AND CONTRACTOR (this "Amendment") is entered into as of this _____ day of May, 2022, and made between the City of Hurst ("**OWNER**"), a municipal corporation located in Tarrant County, Texas, and Andale Construction, Inc. ("**CONTRACTOR**").

WHEREAS, OWNER and CONTRACTOR entered into an Agreement identified as STANDARD FORM OF AGREEMENT BETWEEN THE CITY OF HURST AND CONTRACTOR, which was effective May 15, 2019 and which was for work related to Hurst Bid Reference Number 19-007 for High Density Mineral Bond Seal (the "Agreement"); and

WHEREAS, it is the collective desire of both OWNER and CONTRACTOR to amend the Agreement to add a provision that authorizes the addition of a CO-CONTRACTOR; and

NOW THEREFORE, KNOWN ALL BY THESE PRESENT, for good and valuable consideration, the receipt and sufficiency of which are hereby confirmed, OWNER and CONTRACTOR, acting herein by and through their duly authorized representatives, enter into this Amendment, which amends the Agreement as follows:

1.

The Agreement is hereby amended by amending *Standard Form of Agreement between the City of Hurst and Contractor* "Article 6. MISCELLANEOUS" by adding subsection 6.1.1, which shall read as follows:

"6.1.1 CO-CONTRACTOR:

Assignment of CO-CONTRACTOR
Through a written agreement of all parties, CONTRACTOR may assign its rights, interests, and obligations under the Contract Documents to a CO-CONTRACTOR while CONTRACTOR also retains its rights, interests, and obligations contained in the Contract Documents. CONTRACTOR may only assign a CO-CONTRACTOR that is authorized by the product manufacturer to perform the work specified in the Contract Documents.

CO-CONTRACTOR Contract Documents
Prior to the approval of an assignment agreement under this section, the CO-CONTRACTOR shall furnish the applicable contract documents identified in Article 7. THE CITY SHALL HAVE NO DUTY TO PAY OR PERFORM UNDER THIS CONTRACT UNTIL SUCH DOCUMENTS HAVE BEEN DELIVERED TO THE CITY.

CO-CONTRACTOR terms
In the event a CO-CONTRACTOR is duly assigned pursuant to this section, the term CONTRACTOR in the Contract Documents shall mean both CONTRACTOR and CO-CONTRACTOR. The OWNER, CONTRACTOR, and CO-CONTRACTOR will make best efforts to develop procedures for the delegation of individual projects.

2.

All other terms, provisions, conditions, covenants and recitals of the Agreement not expressly amended herein shall remain in full force and effect.

[Signature Page Follows]

EXECUTED IN MULTIPLE ORIGINALS on this the 23rd day of June, 2022.

CITY OF HURST
1505 Precinct Line Rd
Hurst, Texas 76054

By: _____
Signature

Clay Caruthers, City Manager
Print Name and Title

_____
Attest

Recommended:

By: _____
Gregory W. Dickens, P.E.
Executive Director of Public Works

CONTRACTOR
ANDALE CONSTRUCTION, INC

By: _____
Signature

Peter J. Molitor - President
Print Name and Title

_____
Attest

3170 N. Ohio St
Street Address

Wichita, KS 67219
City, State & Zip

316-832-0063
Phone Number

Seal (if Corporation)

Approved as to Form and Legality this 6th day of July, 2022.

_____
City Attorney

EXHIBIT "D"

Assignment and Assumption of Contract;

ASSIGNMENT AND ASSUMPTION OF CONTRACT

This Assignment and Assumption of Contract (the "Agreement") is entered into by and between THE CITY OF HURST ("Owner"), ANDALE CONSTRUCTION, INC. ("Contractor"), and HOLBROOK ASPHAL COMPANT, ("Co-Contractor").

WITNESSETH

WHEREAS, Contractor presently is the party identified as the Contractor and/or Bidder for Owner's High Density Mineral Bond Seal program identifies in Bid #24-004 ("Project") by virtue of the bid documents submitted to Owner by Contractor, together with all addenda identified therein (hereafter the "Contract").

WHEREAS, Contractor desires to assign and convey to Co-Contractor all of its rights, titles, obligations, and interest in and to the Contract, while CONTRACTOR also retains its rights, titles, obligations, and interests contained in the Contract Documents.

NOW, THEREFORE, in accordance with the Contract and in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed between the parties as follows:

1. Pursuant to Paragraph 6.1.1 of the *Standard Form of Agreement between the City of Hurst and Contractor* in the Contract, Contractor hereby assigns to Co-Contractor all of Contractor's rights, titles, obligations, and interest in and to the Contract. In making such assignment, CONTRACTOR also retains its rights, titles, obligations, and interests contained in the Contract Documents.

2. Co-Contractor hereby (a) accepts such assignment; and (b) assumes and agrees to perform as a direct obligation to Owner, all of the obligations of Bidder and Contractor under the Contract for those projects delegated to Co-Contractor.

3. Co-Contractor represents and warrants that is authorized by the product manufacturer to perform the work specified in the Contract Documents.

4. Owner, Contractor, and Co-Contractor agree to make the best efforts to develop procedures for the delegation of individual projects under the Contract.

5. Contractor is not released and discharged from any current obligations and liabilities under the Contract arising before the date hereof.

6. Prior to the approval of this Agreement, CO-CONTRACTOR shall furnish the applicable contract documents identified in Article 7 of the Contract. OWNER SHALL HAVE NO DUTY TO PAY OR PERFORM UNDER THIS CONTRACT UNTIL SUCH DOCUMENTS HAVE BEEN DELIVERED TO THE CITY

EXECUTED by Contractor this 28 day of April, 2024.

CONTRACTOR:

Andale Construction, Inc.

By Peter J. Molitor
Printed Name Peter J. Molitor
Title President

EXECUTED by Contractor this 22nd day of April, 2024.

CO-CONTRACTOR:

Holbrook

By
Printed Name MARK BEATTY
Title Sr VP

EXECUTED by Contractor this ____ day of _____, 20___.

OWNER:

CITY OF HURST

By
Printed Name Clay Caruthers
Title City Manager

CITY ATTORNEY
APPROVED TO FORM

By
Printed Name
Title

7. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

8. This Agreement may be executed in any number of counterparts, each of which may be deemed an original but all of which together shall constitute one and the same instrument.

9. This Agreement shall be governed and construed in accordance with the laws of the State of Texas.

10. Notwithstanding anything contained herein or in the Contract or any other agreement(s) between the Parties, CO-CONTRACTOR is not responsible or liable in any manner or form for any work performed by CONTRACTOR, either prior to or after the date of this Agreement.

[Signature Page Follows]

EXHIBIT "E"
Performance and Payment Bonds

INSERT HOLBROOKS ORIGINAL PAYMENT AND PERFORMANCE BONDS AFTER PURCHASED FOR HONDO

PERFORMANCE BOND

STATE OF TEXAS
COUNTY OF MEDINA

KNOW ALL MEN BY THESE PRESENTS: That Holbrook Asphalt, LLC. (Contractor) of the City of _____, County of _____, and State of Texas, as Principal, and _____ authorized under the Laws of the State of Texas to act as surety on bonds for principals, as Surety, are held and firmly bound unto City of Hondo (Owner), in the penal sum of _____ Dollars ($_____) for the payment whereof, the said Principal and Surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, by these presents:

WHEREAS, the Principal has entered into a certain written contract with the Owner, dated the _____ day of _____ _____, 20_____, for construction of: _____(the "Contract"), which Contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said Principal shall faithfully perform said Contract and shall in all respects duly and faithfully observe and perform all and singular the covenants, conditions and agreements in and by said Contract agreed and covenanted by the Principal to be observed and performed, within the time provided therein and any extensions thereof that may be granted by the Owner, and during the life of any guarantees or warranties contained in or required under said Contract, and shall also well and truly perform all the undertakings, covenants, terms, conditions and agreements of any and all modifications of said Contract that may hereafter be made, then this obligation shall be void; otherwise to remain in full force and effect;

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Chapter 2253 of the Texas Government Code as amended and all liabilities on this bond shall be determined in accordance with the provisions of said statute to the same extent as if it were copied at length herein.

Surety, for value received, stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract, or to work performed thereunder, or the plans, specifications, or drawings, accompanying the same, shall in anyway affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract, or the work to be performed thereunder.

IN WITNESS WHEREOF, the said Principal and Surety have signed and sealed this instrument on the _____ day of _____, 20_____.

_____	_____
Principal	Surety
BY:_____	BY:_____
TITLE:_____	TITLE:_____
ADDRESS:	PHYSICAL ADDRESS:
_____	_____
_____	_____
	MAILING ADDRESS FOR NOTICE OF CLAIMS:
	_____
	_____
	_____
	TELEPHONE:_____
	LOCAL RECORDING AGENT
	PERSONAL IDENTIFICATION NUMBER:
	_____

The name and address of the Resident Agent of Surety is:

_____

STATUTORY PAYMENT BOND

STATE OF TEXAS
COUNTY OF MEDINA

KNOW ALL MEN BY THESE PRESENTS: That Holbrook Asphalt, LLC. Contractor) of the City of _____, County of _____, and State of Texas, as Principal, and_____ authorized under the Laws of the State of Texas to act as surety on bonds for principals, as Surety, are held and firmly bound unto City of Hondo (Owner), in the penal sum of _____ Dollars ($_____) for the payment whereof, the said Principal and Surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, by these presents:

WHEREAS, the Principal has entered into a certain written contract with the Owner, dated the _____ day of _____ _____, 20__, for construction of: _____ _____(the "Contract"), which Contract is hereby referred to and make a part hereof as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION IS SUCH, that if the said Principal shall pay all claimants supplying labor and material to him or a Sub-Contractor in the prosecution of the work provided for in said Contract, then, this obligation shall be void; otherwise to remain in full force and effect;

PROVIDED, HOWEVER, That this bond is executed pursuant to the provisions of Chapter 2253 of the Texas Government Code as amended and all liabilities on this bond shall be determined in accordance with the provisions of said statute to the same extent as if it were copied at length herein.

Surety, for value received, stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract, or to work performed thereunder, or the plans, specifications, or drawings, accompanying the same, shall in anyway affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract, or the work to be performed thereunder.

IN WITNESS WHEREOF, the said Principal and Surety have signed and sealed this instrument on the _____ day of _____, 20__.

_____	_____
Principal	Surety
BY:_____	BY:_____
TITLE:_____	TITLE:_____
ADDRESS:	PHYSICAL ADDRESS:
_____	_____
_____	_____
_____	_____
	MAILING ADDRESS FOR NOTICE OF CLAIM:
	_____
	_____
	_____
	TELEPHONE:_____
	LOCAL RECORDING AGENT PERSONAL IDENTIFICATION NUMBER:
	_____

The name and address of the Resident Agent of Surety is:

_____

_____

_____

_____

EXHIBIT "F"
Contractor's Insurance Certificate

INSERT HOLBROOKS INSURANCE CERTIFICATE

HONDO

THIS IS GOD'S COUNTRY

City Council Communication

Title: **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 449-25 OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, APPOINTING THE CITY MANAGER AS THE AUTHORIZED REPRESENTATIVE TO ACT IN ALL MATTERS IN CONNECTION WITH THE CDBG DOWNTOWN REVITALIZATION PROGRAM - 2025 GRANT COMMITTING THE CITY TO PROVIDE MATCHING FUNDS TO SECURE AND COMPLETE GRANT.**

Date: February 24, 2025 ***From:***

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. 449-25 PARTICIPATE DRP

STAFF CONTACTS:

RESOLUTION NO. 449-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, APPOINTING THE CITY MANAGER AS THE AUTHORIZED REPRESENTATIVE TO ACT IN ALL MATTERS IN CONNECTION WITH THE CDBG DOWNTOWN REVITALIZATION PROGRAM – 2025 GRANT COMMITTING THE CITY TO PROVIDE MATCHING FUNDS TO SECURE AND COMPLETE GRANT.

WHEREAS, the City of Hondo, Texas is developing applications CDBG - Downtown Revitalization Program – 2025 (DRP) to improve the downtown area within the City;

WHEREAS, CDBG – DRP applicants are required to appoint an official to act as the Authorized Representative in all matters in connection with the Grant;

WHEREAS, CDBG - DRP Fund applicants are required to commit matching funds to secure and complete the Grant.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF Hondo, Texas:

Section 1. That the City of Hondo, Texas is authorized to submit an application for CDBG - Downtown Revitalization Program - 2025.

Section 2. That the City Manager be appointed the Authorized Representative to act on behalf of the city in all matters in connection with the DRP Grant.

Section 3. That the City is committing to provide matching funds in contribution to the DRP project.

PASSED AND APPROVED this 24TH day of FEBRUARY, 2025.

_____
John McAnelly Jr., Mayor

_____
Print Name

ATTEST:

_____
Rebekah Dolphus, City Secretary

_____
Print Name

HONDO

THIS IS GOD'S COUNTRY

City Council Communication

Title: **CONSIDERATION AND APPROVAL OF LEASE AGREEMENT WITH ALAMO WORKFORCE DEVELOPMENT AND THE CITY OF HONDO.**
Date: February 24, 2025 ***From:***

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. Alamo Workforce Lease STRTC 2.18.25

STAFF CONTACTS:

OFFICE LEASE

SOUTH TEXAS REGIONAL TRAINING CENTER

APPENDIX 1
BASIC TERMS

Lease Date:	_____, 2025
Tenant:	ALAMO WORKFORCE DEVELOPMENT, INC., a Texas non-profit corporation D/B/A WORKFORCE SOLUTIONS ALAMO
Address of Tenant:	Alamo Workforce Development, Inc., a Texas non-profit corporation d/b/a Workforce Solutions Alamo 100 N. Santa Rosa, Suite 120 San Antonio, Texas 78207
Contact:	Adrian Lopez, CEO Phone: Email: alopez@wsalamo.org
With a Copy to:	Martin & Drought, P.C. Attn: Frank B. Burney 112 E. Pecan St., STE 1616 San Antonio, Texas 78205 Phone: (210)227-7591 Email: fburney@mdtlaw.com
Tenant's Broker:	Dan Gostylo PCR Brokerage San Antonio, LLC d/b/a Partners 112 E. Pecan, Suite 1515 San Antonio, Texas 78216 (210) 601-1919 dan.gostylo@partnersrealestate.com
Landlord:	CITY OF HONDO, a home rule city and Texas municipal corporation
Address:	City of Hondo. 1600 Avenue M Hondo, Texas 78207
Contact:	City Manager Phone: (830) 426-3378
Landlord's Broker:	None.

Building: South Texas Regional Training Center (STRTC) located at 402 Carter, Hondo, Texas 78861

Site Location Name: Hondo STRTC

Premises: Approximate square feet located within the STRTC (the "Building"), consisting of the following:

Room	Square Footage
Large office	1,209
Conference room	414
Break room	176
Total Sq. Ft.	1,799

together with certain improvements located therein, together with non-exclusive ingress/egress thereto (the "Premises"); the Premises being more particularly described on **APPENDIX A**.

Term: 36 full months and no partial months

Commencement Date: _____, 2025

Rent Commencement Date: January 1, 2025

Termination Date: December 31, 2027

Extended Term: Tenant will have three (3) options to extend the term of the Lease for an additional three (3) years each with not less than thirty (30) days written notice. The Base Rental shall be increased by ten percent (10%) for each option to extend.

Base Rental: $ 26,121.48 per annum/ $2,176.79 per month
(See Paragraph 5.1)

Utilities: $247.37 per month
(See Paragraph 12.1)

Custodial Services: $220.00 per month
(See Paragraph 5.1.1)

Administrative Support: $264.00 per month
(See Paragraph 5.1.1)

Tenant's Liability Insurance:	Tenant will maintain a commercial general liability policy of not less than **$1 million** each for general aggregate limit and products/completed operations aggregate limit; and **$1 million** each for personal/advertising injury limit and per occurrence limit; **$100,000** for fire damage in any one fire and **$5,000** medical expense limit for any one person.
Tenant Improvements:	N/A
Security Deposit:	None.
Permitted Use:	General office use for providing workforce job placement services provided by Alamo Workforce Development, Inc. d/b/a Workforce Solutions Alamo. (See Paragraph 16)
Parking:	Tenant will have non-exclusive use of parking spots however Landlord may have to coordinate parking with Tenant for special events. (See Paragraph 9)

This **APPENDIX 1** containing the Basic Terms is incorporated into and made a part of the lease attached hereto (the "Lease").

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is made and entered into by and between **City of Hondo**, a Texas home rule city and political subdivision of the state of Texas ("Landlord") as lessor, and **Alamo Workforce Development, Inc. d/b/a Workforce Solutions Alamo**, a Texas Non-Profit Corporation ("Tenant"), as lessee.

1. **RECITALS**. Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord certain land, buildings, or portions thereof, as more particularly described in **APPENDIX 1** (the "Premises"), at the rental and subject to the terms, covenants and conditions set forth in this Lease.

2. **GRANT OF LEASE**. In consideration of the mutual obligations of Landlord and Tenant set forth in this Lease, Landlord leases to Tenant, and Tenant takes from Landlord, the Premises to have and to hold, subject to the terms, covenants and conditions in this Lease.

3. **Reserved.**

4. **TERM AND PREMISES**.

4.1 Lease Term. The Term of this Lease is set out on **APPENDIX 1**. If the Extended Term (defined in Paragraph 6.1) is exercised as permitted, then all references to the "Term" in this Lease will also include the period of time covered by the Extended Term.

4.2 Premises. The Premises are set out on **APPENDIX 1**.

4.3 Building Size. Landlord has the on-going right to increase the square footage of the Building.

4.4 Intentionally deleted.

4.5 Landlord's Access to Roof. Landlord reserves the right to exclusive possession of the rooftop and Landlord may grant access to third parties to use the Building's rooftop and may charge a fee to do so, provided, however, Tenant shall not be liable for the payment of any portion of any fee for any person or entity that is not Tenant to access the rooftop.

5. RENT.

5.1 Base Rental. Tenant agrees to pay to Landlord the Base Rental as set out on **APPENDIX 1**. The Base Rental will be prepaid monthly, on the first day of every month thereafter until the end of the Term. All payments due for any fractional month will be pro-rated. The amount set for Base Rental is fixed and will not be adjusted in the event a discrepancy is found in the actual square footage of the Premises. During the Extended Term, the Base Rental will increase as provided in Paragraph 6.1 below.

5.1.1 Additional Rent. As Additional Rent, Tenant agrees to pay to Landlord, on the same dates as payment of Base Rental, Utilities, Custodial Services and Administration Support in the amounts set out on **APPENDIX 1**.

5.2 Security Deposit. Intentionally omitted

6. EXTENDED TERM AND TENANT IMPROVEMENTS.

6.1 Extended Term. If authorized on **APPENDIX 1**, and as long as Tenant is not in default, Tenant may extend the Term as set out on **APPENDIX 1**, at the Base Rental Rate from the previous term plus ten percent (10%) thereof, provided, however, Tenant may extend only if Tenant gives written notice of such extension to Landlord no later than thirty (30) days prior to the date on which the Term would otherwise expire.

6.2 Initial Tenant Improvements. Intentionally Omitted.

6.3 Future Tenant Improvements. Tenant may, during the Term, construct improvements to the Premises in accordance with plans and specifications approved in advance by Landlord to be completed at the sole cost of Tenant and made in accordance with all the conditions set out in Section 12. **Contact Landlord's Property Manager at (830) 426-3380 before conducting any work on the Premises.**

7. COMMON AREA MAINTENANCE.

7.1 Common Area. At no charge to Tenant, Landlord will maintain the Common Areas of the property on which the Premises is located including but not limited to: roof maintenance and replacement (including keeping the roof free of leaks); landscape maintenance and replacement; parking lot maintenance and replacement; and all exterior lighting.

8. LANDLORD'S REPAIRS AND MAINTENANCE. Landlord, at its own cost and expense, will maintain the structural soundness of the: (i) roof structure; (ii) foundation; (iii) concrete floors; (iv) interior structural columns; and (v) exterior and interior walls of the Building, in good repair, REASONABLE WEAR AND TEAR AND DAMAGE CAUSED BY TENANT, ITS EMPLOYEES, CONTRACTORS OR AGENTS EXCLUDED. The term "walls" will not include windows, glass or plate glass, any doors, special store fronts or office entries, and the term "foundation" will not include loading docks and the term "concrete floors" will not include floor coverings, such as vinyl or carpeting. Tenant will promptly give Landlord written notice of any known defect or need for repairs, after which Landlord will have reasonable opportunity to make the repairs or cure the defect.

9. PARKING. Tenant will have the number of non-exclusive spaces set out on **APPENDIX 1**. No parking spaces will be designated for Tenant's exclusive use, unless otherwise indicated by Landlord. Tenant and its employees, customers and licensees have the right to use, without fee, or charge the common parking area adjacent to the Building, as designated in writing by Landlord, subject to (i) all rules and regulations promulgated by Landlord, and (ii) rights of

ingress and egress of other lessees or sublessees of Landlord. Landlord will not be responsible for enforcing Tenant's parking rights against any third parties.

10. ALTERATIONS, TRADE FIXTURES AND RETURN CONDITION.

10.1 Approvals for Alterations. Tenant will not make any alterations, additions or improvements ("Alterations") to the Premises that require permitting without the prior written approval of Landlord. Landlord's approval will require the submission of a complete set of plans and specifications ("Submissions"). Tenant will be responsible for compliance with The Americans with Disabilities Act of 1990, as amended, within the Premises only. Tenant will, during the construction of any Alterations, withhold a retainage equal to at least 10% of the cost of the Alterations until the expiration of 30 days following the completion thereof in order to protect the Premises and the Building against liens and encumbrances. All Alterations will be performed in compliance with all applicable governmental laws, regulations, codes, standards and any other requirements of Landlord and in a good and workmanlike manner so as not to damage or alter the primary structure or structural qualities of the Improvements or other improvements situated on the Premises.

10.2 Trade Fixtures. Tenant, at its own cost and expense, may erect shelves, bins, machinery and trade fixtures and special improvements necessary for its use as it desires, provided that: these items do not alter the basic character of the Premises or the Building; these items do not overload or damage same; these items may be removed without material injury to the Premises; and the construction, erection or installation thereof complies with all applicable governmental laws, ordinances and regulations.

10.3 Removal of Trade Fixtures/Return Condition of Premises. All shelves, bins, machinery, special improvements, trade fixtures and personal property installed by Tenant will be removed on or before the earlier to occur of the day of termination or expiration of this Lease or vacating of the Premises, at which time Tenant will restore the Premises to a useable condition, except for normal wear and tear; damage or destruction of the Premises or any part thereof which Landlord is required to repair or restore; and changes resulting from condemnation. The Tenant shall obtain approval from the Landlord regarding the process of removing trade fixtures.

11. SIGNS. Signs, including the size, location, design and content, will comply with the criteria provided by Landlord on **APPENDIX B** and will be subject to City code. Except as provided in this Section, Tenant may not place any other signs on the exterior of the Premises without Landlord's prior written approval. Tenant must apply for and receive a dig permit from Landlord prior to any digging or posting of signage. Tenant will, at Tenant's sole expense, repair, paint or replace the Building fascia surface to which its signs are or become attached upon Tenant's vacating the Premises or upon the removal or alteration of its signage. All signs, decorations, advertising media, blinds, draperies and other window treatment or bars or other security installations visible from outside the Premises must conform in all respects to the criteria established by Landlord. Tenant will not, without Landlord's prior written consent: make any changes to the exterior of the Premises, such as painting; install any exterior lights, decorations, flags, or banners; or erect or install any signs, windows or door lettering, placards, decorations or advertising media of any type that can be viewed from the exterior of the Premises.

12. UTILITIES.

12.1 Tenant's Share of Utility Charge. As Additional Rent, Tenant agrees to pay to Landlord, on the same dates as payment of Base Rental, an amount for utility charges in the amount set out on **APPENDIX 1**.

12.2 Interruption of Utility Service. Tenant has no rights or claims as a result of any failure, except that if the Premises are rendered unusable by Tenant in whole, or in substantial part, by reason of a material interruption in the supply of any utility service, which continues for more than 48 hours after written notice to Landlord by Tenant, rent will abate with respect to the portion of the Premises so affected from the end of the 48 hour period until the utility service is restored, unless the interruption is caused by the act or omission of Tenant, its employees, agents, contractors, invitees or acts of God or failure caused by the third party utility provider, in which event rent will not abate.

12.3 Utilities Exclusive to Landlord. All utility providers, including, but not limited to, water, chilled water, sanitary sewer, electricity, gas, telephone (except long distance, Internet access and cell phones), cable television and all future technologies related to the delivery of those utilities, will be only those chosen by Landlord and Tenant has no right to contract with or otherwise engage anyone to provide these utilities.

12.4 Telephone Services. Local exchange carriers such as AT&T and Spectrum provide dial tone and data service to the Building. Any communications service above standard voice-grade service, such as standard business lines, dial-up modem lines or single channel ISDN, may entail an additional cost to the Tenant. Tenant may contact Landlord's Property Manager for information on obtaining special services, such as T-1 service and dedicated data circuits, prior to entering into any contracts or agreements to obtain such service with local exchange carriers or other third-party providers. Tenant is responsible for installation of communication lines and systems to Tenant's desktops.

13. INSURANCE.

13.1 Landlord's Insurance.

(A) Property Insurance. Landlord will maintain "All-Risk" (broad form) insurance coverage for the full replacement cost of the Building (including the Premises) ("Landlord's Property Insurance"), but excluding Tenant's trade fixtures, equipment, inventory and personal property located therein (even that personal property owned by Landlord and leased or supplied to Tenant).

13.2 Tenant's Insurance. During the Term of this Lease, Tenant, at its expense, will maintain in effect:

(A) A policy of commercial general liability insurance, on an "occurrence basis," covering against all claims on account of death, bodily injury, personal injury and property damage,

occurring in connection with Tenant's use or occupancy of the Premises with policy limits as set out on **APPENDIX 1** ("Tenant's Liability Insurance").

(B) Workers' compensation or similar insurance affording not less than statutory coverage and providing not less than statutory limits of benefits ("Tenant's Workers' Compensation Insurance"); and

(C) "All-Risk" (broad form) insurance covering Tenant's furniture, trade fixtures, equipment, inventory and personal property located in, on or about the Premises (including that which is provided by Government or leased from Landlord) in an amount satisfactory to Tenant ("Tenant's Property Insurance"), provided, however, that Tenant may provide for this coverage through self-insurance.

13.3 Landlord as Additional Insured. Tenant's Liability Insurance will name Landlord as an additional insured. Such insurance will be issued by an insurance company which is reasonably acceptable to the Landlord and will not be canceled or materially changed unless 30 days prior written notice has been given to Landlord. Within 20 days of the Lease Date, Tenant will provide Landlord with a copy of Tenant's Liability Insurance policy and the additional insured endorsement thereto.

13.4 Prohibited Uses. Tenant will not permit the Premises to be used for any purpose or in any manner not permitted by this Lease that would: void the insurance thereon; increase by any material amount the insurance risk or cost thereof unless Tenant makes the payment required pursuant to the last sentence of this Paragraph 3.4; or cause the disallowance of any sprinkler credits; including without limitation, use of the Premises for the receipt, storage, handling or use of any product, material or merchandise that is explosive or highly inflammable, except as used by Tenant in the ordinary course of its business and in accordance with all applicable state and federal law.

14. FIRE AND CASUALTY DAMAGE.

14.1 Damage or Destruction. If 50% or less of the Premises is damaged by fire or any other casualty peril covered by Landlord's Property Insurance maintained by Landlord under Paragraph 13.1, then this Lease will not terminate and Landlord will receive the proceeds from Landlord's Property Insurance and will use those proceeds to substantially restore the Premises to its previous condition, except that Landlord will not be required to rebuild, repair or replace any part of the partitions, fixtures, additions and other improvements that may have been constructed, erected or installed in or about the Premises for the benefit of, by or for Tenant except for those constructed as initial tenant improvements. The rent will be abated on only the part of the Premises damaged and only so long as the damage was not caused by the acts or omissions of Tenant, its agents or invitees. If the damaged part of the Premises cannot be repaired within 180 days or if more than 50% of the Premises is damaged, then either Landlord or Tenant may terminate this Lease.

14.2 Lienholders' Rights in Proceeds. Notwithstanding anything herein to the contrary, if the damaged Premises cannot be restored within 12 months and, if the holder of any indebtedness

secured by a mortgage or deed of trust covering the Premises or this Lease requires that Landlord's Property Insurance proceeds be applied to such indebtedness, then Landlord has the right to: (i) use other resources to rebuild the Premises as set out in Paragraph 14.1; or (ii) terminate this Lease by delivering 60 days written notice of termination to Tenant.

15. LIABILITY.

15.1 Limits on liability of Individuals. Notwithstanding anything in this Lease to the contrary, it is specifically understood and agreed, such agreement being a primary consideration for the execution of this Lease by Tenant that: (i) there shall be no personal liability on the part of the trustees, members, partners, shareholders, officers, directors, employees, and agents of Tenant and their successors and assigns (collectively, the "Tenant Individuals") to Landlord with respect to any of the terms, covenants, and conditions of this Lease, and (ii) Landlord waives all claims, demands and causes of action against the Tenant Individuals in the event of any breach by Tenant of any of the terms, covenants, and conditions of this Lease to be performed by the Tenant; and (iii) Landlord shall look Tenant's interest and available remedies in this Lease for the satisfaction of each and every remedy of Landlord in the event of any breach by Tenant, or any other matter in connection with the Lease or the Premises.

15.2 Limits on Liability of Landlord, et al. Neither Landlord, nor its city council, agents, employees, appointed and elected officers or representatives, individually and collectively ("Landlord, Et Al") will be liable in any event for personal injury or loss of Tenant's property caused by fire, flood, water leaks, rain, hail, ice, snow, smoke, lightning, wind, explosion, interruption of utilities or other occurrences. Tenant will give prompt notice to Landlord of any significant accidents involving injury to persons or property. Furthermore, Landlord, Et Al, will not be responsible for lost or stolen personal property, equipment, money or jewelry from the Premises or from the public areas of the Building, regardless of whether such loss occurs when the area is locked against entry. Landlord, Et Al will not be liable to Tenant or Tenant's employees, customers or invitees for any damages or losses to persons or property caused by any sublessee or their agents or invitees anywhere on the Premises or in the Building, or for any damages or losses caused by theft, burglary, assault, vandalism or other crimes. Tenant will give Landlord prompt notice of any criminal conduct it actually observes within or about the Premises, or any personal injury or property damage caused thereby. Landlord may, but is not obligated to, enter into agreements with third parties for the provision, monitoring, maintenance and repair of any courtesy patrols or similar services or fire protective systems and equipment and, to the extent these are obtained at Landlord's sole discretion, Landlord, Et Al, will not be liable to Tenant for any damages, costs or expenses which occur for any reason in the event any such system or equipment is not properly installed, monitored or maintained or any such services are not properly provided. Landlord will use reasonable diligence in the maintenance of existing lighting, if any, in the parking areas servicing the Premises, and Landlord will not be responsible for additional lighting or any security measures in the Premises, the Building or the parking areas.

16. PERMITTED USE. The Premises will be used for the purpose set out on **APPENDIX 1** and for no other use or purpose without the prior written consent of Landlord, which may be withheld for any reason. Tenant will comply with all governmental laws, ordinances and regulations and will promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in, upon or connected with the Premises, all at Tenant's sole expense. Tenant will not permit any objectionable or unpleasant odors, smoke, dust, gas, noise or vibrations to emanate from the Premises, nor take any other action that would constitute a nuisance or would disturb, unreasonably interfere with or endanger Landlord or any other lessees or sublessees anywhere in the Building.

17. HAZARDOUS WASTE AND ENVIRONMENTAL LAW VIOLATIONS.

17.1 Definitions. The term "Hazardous Substances," as used in this Lease, means pollutants, contaminants, pesticides, toxic or hazardous wastes, radioactive materials or any other substances, the use or the removal of which is required or the use of which is restricted, prohibited or penalized by any "Environmental Law(s)," which term means any federal, state or local statute, ordinance, regulation or other law of a governmental authority relating to pollution or protection of the environment or the regulation of the storage or handling of Hazardous Substances.

17.2 Tenant's Activities Related to Hazardous Waste. Tenant agrees that:

(A) No activity will be conducted on the Premises that will produce any Hazardous Substances, except for activities that are part of the ordinary course of Tenant's business activities (the "Permitted Activities"), provided that the Permitted Activities are conducted in accordance with all Environmental Laws and timely written notice of compliance is provided to Landlord. Tenant is responsible for obtaining any required permits or authorizations and paying any fees and providing any testing required by any governmental agency and Tenant will provide Landlord with copies of all permits, authorization, notices of non-compliance and administrative actions;

(B) The Premises will not be used in any manner for the storage of any Hazardous Substances, except for the temporary storage of materials required to conduct Permitted Activities ("Permitted Materials") provided that the Permitted Materials are properly stored in a manner and location meeting the requirements of all Environmental Laws. Tenant is responsible for obtaining any required permits or authorizations and paying any fees and providing any testing required by any governmental agency, and Tenant must provide Landlord, upon request, documentation as reasonably required to satisfy Landlord of Tenant's compliance;

(C) Except for the Permitted Materials, Tenant will not permit any Hazardous Substances to be brought onto the Premises, and if so brought, they will be immediately removed, properly disposed of and, if spilled, all required clean-up procedures will be diligently undertaken by Tenant in accordance with all Environmental Laws and at Tenant's cost.

17.3 Inspection and Correction. Landlord and its agents and representatives have the right, but not the obligation, to enter the Premises upon notice for the purpose of inspecting the storage, use and disposal of any Permitted Materials or for any other reason to ensure compliance

with all Environmental Laws. If at any time during or after the Term of this Lease, the Premises are found to have been contaminated by Tenant or any of its agents or invitees with Hazardous Substances, Tenant will diligently institute clean-up procedures in accordance with the applicable requirements of governmental authorities, at Tenant's sole cost. Should Landlord determine that Tenant has caused contamination in violation of any Environmental Laws, Tenant shall have the right to retain a qualified independent third-party expert to determine the source of any contamination allegedly caused by Tenant.

18. RIGHT OF ENTRY AND CLOSEOUT INSPECTION.

18.1 Right of Entry. Landlord's agents and representatives have the right to enter the Premises at any reasonable time during business hours, with notice (or at any time in case of emergency): to inspect the Premises for any reason; to maintain, repair, connect, extend, and modify utilities; to make any other repairs as may be required or permitted pursuant to this Lease; and during the last 6 months of the Term, for the purpose of showing the Premises and to install signs stating the Premises are available for lease.

18.2 Closeout Inspection. Tenant will notify Landlord in writing at least 90 days prior to vacating the Premises and Tenant will arrange to meet with Landlord for a joint operational close-out inspection by Landlord's property manager. If Tenant fails to conduct the close out inspection with Landlord's property manager, then Landlord's close-out inspection of the Premises will be deemed correct for the purpose of determining Tenant's responsibility for repairs and restoration of the Premises, and Tenant's liability for environmental contamination.

19. ASSIGNMENT AND SUBLETTING.

19.1 Approval Required. Tenant will not have the right to sublet the Premises, assign or otherwise transfer or encumber this Lease, or any interest in this Lease, without the prior written consent of Landlord. Any attempted assignment, subletting, transfer or encumbrance by Tenant in violation of the terms and covenants of this Section 19 will be void.

20. CONDEMNATION. If 50% or more of the Premises are taken for any public or quasi-public use under governmental law, ordinance or regulation, or by right of eminent domain or private purchase in lieu thereof, and the taking prevents or interferes with the use of the remainder of the Premises for the purpose for which they were leased to Tenant, then this Lease will terminate and the rent will be abated during the unexpired portion of this Lease, effective on the date of taking. If less than 50% of the Premises are taken for any public or quasi-public use under any governmental laws, ordinance or regulation, or by right of eminent domain or private purchase in lieu thereof, or if the taking does not prevent or interfere with the use of the remainder of the Premises for the purpose for which they were leased to Tenant, then this Lease will not terminate, but the rent payable during the unexpired portion of this Lease will be proportionally reduced based on the amount of square footage by which the Premises are reduced as a result of any taking for any public or quasi-public use under governmental law, ordinance or regulation, or by right of eminent domain or private purchase in lieu thereof. All compensation awarded in connection with or as a result of any of the foregoing proceedings will be the property of Landlord, and Tenant hereby assigns any interest in any award to Landlord; except Landlord will have no interest in any award

made to Tenant for the loss of business or goodwill or for the taking of Tenant's trade fixtures and personal property or for relocation expense, whether or not a separate award for such items is made to Tenant. If the condemnation procedures of the relevant jurisdiction do not permit separate claims by landlords and tenants, Landlord's award will be equitably divided between Landlord and Tenant to compensate Tenant for lost tenant improvements installed by Tenant (not including Initial Tenant Improvements), business disruption, and the cost of moving Tenant's business and goods to an alternate location.

21. HOLDING OVER. At the termination of this Lease by its expiration or otherwise, Tenant will immediately deliver possession of the Premises to Landlord with all repairs and maintenance required in this Lease to be performed by Tenant completed. If, for any reason, Tenant retains possession of the Premises after the expiration or termination of this Lease, or unless the parties hereto otherwise agree in writing, Tenant's possession will be deemed to be a tenancy at will only, and all of the other terms and provisions of this Lease will be applicable during this hold-over period, except that Tenant will pay Landlord from time to time, upon demand, as rental an amount equal to 150% of the Base Rental, this amount computed on a daily basis for each day of such period. No holding over by Tenant, whether with or without consent of Landlord, will operate to extend this Lease except as otherwise expressly provided. The preceding provisions of this Section 21 will not be construed as consent for Tenant to retain possession of the Premises in the absence of written consent thereto by Landlord.

22. QUIET ENJOYMENT. Upon payment by Tenant of the Base Rental and all other sums due hereunder, and upon the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed, Tenant will peaceably and quietly hold and enjoy the Premises for the term hereby demised without hindrance or interruption by Landlord or any other person lawfully or equitably claiming by, through or under Landlord.

23. EVENTS OF DEFAULT. Each of the following events ("Event of Default") will be deemed to be a default in or breach of Tenant's obligations under this Lease:

23.1 Failure to Pay. If Tenant fails to pay any installment of the rent required herein when due, or any other payment or reimbursement to Landlord required in this Lease when due, and Tenant's failure continues for a period of 10-days after the date of written notice from Landlord, except Tenant is entitled to only two 10-day notices per each 12-month period, after which failure to pay is an immediate default.

23.2 Vacation or Abandonment. If Tenant vacates or abandons all or a substantial portion of the Premises for more than 6 months whether or not Tenant is in default of the rental payments due under this Lease.

23.3 Liens on Premises. If Tenant fails to discharge any lien placed upon the Premises in violation of Section 26 hereof within 30 days after any such lien or encumbrance is filed against the Premises.

23.4 All Other Lease Violations. If Tenant fails to comply with any term, provision or covenant of this Lease (other than those listed above in this Section 23) and has not cured such

failure within 30 days after the date of written notice from Landlord. If, however, the time required to return to compliance exceeds the 30-day period, Tenant will not be in default if Tenant, within the 30-day period, begins the actions necessary to bring it into compliance with this Lease in accordance with a compliance schedule submitted to, and accepted by Landlord.

23.5 Chronic Violations. If Tenant fails more than twice within any 12-month period to observe or perform any covenant, condition or agreement of this Lease (including the payment of rent, except as set out in Section 27.1), regardless of whether such defaults have been cured by Tenant, any subsequent default will at the election of Landlord, in its sole and absolute discretion, be deemed a non-curable Event of Default.

23.6 Falsification of Information. If Tenant or any agent of Tenant intentionally falsifies any report or misrepresents other material information required to be furnished to Landlord pursuant to this Lease.

23.7 Tenant's or Guarantor's Dissolution or Liquidation. The commencement of steps or proceedings toward the dissolution, winding up or other termination of the existence of the Tenant or of any guarantor of Tenant's obligations, or toward the liquidation of either of their respective assets.

23.8 Bankruptcy. The commencement of a case under any chapter of the Federal Bankruptcy Code by or against Tenant or any guarantor of Tenant's obligations hereunder, or the filing of a voluntary or involuntary petition proposing the adjudication of Tenant or any such guarantor as bankrupt or insolvent, or the reorganization of Tenant or any such guarantor, or an arrangement by Tenant or any such guarantor with its creditors, unless the petition is filed or case commenced by a party other than Tenant or any such guarantor and is withdrawn or dismissed within 60 days after the date of its filing.

23.9 Assignment or Attachment. The making of an assignment by Tenant or any guarantor of Tenant's Lease obligations for the benefit of its creditors, or if in any other manner Tenant's interest in this Lease passes to another by operation of law, including without limitation, by attachment, execution or similar legal process, which is not discharged or vacated with 60 days.

23.10 Appointment of Receiver or Trustee. The appointment of a receiver or trustee for the business or property of Tenant or any guarantor of Tenant's Lease obligations, unless such appointment is vacated within 30 days of its entry.

24. REMEDIES UPON DEFAULT.

24.1 Right to Terminate or Repossess. Upon each occurrence of an Event of Default, Landlord has the option to pursue any one or more of the following remedies without any additional notice or demand:

(A) Terminate this Lease;

(B) Make payments or take actions to fulfill whatever Tenant is obligated to pay or perform under the terms of this Lease to third parties, and Tenant agrees that Landlord will not be liable for any damages resulting to Tenant from such actions;

(C) And in the event that Landlord elects to terminate or repossess, Tenant will immediately vacate the Premises, and if Tenant fails to do so, Landlord, without waiving any other remedy it may have, may enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim of damages therefore. Landlord may change the locks for any Event of Default

24.2 Damages Upon Termination. If Landlord terminates this Lease pursuant to Paragraph 24.1, Tenant will be liable for and will pay to Landlord the sum of all rental and other payments owed to Landlord under this Lease accrued to the date of termination.

24.3 Late Charge. In the event Tenant fails to make any payment due under this Lease within 5 days after such payment is due, including, without limitation, any rental payment, in order to help defray the additional cost to Landlord for processing late payments and not as interest, Tenant will pay to Landlord on demand a late charge in an amount equal to 5% of such payment. The late charge will be in addition to all of Landlord's other rights and remedies under this Lease or at law and will not be construed as liquidated damages or as limiting Landlord's remedies in any manner.

24.4 Intentionally deleted.

24.5 No Implied Acceptances or Waivers. Exercise by Landlord of any one or more remedies hereunder or otherwise available will not be deemed to be an acceptance by Landlord of Tenant's surrender of the Premises, it being understood that Tenant's surrender can be effected only by the written agreement of Landlord. Tenant and Landlord further agree that forbearance by Landlord to enforce any of its rights under this Lease or at law or in equity will not be a waiver of Landlord's right to enforce any one or more of its rights, including any right previously forborne, in connection with any existing or subsequent default. Pursuit of any remedies provided in this Section 24 will not preclude the pursuit of any other remedy provided under this Lease or any other remedies provided by law, nor will pursuit of any remedy provided under this Lease constitute a forfeiture or waiver of any rent due to Landlord under this Lease or of any damages occurring to Landlord by reason of the violation of any of the terms, provisions and covenants contained in this Lease. Landlord's acceptance of any rent following an Event of Default under this Lease will not be construed as Landlord's waiver of the Event of Default. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants of this Lease will be deemed or construed to constitute a waiver of any other violation or default.

24.6 Reletting of Premises. In the event of any termination of this Lease and/or repossession of the Premises due to an Event of Default, Landlord will use objectively reasonable efforts to re-let the Premises and to collect rental after reletting in order to mitigate its damages, with no obligation to accept any lessee that Landlord deems undesirable or to expend any funds in connection with reletting or collection of rents therefrom. Landlord will be deemed

to have used objectively reasonable efforts if it does the following within thirty (30) days after taking possession of the Premises: (i) place a "For Lease" sign at the Premises, (ii) place the Premises on Landlord's inventory of available space, (iii) make Landlord's inventory available to area brokers on a monthly basis, and (iv) show the Premises to prospective tenants who request to see it.

24.7 Landlord's Default. If Landlord fails to perform any of its obligations under this Lease, including, without limitation, failing to provide Tenant with access to water, electricity, lavatory service, or heating, ventilation and air-conditioning (collectively, the "Essential Services"),Tenant's exclusive remedy for any Landlord default that does not involve the provision of one or more of the Essential Services will be an action for damages, but only after Tenant has given Landlord 30 days written notice and unless and until Landlord fails to cure the default. In the event that the Landlord fails to diagnose issues with one or more of the Essential Services within five (5) business days following receipt of written notice from Tenant, the Tenant shall be entitled to a proportional rent abatement for the period during which the Essential Services remain inoperable, until such time as the Essential Services are restored to full functionality. If the Landlord fails to restore the Essential Services within fifteen (15) business days after receiving written notice from the Tenant, the Tenant may terminate this Lease. However, the Landlord will not be deemed in default under this provision if the necessary parts or materials required for restoration are not readily available within the prescribed time frame, and the Landlord is actively working to obtain such parts or materials. All obligations of Landlord under this Lease will be construed as covenants, not conditions; and all such obligations will be binding upon Landlord only during the period of its possession of the Premises and not thereafter. The term "Landlord" will mean only the party identified in on **APPENDIX 1** and only until Landlord transfers its interest in the Premises, after which Landlord will be released and discharged from all covenants and obligations of Landlord thereafter accruing. Notwithstanding any other provision of this Lease, Landlord will not have any personal liability under this Lease and Tenant agrees to look solely to the equity or interest, (including rents), then owned by Landlord in the Premises or the Building. In no event will any deficiency judgment or any money judgment of any kind be sought or obtained against Landlord's directors, employees or agents**.**

24.8 Tenant's Personal Property. If Landlord repossesses the Premises, or if Tenant vacates or abandons all or any part of the Premises for more than 6 months, then Tenant will remove its personal property from the Premises and if Tenant does not remove its personal property within 30 days of Landlord's demand then in addition to Landlord's rights under this Section 24, Landlord has the right to (i) keep in place and use, or (ii) remove and store, all of the furniture, fixtures and equipment at the Premises, including that which is owned by or leased to Tenant, at all times prior to repossession by any lessor thereof or third party having a lien thereon. Landlord may dispose of the stored property if Tenant does not claim the property within 10 days after the date the property is stored. Landlord will give Tenant at least 10 days prior written notice of the intended disposition. Landlord will also have the right to relinquish possession of all or any portion of Tenant's furniture, fixtures, equipment and other property to any person legally entitled to request the release of Tenant's Property ("Claimant") who presents to Landlord a copy of any instrument represented by Claimant to have been executed by Tenant (or any predecessor of Tenant) granting Claimant the legal or equitable right to take possession

of Tenant's furniture, fixtures, equipment or other property. The rights of Landlord stated in this Paragraph 24.8 are in addition to any and all other rights that Landlord has or may hereafter have at law or in equity.

25. MORTGAGES. Tenant may not encumber its leasehold interest whether by mortgage or otherwise without obtaining Landlord's prior written consent. Tenant agrees that this Lease will be subordinate to any ground lease or underlying lease, first-lien mortgage or deed of trust or other first or second lien covering the Premises, upon and subject to the following terms and conditions. Tenant's subordination is conditioned on execution and delivery to Tenant by each lessor under a ground lease or underlying lease, each mortgagee, lien holder and beneficiary of a first- or second-lien deed of trust by whom subordination is requested, of a Subordination, Non-disturbance, and Attornment Agreement ("SNDA") reasonably acceptable to Tenant. With respect to any lessor, mortgagee, etc., whose interest is in existence prior to the beginning of the Term, Landlord agrees, upon written request of Tenant, to obtain a SNDA within 30 days of the execution of this Lease. The SNDA will be in recordable form and will recognize Tenant's rights under this Lease in the event Landlord's interest is terminated while this Lease is in effect. The SNDA will include a provision to the effect that in the event of a termination of the ground or underlying lease or foreclosure of the mortgage, deed of trust or other lien in favor of the secured party, or upon a sale of the property encumbered thereby pursuant to the trustee's power of sale, or upon a transfer of the Premises by deed in lieu of foreclosure, then for so long as Tenant is not in material default under the terms, covenants and conditions of this Lease, this Lease will continue in full force and effect as a direct lease between the owner or succeeding owner of the Premises, as landlord, and Tenant for the balance of the Term, upon and subject to all of the terms, covenants and conditions of this Lease. The SNDA will not in any event include any terms that are inconsistent with the terms of this Lease or that adversely affect Tenant's rights, or increase Tenant's obligations, under this Lease. Tenant will not pursue any remedy available to Tenant under this Lease for any default on the part of Landlord without first giving written notice by certified or registered mail, return receipt requested, to any mortgagee, trustee or holder of any mortgage or deed of trust, the name and post office address of which Tenant has received written notice, specifying the default in reasonable detail and affording the mortgagee, trustee or holder a reasonable opportunity (not less than 30 days) to make performance, at its election, for and on behalf of Landlord.

26. MECHANIC'S LIENS. The Premises are publicly owned property and are not subject to mechanic's and materialmen's liens under Texas law. Tenant has no authority, express or implied, to create or place any lien or encumbrance of any kind or nature whatsoever upon, or in any manner to bind, the interest of Landlord or Tenant in the Premises.

27. MISCELLANEOUS.

27.1 Termination based on Appropriations. The Landlord and Tenant acknowledge that Tenant is a non-profit corporation funded by both the state and federal governments and as such is subject to period budgetary appropriations. In the event that necessary funding is not appropriated by both the state and federal governments for any year during the Term of this Lease, Tenant may terminate this Lease upon written notice to Landlord. Such notice of

termination will set forth the effective date of termination, which will be no less than ninety (90) days from the date of Tenant's notice of termination.

27.2 Sovereign Immunity. Nothing in this Lease will be construed as a waiver of either the Landlord's or Tenant's sovereign immunity. This Lease will not constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to either Party under this lease. The failure to enforce, or any delay in the enforcement, of any privileges, rights, defenses, remedies, or immunities available to either Party under this Lease or under applicable law will not constitute a waiver of such privileges, rights, defenses, remedies, or immunities or be considered a basis for estoppel.

27.3 Consent by Landlord/Tenant. Whenever in this Lease, Landlord's or Tenant's consent, permission or approval is required and has been properly requested, such consent, permission or approval will not be unreasonably withheld, delayed or conditioned, unless such right has been specifically reserved elsewhere in this Lease.

27.4 Interpretation. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.

27.5 Binding Effect. Except as otherwise expressly provided in this Lease, the terms, provisions and covenants and conditions in this Lease apply to, inure to the benefit of and are binding upon the parties hereto and upon their respective successors and assigns. Landlord has the right to transfer and assign, in whole or in part, its rights and obligations in the Premises and in the Buildings and other property that are the subject of this Lease.

27.6 Evidence of Authority. Tenant represents, covenants and warrants to Landlord that (i) it is a duly formed entity in accordance with the applicable requirements of the jurisdiction in which it has been formed and, if such jurisdiction is other than the jurisdiction in which the Premises is located it is duly qualified in such jurisdiction to transact business, (ii) it has the full right, power and authority to enter into this Lease, (iii) any and all corporate or other such action necessary to approve and ratify the entering into of this Lease by Tenant has been taken (and Tenant agrees to provide evidence thereof to Landlord upon Landlord's request) and (iv) the person executing this Lease on behalf of Tenant has been empowered with all necessary authority to do so and thereby to bind Tenant fully to all of the terms and conditions hereof.

27.7 Force Majeure. Neither the Landlord nor Tenant, together with their respective agents, employees, officers and representatives, individually and collectively, will be held responsible for delays in the performance of its obligations under this Lease (including payment of Base Rental and Additional Rent and other payments owed by Tenant to Landlord) when caused by material shortages, acts of God, labor disputes or other events beyond the control of Landlord or Tenant, as the case may be.

27.8 Payments Constitute Rent. Notwithstanding anything in this Lease to the contrary, all amounts payable by Tenant to or on behalf of Landlord under this Lease, whether or not expressly denominated as rent, will constitute rent.

27.9 Entire Agreement. This Lease constitutes the entire understanding and agreement of Landlord and Tenant with respect to the subject matter of this Lease and contains all of the covenants and agreements of Landlord and Tenant with respect thereto. Landlord and Tenant each acknowledge that no representations, inducements, promises or agreements, oral or written, have been made by Landlord or Tenant, or anyone acting on behalf of Landlord or Tenant, which are not contained in this Lease, and any prior agreements, promises, negotiations or representations not expressly set forth in this Lease are of no force or effect. EXCEPT AS SPECIFICALLY PROVIDED IN THIS LEASE, TENANT HEREBY WAIVES THE BENEFIT OF ALL WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PREMISES, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY THAT THE PREMISES ARE SUITABLE FOR ANY PARTICULAR PURPOSE. THE PREMISES ARE HEREBY PROVIDED TO TENANT AND TENANT HEREBY ACCEPTS THE PREMISES AS-IS, WHERE-IS. Landlord's agents and employees do not and will not have authority to make oral exceptions, changes, or amendments to this Lease, or factual representations not expressly contained in this Lease. Under no circumstances will Landlord or Tenant be considered an agent of the other. This Lease may not be altered, changed or amended except by an instrument in writing signed by both parties hereto.

27.10 Repair of Premises Upon Termination. Upon the expiration or earlier termination of the Term hereof, and prior to Tenant vacating the Premises, Tenant will either repair or will pay to Landlord any amount reasonably estimated by Landlord as necessary to put the Premises in good condition and repair, reasonable wear and tear excluded as required of Tenant by Section 10.

27.11 Severability of Terms. If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the Term, then, in such event, it is the intention of the parties hereto that the remainder of this Lease will not be affected thereby, and it is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is determined to be illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in terms to the illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

27.12 Effective Date. All references in this Lease to "the date hereof" or similar references refer to the Lease Date.

27.13 Broker's Commission. Tenant represents and warrants that it has dealt with and will deal with no broker, agent or other person in connection with this Lease or extensions or amendments to this Lease other than the Tenant broker set out on **APPENDIX 1**, and that no other broker, agent or other person brought about this transaction. Tenant shall be solely responsible for claims by any broker, agent or other person claiming a commission or other form of compensation by virtue of having dealt with Tenant with regard to this leasing transaction. Landlord has not used the services of a broker in connection with this Lease unless set out in **APPENDIX 1**. Notwithstanding the foregoing, the brokers set out in **APPENDIX 1** are to be paid a commission by the Landlord per a separate agreement.

27.14 Ambiguity. Landlord and Tenant hereby agree and acknowledge that this Lease has been fully reviewed and negotiated by Landlord and Tenant and their respective legal counsel and, accordingly, in the event of any ambiguity in this Lease, Tenant waives the rule of construction that the ambiguity will be resolved against the party who prepared this Lease.

27.15 Intentionally deleted.

27.16 Third Party Rights. Nothing herein expressed or implied is intended, nor will be construed, to confer upon or give to any person or entity, other than Landlord and Tenant, together with their respective agents, employees, officers and representatives, individually and collectively, any right or remedy under or by reason of this Lease.

27.17 Exhibits and Attachments. All exhibits, attachments, riders and addenda referred to in this Lease, are incorporated into this Lease and made a part hereof for all intents and purposes as if fully set out in this Lease. All capitalized terms used in such documents will, unless otherwise defined therein, have the same meanings as are set forth in this Lease.

27.18 Applicable Law/Venue. This Lease will be governed in all respects by the laws of the State of Texas. Venue for any action brought under this Lease will be in Medina County, Texas, and nowhere else. It is the intent of Landlord and Tenant to conform strictly to all applicable state and federal usury laws. All agreements between Landlord and Tenant, whether now existing or hereafter arising and whether written or oral, are hereby expressly limited so that in no contingency or event whatsoever will the amount contracted for, charged or received by Landlord for the use, forbearance or retention of money hereunder or otherwise exceed the maximum amount which Landlord is legally entitled to contract for, charge or collect under the applicable state or federal law. If, from any circumstance whatsoever, fulfillment of any provision hereof would result in exceeding the legal maximum, then the obligation to be fulfilled will be automatically reduced to the legal maximum and, if from any circumstance, Landlord ever receives as interest or otherwise an amount in excess of the legal maximum, then that amount that would be excessive interest will be applied to the reduction of rent under this Lease and, if that amount that would be excessive interest exceeds the rent due, then that additional amount will be refunded to Tenant.

27.19 Time of Essence. Time is of the essence with respect to all of the rights and obligations of Tenant hereunder including, without limitation, Tenant's option rights contained in Paragraph 6.1 hereof if any.

27.20 Recording. At the request of either party, the parties will execute in recordable form a memorandum of this Lease for the purpose of giving notice to third parties of the existence of this Lease, the identity of the Premises, and the length of the Term and Extended Term. Either party may record a memorandum (but not the whole Lease) for the purpose of giving such notice.

27.21 Payment on Demand. Whenever used in this Lease, the phrase "payment on demand" means within 30 days of receipt of a bona fide and reasonably documented invoice.

29.22 Days. Whenever used in this Lease, the term "days" means calendar days.

27.23 Attorney's Fees/Legal Documents. In the event that any action or proceeding is brought to enforce any term, covenant or condition of this Lease on the part of Landlord or Tenant, the prevailing party in such litigation will be entitled to reasonable attorney's fees to be fixed by the court in such action or proceeding.

27.24 General Terms. As used in this Lease, the terms "herein," "herewith," and "hereof" are references to this Lease, taken as a whole, the term "includes" or "including" means "including, without limitation," and references to a "Section," "subsection," "Paragraph," "subparagraph," or "Appendix" means a Section, subsection, Paragraph, subparagraph or Appendix of this Lease, as the case may be, unless in any such case the context requires otherwise. All references to Landlord or Tenant include their successors and permitted assigns. All references to a given agreement, instrument or other document will be a reference to that agreement, instrument or other document as modified, amended, supplemented and restated through the date as of which such reference is made, and reference to a Law includes any amendment or modification thereof. The singular includes the plural and the masculine includes the feminine and neuter, and vice versa.

27.25 Intentionally deleted.

27.26 Counterparts. This Lease may be executed in multiple counterparts, each of which shall be deemed an original, and when taken together, the counterparts shall comprise this Lease. Any counterpart may be executed and delivered by facsimile, DocuSign, pdf, or other electronic transmission which shall be equally binding as originals.

28. NOTICES. Procedure for Notices. Each provision of this instrument or of any applicable governmental laws, ordinances, regulations and other requirements with reference to the sending, mailing or delivering of notice or the making of any payment by Landlord to Tenant or with reference to the sending, mailing or delivering of any notice or the making of any payment by Tenant to Landlord will be deemed to be complied with when and if the following steps are taken:

(A) All rent and other payments required to be made by Tenant to Landlord under this Lease will be payable to Landlord at the address for Landlord set forth on **APPENDIX 1** or at any other address as Landlord may specify from time to time by written notice delivered in accordance with this Section 28. Tenant's obligation to pay rent and any other amounts to Landlord under the terms of this Lease will not be deemed satisfied until the rent and other amounts have been actually received (as opposed to deemed received as under Paragraph 28 (C) below) by Landlord.

(B) All payments required to be made by Landlord to Tenant under this Lease will be payable to Tenant at the address set forth on **APPENDIX 1**, or at any other address within the continental United States as Tenant may specify from time to time by written notice delivered in accordance with this Section 28.

(C) Except as expressly provided elsewhere in this Lease, any written notice, document or payment required or permitted to be delivered under this Lease will be deemed to be delivered when received or, whether actually received or not, when deposited with Federal Express or 3 days after being mailed in the United States mail, postage prepaid, certified or registered mail, return receipt requested addressed as shown on **APPENDIX 1**.

29. RULES AND REGULATIONS. Tenant will abide by Landlord's Rules and Regulations for the Building, as set out on **APPENDIX B**.

[*Signature Pages Follow*]

LANDLORD SIGNATURE PAGE TO
OFFICE LEASE

DATED as of the date shown in **APPENDIX 1**.

LANDLORD:

CITY OF HONDO

By: _____
John Naron, City Manager

TENANT SIGNATURE PAGE TO
OFFICE LEASE

TENANT:

ALAMO WORKFORCE DEVELOPMENT, INC.,
a Texas non-profit corporation D/B/A WORKFORCE SOLUTIONS ALAMO

By: _____
Printed Name: _____
Title: _____

APPENDIX A

PREMISES

South Texas Regional Training Center (STRTC) is located at
402 Carter, Hondo, Texas 78861, and the Premises is described and/or shown, as follows:

[Map/Floor Plan to be provided.]

APPENDIX B

RULES AND REGULATIONS

The following rules and regulations will apply, where applicable, to the Property:

1. Sidewalks, doorways, vestibules, halls, stairways and other similar areas will not be obstructed by tenants or used by any tenant for any purpose other than ingress and egress to and from the premises and for going from one to another part of the Property.

2. Plumbing, fixtures and appliances will be used only for the purposes for which designed, and no sweepings, rubbish, rags or other unsuitable material will be thrown or placed therein. Damage resulting to fixtures or appliances from misuse by a tenant or such tenant's agents, employees or invitees will be paid by the tenant and Landlord will not in any case be responsible therefore.

3. No signs, advertisements or notices will be painted or affixed on or to any windows or doors or other exterior part of the Property (or be visible from any public or common area) unless their color, size, style and location are first approved in writing by Landlord. Landlord, at tenant's sole cost and expense, will install all letters or numerals by or on doors in tenant's leased premises that are in building standard graphics. No nails, hooks or screws will be driven or inserted in any part of the Building outside the premises except by the Building maintenance personnel nor will any part of the Building be defaced by tenants. No curtains or other window treatments will be placed between the glass and the Building standard window treatments.

4. Landlord will provide and maintain an alphabetical directory board for all tenants in the first floor (main lobby) of the Building and no other directory will be permitted without the prior, written consent of Landlord.

5. Two keys to the locks on the doors entering each tenant's Leased Premises will be furnished by Landlord free of charge, with any additional keys to be furnished by Landlord to each tenant, at tenant's cost. Landlord will provide all locks for other doors in each tenant's leased premises, at the cost of such tenant, and no tenant will place any additional lock or locks on any door in or to its leased premises without Landlord's prior written consent. All such keys will remain the property of Landlord.

6. With respect to work being performed by tenants in any leased premises with the approval of Landlord, tenants will refer all contractors, contractors' representatives and installation technicians to Landlord for Landlord's supervision, approval and control before the performance of any contractual services. This provision will apply to all work performed in the Building including, but not limited to, installation of telephones, telegraph equipment, electrical devices and attachments, doors, entranceways, and any and all installations of every nature affecting floors, walls, woodwork, trim, windows, ceilings and equipment.

7. Movement in or out of the Building of furniture or office equipment, or dispatch or receipt by tenants of any bulky material, merchandise or materials shall be coordinated with the Landlord. The tenants are to assume all risks of damage to articles moved and injury to persons, including but not limited to, equipment, property and personnel of Landlord if damaged or injured as a result of acts in connection with carrying out this service for a tenant from time of entering the property to completion of work. Landlord will not be liable for acts of any person engaged in, or any damage or loss to any property or persons resulting from, any act in connection with the service performed for a tenant. Tenant agrees to coordinate with Landlord's staff before services begin for Tenant.

8. Landlord has the right to prescribe the weight and position of safes and other heavy equipment or items, which will in all cases, stand on supporting devices approved by Landlord in order to distribute weight. All damage done to the Building by the installation or removal of any property of a tenant, or done by a tenant's property while in the Building, will be repaired at the expense of the tenant. Tenant will bear all costs incurred by Landlord or Tenant in determining the feasibility or actual installation of any heavy equipment.

9. A tenant will notify the Building manager when safes or other heavy equipment are to be taken in or out of the Building and the moving will be done under the supervision of the Building manager, after written permission from Landlord. Persons employed to move such property must be acceptable to Landlord.

10. Each tenant will cooperate with Landlord's employees in keeping its leased premises neat and clean.

11. Landlord will be in no way responsible to the tenants, their agents, employees or invitees for any loss of property from the leased premises or public areas or for any damages to any property thereon from any cause whatsoever.

12. To ensure orderly operation of the Building, no ice, mineral or other water, towels, newspapers, etc. will be delivered to any leased area except by persons appointed or approved by Landlord in writing.

13. If a tenant requires telegraphic, telephonic, annunciator or other communication service, Landlord will direct the electrician where and how wires are to be introduced and placed. Except as provided in each tenant's lease, electric current will not be used for heating or nonstandard power requirements without Landlord's prior written consent.

14. Tenant will not make or permit any improper, objectionable or unpleasant noises or odors in the Building or otherwise interfere in any way with other tenants or persons having business with them.

15. Nothing will be swept or thrown into the corridors, halls, elevator shafts or stairways. No birds or animals will be brought into or kept in, on or about any tenant's leased premises.

16. No portion of any tenant's leased premises will at any time be used or occupied as sleeping or lodging quarters.

17. Each tenant and its agents, employees and invitees will park only in those areas designated by Landlord for parking by such tenant and will not park on any public or private streets contiguous to, surrounding or in the vicinity of the Building without Landlord's prior written consent.

18. Landlord will not be responsible for lost or stolen property, money or jewelry from tenant's leased premises or public or common areas regardless of whether such loss occurs when the area is locked against entry or not.

HONDO

THIS IS GOD'S COUNTRY

City Council Communication

Title: **DISCUSS AND CONSIDER ACTION ON AWARDING RFP #24-003, AIRPORT MONUMENT SIGN PROJECT. (RYAN ELDER, DIRECTOR OF AVIATION)**
Date: February 24, 2025 ***From:*** Ryan Elder, Director of Aviation

INFORMATION:

The Airport, with assistance from Urban Engineers, issued an RFP for the construction of a new business sign located on Castro Ave near Hwy 90. The advertisement for a response by sealed bids only was issued on Jan 9th, 2025 with a closing date of Feb 6th, 2025. The city received 3 sealed bids as shown attached in the bid tabulation. Airport staff provided the Airport Advisory Board with all submissions for discussion that was conducted at the scheduled Board meeting on February 19, 2025. The Airport Advisory Board made the recommendation to award the project to Keller Signs not only for cost, but also for experience directly with Sign Construction. Within the bid documents, once we have selected/awarded a bidder, City may work with the contractor on value engineering and construction methods to potentially reduce project costs.

FINANCIAL IMPACT:

TBD, but no more than $153,000

STAFF RECOMMENDATION:

Staff recommends discussing and considering awarding the contract to Keller Signs in an effort to value engineer/construct the monument sign

MOTION:

Motion to award RFP# 24-003 Airport Monument Sign to Keller Signs in an amount not to exceed $153,000

ATTACHMENTS:

1. RFP 24-003-BidTab

STAFF CONTACTS:

Ryan Elder

Company	Project		Location
South Texas Regional Airport	RFP 24-003		Hondo, TX

ARCHITECT/ENGINEER	BID DATE
Urban Engineers	02/06/2025

BID QUANTITIES					*Keller Signs		Clearfield		J Poole Group	
REF #	BID ITEM #	ITEM DESCRIPTION	QTY.	UNIT	UNIT AMOUNT	BID	UNIT AMOUNT	BID	UNIT AMOUNT	BID
1	1.01	Mobilization	1	LS			$ 17,000.00	$ 17,000.00	$ 3,055.00	$ 3,055.00
2	1.02	Barricades/Markings	1	LS			$ 4,616.00	$ 4,616.00	$ 2,182.00	$ 2,182.00
3	1.03	Filter/Fabirc Fence	1	LS			$ 9,385.00	$ 9,385.00	$ 5,091.00	$ 5,091.00
4	1.04	Excavation/ & Embankment	1	LS			$ 18,739.00	$ 18,739.00	$ 14,544.00	$ 14,544.00
5	2.01A	Unit Masonry	1	LS			$ 40,607.00	$ 40,607.00	$ 43,973.00	$ 43,973.00
6	2.02A	Concrete Work	1	LS			$ 21,379.00	$ 21,379.00	$ 27,633.00	$ 27,633.00
7	2.03A	Limestone Veneer	1	LS			$ 8,535.00	$ 8,535.00	$ 33,131.00	$ 33,131.00
8	2.04A	Summary of Electrical Work	1	LS		$ 98,271.00	$ 19,231.00	$ 19,231.00	$ 48,576.00	$ 48,576.00
9	2.05A	Custom Sign/Display	1	LS		$ 43,510.00	$ 67,326.00	$ 67,326.00	$ 70,780.00	$ 70,780.00
		Alternate (Double Sided)								
10	2.04BA	Electrical Work					$ 16,539.00	$ 16,539.00	$ 2,500.00	$ 2,500.00
11	2.05BA	Custom Sign/Display				$ 10,839.00	$ 64,762.00	$ 64,762.00	$ 48,475.00	$ 48,475.00
				TOTAL BASE BID		$ 141,781.00		$ 206,818.00		$ 248,965.00
				TOTAL ALTERNATE		$ 10,839.00		$ 81,301.00		$ 50,975.00
				TOTAL BID AMOUNT		$ 152,620.00		$ 288,119.00		$ 299,940.00

* Keller Signs only provided a total cost and did not itemize

Council,

Following a more in-depth inspection, the downtown storage tank was found to have more extensive damage than originally anticipated. As a result, the repair cost will exceed the initial contract amount of $**454,000** by an additional **$485,000**. Unfortunately, given the tank's critical role in our water infrastructure, this repair is unavoidable. Please see the breakdown of costs below.

DST	
KSA PM	$ 109,200.00
NG BID	$ 454,000.00
Change Order	$ 485,000.00
Total	$ 1,048,200.00

New Total DST	
DST	$ 1,048,200.00
CO Bond	$ 750,000.00
Total	$ 298,200.00

To cover this overage of $298,000.00, I propose reallocating funds originally designated for water rights purchase. This situation highlights the long-term financial impact of deferred maintenance and reinforces the importance of proactive infrastructure investment.

I also want to take a moment to commend this Council's commitment to addressing critical repairs. Thanks to your support, we are making significant progress in strengthening our infrastructure and will continue moving forward under your leadership.

Please review the attached photos of the tank's condition and let me know if you have any questions.

Best regards,

John Naron

Change Order No. 1

Date of Issuance: 02/05/2025
Effective Date: 02/11/2025

Owner: City of Hondo
Owner's Contract No.:

Contractor: NG Painting, LP
Contractor's Project No.:

Engineer: KSA Engineers
Engineer's Project No.: 103150

Project: Hondo Downtown GST Rehab
Contract Name: Downtown GST Rehab

The Contract is modified as follows upon execution of this Change Order:

Description:
Damage to the sand foundation beneath the existing steel floor was discovered during construction. The floor of the ground storage tank will be replaced with new steel plate and the sand foundation beneath the steel plate will be repaired. The floor will be coated on the water facing side according to the specifications and uncoated on the foundation facing side according to the coating manufacturer's recommendations. Partially repairing the floor is infeasible because of the extent of foundation damage.

The existing tank roof and rafters were discovered during construction to be more heavily corroded than expected. Repairing the roof is infeasible because of the extent of the corrosion damage. The alternate bid items for removing and disposing of the existing roof (Item 19) and installing a new steel roof and appurtenances (Item 21) will be exercised and added to the scope of the project. Accompanying this addition, the scope of the roof and rafter repair of the existing tank will be reduced to exclude any roof repair (Item 14). A portion of Item 14 will remain to encompass the replacement of the rafters.

The contract price change has been calculated as follows:

Description	Cost Increase [+] or Decrease [-]
Add Tank Floor Replacement (new item)	+$130,000
Exercise Alternate: Remove and Dispose of Existing Tank Roof (Item 19)	+$120,000
Exercise Alternate: New Steel Roof and Appurtenances (Item 21)	+$265,000
Reduce Item Scope: Roof and Rafter Repair (Item 14)	-$30,000
Total	+$485,000

Attachments: NG Painting Cost Proposal

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIMES *[note changes in Milestones if applicable]*
Original Contract Price: $ 454,000	Original Contract Times: Substantial Completion: 120 Ready for Final Payment: 180 days or dates
[Increase] [Decrease] from previously approved Change Orders No. - to No. -: $ -	[Increase] [Decrease] from previously approved Change Orders No. - to No. -: Substantial Completion: - Ready for Final Payment: - days
Contract Price prior to this Change Order: $ 454,000	Contract Times prior to this Change Order: Substantial Completion: 120 Ready for Final Payment: 180 days or dates
[Increase] ~~[Decrease]~~ of this Change Order: $ 485,000	[Increase] [~~Decrease~~] of this Change Order: Substantial Completion: 35 Ready for Final Payment: 35 days or ~~dates~~
Contract Price incorporating this Change Order: $ 939,000	Contract Times with all approved Change Orders: Substantial Completion: 155 Ready for Final Payment: 215 days or dates

RECOMMENDED:		ACCEPTED:		ACCEPTED:	
By:	Blake West	By:		By:	
	Engineer (if required)		Owner (Authorized Signature)		Contractor (Authorized Signature)
Title:	Project Manager	Title		Title	President
Date:	02/04/2025	Date		Date	2-5-25

Approved by Funding Agency (if applicable)

By: n/a Date: n/a

Title: n/a